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

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year Ended December 31, 2010

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number	Exact Name of Registrant as Specified in its Charter; 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 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 19348-2473 (610) 765-5959	23-3064219
1-1839	**COMMONWEALTH EDISON COMPANY** **(an Illinois corporation)** 440 South LaSalle Street Chicago, Illinois 60605-1028 (312) 394-4321	36-0938600
000-16844	**PECO ENERGY COMPANY** **(a Pennsylvania corporation)** P.O. Box 8699 2301 Market Street Philadelphia, Pennsylvania 19101-8699 (215) 841-4000	23-0970240

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 and Chicago
PECO ENERGY COMPANY:	
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 III, each representing a 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

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

COMMONWEALTH EDISON COMPANY:

Common Stock Purchase Warrants, 1971 Warrants and Series B Warrants

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Exelon Corporation	Yes ☒	No ☐
Exelon Generation Company, LLC	Yes ☒	No ☐
Commonwealth Edison Company	Yes ☒	No ☐
PECO Energy Company	Yes ☒	No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Exelon Corporation	Yes ☐	No ☒
Exelon Generation Company, LLC	Yes ☐	No ☒
Commonwealth Edison Company	Yes ☐	No ☒
PECO Energy Company	Yes ☐	No ☒

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ 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. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

	Large Accelerated	Accelerated	Non-Accelerated	Small Reporting Company
Exelon Corporation	ü			
Exelon Generation Company, LLC			ü	
Commonwealth Edison Company			ü	
PECO Energy Company			ü	

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Exelon Corporation	Yes ☐	No ☒
Exelon Generation Company, LLC	Yes ☐	No ☒
Commonwealth Edison Company	Yes ☐	No ☒
PECO Energy Company	Yes ☐	No ☒

The estimated aggregate market value of the voting and non-voting common equity held by nonaffiliates of each registrant as of June 30, 2010, was as follows:

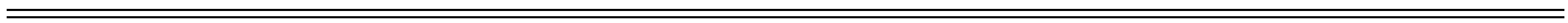
Exelon Corporation Common Stock, without par value	$ 25,082,540,918
Exelon Generation Company, LLC	Not applicable
Commonwealth Edison Company Common Stock, $12.50 par value	No established market
PECO Energy Company Common Stock, without par value	None

The number of shares outstanding of each registrant's common stock as of January 31, 2011 was as follows:

Exelon Corporation Common Stock, without par value	661,862,913
Exelon Generation Company, LLC	not applicable
Commonwealth Edison Company Common Stock, $12.50 par value	127,016,519
PECO Energy Company Common Stock, without par value	170,478,507

Documents Incorporated by Reference

Portions of the Exelon Proxy Statement for the 2011 Annual Meeting of Shareholders are incorporated by reference in Part III.



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GLOSSARY OF TERMS AND ABBREVIATIONS

Exelon Corporation and Related Entities	
Exelon	Exelon Corporation
Generation	Exelon Generation Company, LLC
ComEd	Commonwealth Edison Company
PECO	PECO Energy Company
BSC	Exelon Business Services Company, LLC
Exelon Corporate	Exelon's holding company
Exelon Transmission Company	Exelon Transmission Company, LLC
Exelon Wind	Exelon Wind, LLC and Exelon Generation Acquisition Company, LLC
Enterprises	Exelon Enterprises Company, LLC
Ventures	Exelon Ventures Company, LLC
AmerGen	AmerGen Energy Company, LLC
ComEd Funding	ComEd Funding LLC
CTFT	ComEd Transitional Funding Trust
PEC L.P.	PECO Energy Capital, L.P.
PECO Trust III	PECO Capital Trust III
PECO Trust IV	PECO Energy Capital Trust IV
PETT	PECO Energy Transition Trust
Registrants	Exelon, Generation, ComEd, and PECO, collectively

Other Terms and Abbreviations	
1998 restructuring settlement	PECO's 1998 settlement of its restructuring case mandated by the Competition Act
Act 129	Pennsylvania Act 129 of 2008
AEC	Alternative Energy Credit that is issued for each megawatt hour of generation from a qualified alternative energy source
AEPS Act	Pennsylvania Alternative Energy Portfolio Standards Act of 2004
AFUDC	Allowance for Funds Used During Construction
ALJ	Administrative Law Judge
AMI	Advanced Metering Infrastructure
ARC	Asset Retirement Cost
ARO	Asset Retirement Obligation
ARP	Title IV Acid Rain Program
ARRA of 2009	American Recovery and Reinvestment Act of 2009
ASLB	Atomic Safety Licensing Board
Block contracts	Forward Purchase Energy Block Contracts
CAIR	Clean Air Interstate Rule
CAMR	Federal Clean Air Mercury Rule
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act of 1980
CFL	Compact Fluorescent Light
Competition Act	Pennsylvania Electricity Generation Customer Choice and Competition Act of 1996
CPI	Consumer Price Index
CTC	Competitive Transition Charge
DOE	United States Department of Energy
DOJ	United States Department of Justice
DSP Program	Default Service Provider Program
EE&C	Energy Efficiency and Conservation/Demand

Other Terms and Abbreviations	
EGS	Electric Generation Supplier
EPA	Environmental Protection Agency
ERCOT	Electric Reliability Council of Texas
ERISA	Employee Retirement Income Security Act, as amended
EROA	Expected Rate of Return on Assets
ESPP	Employee Stock Purchase Plan
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FTC	Federal Trade Commission
GAAP	Generally Accepted Accounting Principles in the United States
GHG	Greenhouse Gas
GSA	Generation Supply Adjustment
GWh	Gigawatt hour
HAP	Hazardous air pollutants
HB 80	Pennsylvania House Bill No. 80
Health Care Reform Acts	Patient Protection and Affordable Care Act and Health Care and Education Reconciliation Act of 2010
IBEW	International Brotherhood of Electrical Workers
ICC	Illinois Commerce Commission
ICE	Intercontinental Exchange
IFRS	International Financial Reporting Standards
Illinois Act	Illinois Electric Service Customer Choice and Rate Relief Law of 1997
Illinois EPA	Illinois Environmental Protection Agency
Illinois Settlement Legislation	Legislation enacted in 2007 affecting electric utilities in Illinois
IPA	Illinois Power Agency
IRC	Internal Revenue Code
IRS	Internal Revenue Service
ISO	Independent System Operator
ISO-NE	ISO New England Inc.
kV	Kilovolt
kW	Kilowatt
kWh	Kilowatt-hour
LIBOR	London Interbank Offered Rate
LILO	Lease-In, Lease-Out
LLRW	Low-Level Radioactive Waste
LTIP	Long-Term Incentive Plan
MGP	Manufactured Gas Plant
MISO	Midwest Independent Transmission System Operator, Inc.
Moody's	Moody's Investor Service
mmcf	Million Cubic Feet
MRV	Market-Related Value
MW	Megawatt
MWh	Megawatt hour
NAAQS	National Ambient Air Quality Standards
NAV	Net Asset Value
NDT	Nuclear Decommissioning Trust
NEIL	Nuclear Electric Insurance Limited
NERC	North American Electric Reliability Corporation
NJDEP	New Jersey Department of Environmental Protection

Non-Regulatory Agreement Units	Former AmerGen nuclear generating units and portions of the Peach Bottom nuclear generating units whose decommissioning-related activities are not subject to contractual elimination under regulatory accounting
NOV	Notice of Violation
NPDES	National Pollutant Discharge Elimination System
NRC	Nuclear Regulatory Commission
NWPA	Nuclear Waste Policy Act of 1982
NYMEX	New York Mercantile Exchange
OCI	Other Comprehensive Income
OPEB	Other Postretirement Employee Benefits
PA DEP	Pennsylvania Department of Environmental Protection
PAPUC	Pennsylvania Public Utility Commission
PGC	Purchased Gas Cost Clause
PJM	PJM Interconnection, LLC
POLR	Provider of Last Resort
PPA	Power Purchase Agreement
PCCA	Pennsylvania Climate Change Act
PRP	Potentially Responsible Parties
PSEG	Public Service Enterprise Group Incorporated
PUHCA	Public Utility Holding Company Act of 1935
PURTA	Pennsylvania Public Realty Tax Act
RCRA	Federal Resource Conservation and Recovery Act
REC	Renewable Energy Credit which is issued for each megawatt hour of generation from a qualified renewable energy source
Regulatory Agreement Units	Former ComEd and former PECO nuclear generating units whose decommissioning-related activities are subject to contractual elimination under regulatory accounting
RFP	Request for Proposal
Rider	Reconcilable Surcharge Recovery Mechanism
RPM	PJM Reliability Pricing Model
RPS	Renewable Energy Portfolio Standards
RGGI	Regional Greenhouse Gas Initiative
RMC	Risk Management Committee
RTEP	Regional Transmission Expansion Plan
RTO	Regional Transmission Organization
S&P	Standard & Poor’s Ratings Services
SEC	United States Securities and Exchange Commission
SECA	Seams Elimination Charge/Cost Adjustments/Assignment
SERP	Supplemental Employee Retirement Plan
SFC	Supplier Forward Contract
SGIG	Smart Grid Investment Grant
SILO	Sale-In, Lease-Out
SMP	Smart Meter Program
SNF	Spent Nuclear Fuel
SSCM	Simplified Service Cost Method
Tax Relief Act of 2010	Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010
TEG	Termoelectrica del Golfo
TEP	Termoelectrica Penoles
VIE	Variable Interest Entity

FILING FORMAT

This combined Form 10-K is being filed separately by Exelon, Generation, ComEd and PECO. Information contained herein relating to any individual Registrant is filed by such Registrant on its own behalf. No Registrant makes any representation as to information relating to any other Registrant.

FORWARD-LOOKING STATEMENTS

Certain of the matters discussed in this Report are forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that are subject to risks and uncertainties. The factors that could cause actual results to differ materially from the forward-looking statements made by a Registrant include those factors discussed herein, including those factors with respect to such Registrant discussed in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operation, (c) ITEM 8. Financial Statements and Supplementary Data: Note 18 and (d) other factors discussed in filings with the SEC by the Registrants. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this Report. None of the Registrants undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this Report.

WHERE TO FIND MORE INFORMATION

The public may read and copy any reports or other information that a Registrant files with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. These documents are also available to the public from commercial document retrieval services, the web site maintained by the SEC at *www.sec.gov* and Exelon's website at *www.exeloncorp.com.* Information contained on Exelon's website shall not be deemed incorporated into, or to be a part of, this Report.

The Exelon corporate governance guidelines and the charters of the standing committees of its Board of Directors, together with the Exelon Code of Business Conduct and additional information regarding Exelon's corporate governance, are available on Exelon's website at *www.exeloncorp.com* and will be made available, without charge, in print to any shareholder who requests such documents from Bruce G. Wilson, Senior Vice President, Deputy General Counsel, and Corporate Secretary, Exelon Corporation, P.O. Box 805398, Chicago, Illinois 60680-5398.

PART I

ITEM 1. BUSINESS

General

Exelon, a utility services holding company, operates through its principal subsidiaries—Generation, ComEd and PECO—as described below, each of which is treated as a reportable segment by Exelon. See Note 20 of the Combined Notes to Consolidated Financial Statements for additional segment information.

Exelon was incorporated in Pennsylvania in February 1999. Exelon's principal executive offices are located at 10 South Dearborn Street, Chicago, Illinois 60603, and its telephone number is 312-394-7398.

Generation

Generation's business consists of its owned and contracted electric generating facilities, its wholesale energy marketing operations and its competitive retail supply operations. Generation has three reportable segments consisting of the Mid-Atlantic, Midwest, and South and West regions.

Generation was formed in 2000 as a Pennsylvania limited liability company. Generation began operations as a result of a corporate restructuring, effective January 1, 2001, in which Exelon separated its generation and other competitive businesses from its regulated energy delivery businesses at ComEd and PECO. Generation's principal executive offices are located at 300 Exelon Way, Kennett Square, Pennsylvania 19348, and its telephone number is 610-765-5959.

ComEd

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

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 440 South LaSalle Street, Chicago, Illinois 60605, and its telephone number is 312-394-4321.

PECO

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

PECO was incorporated in Pennsylvania in 1929. PECO's principal executive offices are located at 2301 Market Street, Philadelphia, Pennsylvania 19103, and its telephone number is 215-841-4000.

Generation

Generation is one of the largest competitive electric generation companies in the United States, as measured by owned and controlled MW. Generation combines its large generation fleet with an

experienced wholesale energy marketing operation and a competitive retail supply operation. Generation's presence in well-developed wholesale energy markets, integrated hedging strategy that mitigates the adverse impact of short-term market volatility, and low-cost nuclear generating fleet, which is operated consistently at high capacity factors, position it well to succeed in competitive energy markets.

At December 31, 2010, Generation owned generation resources with an aggregate net capacity of 25,619 MW, including 17,047 MW of nuclear capacity. Generation controlled another 6,139 MW of capacity through long-term contracts.

Generation's wholesale marketing unit, Power Team, draws upon Generation's energy generation portfolio and logistical expertise to ensure delivery of energy to Generation's wholesale customers under long-term and short-term contracts and in spot markets.

Generation's retail business provides retail electric and gas services as an unregulated retail energy supplier in Illinois, Pennsylvania, Michigan and Ohio. Generation's retail business is dependent upon continued deregulation of retail electric and gas markets and Generation's ability to obtain supplies of electricity and gas at competitive prices in the wholesale market.

Generation is a public utility under the Federal Power Act, which gives the FERC exclusive ratemaking jurisdiction over wholesale sales of electricity and the transmission of electricity in interstate commerce. Under the Federal Power Act, FERC has the authority to grant or deny market-based rates for sales of energy, capacity and ancillary services to ensure that such sales are just and reasonable. The FERC's jurisdiction over ratemaking also includes the authority to suspend the market-based rates of utilities (including Generation, which is a public utility as FERC defines that term) and set cost-based rates should the FERC find that its previous grant of market-based rates authority is no longer just and reasonable. Other matters subject to FERC jurisdiction include, but are not limited to, third-party financings; review of mergers; dispositions of jurisdictional facilities and acquisitions of securities of another public utility or an existing operational generating facility; affiliate transactions; intercompany financings and cash management arrangements; certain internal corporate reorganizations; and certain holding company acquisitions of public utility and holding company securities. Specific operations of Generation are also subject to the jurisdiction of various other Federal, state, regional and local agencies, including the NRC and Federal and state environmental protection agencies. Additionally, Generation is subject to mandatory reliability standards promulgated by the NERC, with the approval of the FERC.

RTOs exist in a number of regions to provide transmission service across multiple transmission systems. To date, PJM, the MISO, ISO-NE and Southwest Power Pool, have been approved as RTOs. These entities are responsible for regional planning, managing transmission congestion, developing larger wholesale markets for energy and capacity, maintaining reliability, market monitoring and the elimination or reduction of redundant transmission charges imposed by multiple transmission providers when wholesale customers take transmission service across several transmission systems.

Generating Resources

At December 31, 2010, the generating resources of Generation consisted of the following:

Type of Capacity	MW
Owned generation assets [(a)]	
Nuclear	17,047
Fossil [(b)]	6,189
Hydroelectric/Renewable [(c)]	2,383
Owned generation assets	25,619
Long-term contracts [(d)]	6,139
Total generating resources	31,758

(a) See "Fuel" for sources of fuels used in electric generation.
(b) Includes 933 MW of capacity related to Units 1 and 2 at Cromby Generating Station and Units 1 and 2 at Eddystone Generating Station, which were approved for retirement by the Exelon Board of Directors on December 1, 2009. See Note 14 of the Combined Notes to Consolidated Financial Statements for further details.
(c) Includes Exelon Wind assets acquired on December 9, 2010. See Note 3 of the Combined Notes to Consolidated Financial Statements for further details.
(d) Long-term contracts range in duration up to 21 years.

Generation has three reportable segments, the Mid-Atlantic, Midwest, and South and West, representing the different geographical areas in which Generation's power marketing activities are conducted and where Generation's owned and contracted generating resources are located. Mid-Atlantic represents Generation's operations primarily in Pennsylvania, New Jersey and Maryland (approximately 36% of capacity); Midwest includes the operations in Illinois, Indiana, Michigan and Minnesota (approximately 46% of capacity); and the South and West includes operations primarily in Texas, Georgia, Oklahoma, Kansas, Missouri, Idaho and Oregon (approximately 18% of capacity).

Nuclear Facilities

Generation has ownership interests in eleven nuclear generating stations currently in service, consisting of 19 units with an aggregate of 17,047 MW of capacity. Generation wholly-owns all of its nuclear generating stations, except for Quad Cities Generating Station (75% ownership), Peach Bottom Generating Station (50% ownership) and Salem Generating Station (Salem) (42.59% ownership). Generation's nuclear generating stations are all operated by Generation, with the exception of the two units at Salem, which are operated by PSEG Nuclear, LLC (PSEG Nuclear), an indirect, wholly owned subsidiary of PSEG. In 2010 and 2009, electric supply (in GWh) generated from the nuclear generating facilities was 82% and 81%, respectively, of Generation's total electric supply, which also includes fossil, hydroelectric and renewable generation and electric supply purchased for resale. See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations for further discussion of Generation's electric supply sources.

AmerGen Reorganization. AmerGen, a wholly owned subsidiary of Generation through January 8, 2009, owned and operated the Clinton Nuclear Power Station (Clinton), the Three Mile Island (TMI) Unit No. 1 and the Oyster Creek Generating Station (Oyster Creek) through that time. Effective January 8, 2009, AmerGen was merged into Generation, which now holds the operating licenses for Clinton, TMI and Oyster Creek.

Oyster Creek Station Shutdown. On December 8, 2010, in connection with the executed Administrative Consent Order (ACO) with the NJDEP, Exelon announced that Generation will permanently cease generation operations at Oyster Creek by December 31, 2019. See Note 18 of the Combined Notes to Consolidated Financial Statements for additional information regarding the closure of Oyster Creek.

Nuclear Operations. Capacity factors, which are significantly affected by the number and duration of refueling and non-refueling outages, can have a significant impact on Generation's results of operations. As the largest generator of nuclear power in the United States, Generation can negotiate favorable terms for the materials and services that its business requires. Generation's nuclear plants have historically benefited from minimal environmental impact from operations and a safe operating history.

During 2010 and 2009, the nuclear generating facilities operated by Generation achieved capacity factors of 93.9% and 93.6%, respectively. Generation aggressively manages its scheduled refueling outages to minimize their duration and to maintain high nuclear generating capacity factors, resulting in a stable generation base for Generation's short and long-term supply commitments and Power Team marketing and trading activities. During scheduled refueling outages, Generation performs maintenance and equipment upgrades in order to minimize the occurrence of unplanned outages and to maintain safe reliable operations.

In addition to the rigorous maintenance and equipment upgrades performed by Generation during scheduled refueling outages, Generation has extensive operating and security procedures in place to ensure the safe operation of the nuclear units. Generation has extensive safety systems in place to protect the plant, personnel and surrounding area in the unlikely event of an accident.

Regulation of Nuclear Power Generation. Generation is subject to the jurisdiction of the NRC with respect to the operation of its nuclear generating stations, including the licensing for operation of each unit. The NRC subjects nuclear generating stations to continuing review and regulation covering, among other things, operations, maintenance, emergency planning, security and environmental and radiological aspects of those stations. As part of its reactor oversight process, the NRC continuously assesses unit performance indicators and inspection results, and communicates its assessment on a semi-annual basis. As of December 31, 2010, the NRC categorized each unit operated by Generation in the Licensee Response Column, which is the highest performance band. The NRC may modify, suspend or revoke operating licenses and impose civil penalties for failure to comply with the Atomic Energy Act, the regulations under such Act or the terms of the operating licenses. Changes in regulations by the NRC may require a substantial increase in capital expenditures for nuclear generating facilities and/or increased operating costs of nuclear generating units.

Licenses. Generation has 40-year operating licenses from the NRC for each of its nuclear units and has received 20-year operating license renewals for Peach Bottom Units 2 and 3, Dresden Units 2 and 3, Quad Cities Units 1 and 2, Oyster Creek and Three Mile Island Unit 1. The following table summarizes the current operating license expiration dates for Generation's nuclear facilities in service:

Station	Unit	In-Service Date [(a)]	Current License Expiration
Braidwood [(b)]	1	1988	2026
	2	1988	2027
Byron [(b)]	1	1985	2024
	2	1987	2026
Clinton [(c)]	1	1987	2026
Dresden [(b)(e)]	2	1970	2029
	3	1971	2031
LaSalle [(b)]	1	1984	2022
	2	1984	2023
Limerick [(d)]	1	1986	2024
	2	1990	2029
Oyster Creek [(d)(e)(f)]	1	1969	2029
Peach Bottom [(d)(e)]	2	1974	2033
	3	1974	2034
Quad Cities [(b)(e)]	1	1973	2032
	2	1973	2032
Salem [(d)]	1	1977	2016
	2	1981	2020
Three Mile Island [(c)(e)]	1	1974	2034

(a) Denotes year in which nuclear unit began commercial operations.
(b) Stations previously owned by ComEd.
(c) Stations previously owned by AmerGen.
(d) Stations previously owned by PECO.
(e) Stations for which the NRC has issued a renewed operating licenses for Dresden Unit 2 and Unit 3.
(f) On December 8, 2010, Exelon announced that Generation will permanently cease generation operations at Oyster Creek by December 31, 2019. See Note 18 of the Combined Notes to Consolidated Financial Statements for additional information.

On May 29, 2009, a coalition of citizen groups filed a Petition for Review of the NRC's renewal of Oyster Creek's operating license in the United States Court of Appeals for the Third Circuit. Oral argument was held before the Court on January 5, 2011. If the appeal is successful, it is unlikely that it would result in a revocation of the renewed license; however, it could cause the NRC to impose additional conditions over the course of the period of extended operation.

On August 18, 2009, PSEG submitted an application to the NRC to extend the operating licenses of Salem Units 1 and 2 by 20 years. The NRC is expected to spend a total of 22 to 30 months to review the application before making a decision.

Generation expects to apply for and obtain approval of license renewals for the remaining nuclear units. The operating license renewal process takes approximately four to five years from the commencement of the renewal process until completion of the NRC's review. The NRC review process takes approximately two years from the docketing of an application. Each requested license renewal is expected to be for 20 years beyond the original license expiration. Depreciation provisions are based on the estimated useful lives of the stations, which reflect the actual and assumed renewal of operating licenses for all of Generation's operating nuclear generating stations.

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Nuclear Uprate Program. During 2009, Generation announced a series of planned power uprates across its nuclear fleet that will result in between 1,300 and 1,500 MW of additional generation capacity within eight years. The uprate projects represent a total investment of approximately $3.65 billion in overnight cost, as measured in 2010 dollars. Using proven technologies, the projects take advantage of new production and measurement technologies, new materials and learning from a half-century of nuclear power operations. Uprate projects, representing approximately 60% of the planned uprate MW, are underway at the Limerick and Peach Bottom nuclear stations in Pennsylvania and the Byron, Braidwood, Dresden, LaSalle and Quad Cities plants in Illinois. The remainder will come from additional projects across Generation's nuclear fleet beginning in 2011 and ending in 2017. At 1,500 nuclear-generated MW, the uprates would displace 8 million metric tons of carbon emissions annually that would otherwise come from burning fossil fuels. The uprates are being undertaken pursuant to an organized, strategically sequenced implementation plan. The implementation effort includes a periodic review and refinement of the projects in light of changing market conditions. As part of this periodic review process, the uprate project at Three Mile Island is currently under evaluation. The amount of expenditures to implement the plan ultimately will depend on economic and policy developments, and will be made on a project-by-project basis in accordance with Exelon's normal project evaluation standards. The ability to implement several projects requires the successful resolution of various technical issues. The resolution of these issues may affect the timing and amount of the power increases associated with the power uprate initiative. Through December 31, 2010, Generation has added 101 MWs of nuclear generation through its uprate program, with another 98 MWs scheduled to be added in 2011.

New Site Development. Generation is keeping open the option of a new nuclear plant located in Victoria County in southeast Texas; however, Generation has not made a decision to build a nuclear plant at this time. In response to the overall downturn of the economy and the projection of sustained, low natural gas prices, Exelon revised its new nuclear plant development strategy. Exelon had previously submitted a Combined Construction and Operating License (COL) application to the NRC for the Victoria site. On March 25, 2010, Exelon submitted an application for an Early Site Permit (ESP) application for the site and subsequently withdrew its COL application. The ESP allows Exelon to establish the suitability of the Victoria site, which lessens the amount of work to do should it later decide to reapply for a COL. Additionally, the ESP accommodates a variety of possible future plant designs, allowing for flexibility in selecting a reactor technology later as part of a COL application. If approved by the NRC, the ESP would effectively reserve the site for 20 years with the possibility of renewal for another 20 years. Any decision to build at the Victoria County site would be made later based on then current economics. The Exelon board authorized a budget of $130 million for the Victoria County project, of which a total of $108 million had been expensed through December 31, 2010. The review and approval schedule published by the NRC estimates final issuance of the ESP in late 2014.

Nuclear Waste Disposal. There are no facilities for the reprocessing or permanent disposal of SNF currently in operation in the United States, nor has the NRC licensed any such facilities. Generation currently stores all SNF generated by its nuclear generating facilities in on-site storage pools or in dry cask storage facilities. Since Generation's SNF storage pools generally do not have sufficient storage capacity for the life of the respective plant, Generation has developed dry cask storage facilities to support operations.

As of December 31, 2010, Generation had approximately 54,300 SNF assemblies (13,100 tons) stored on site in SNF pools or dry cask storage (this includes SNF at Zion Station, for which Generation retains ownership, see Note 12 of the Combined Notes to Consolidated Financial Statements for additional information regarding Zion Station Decommissioning). On-site dry cask storage in concert with on-site storage pools will be capable of meeting all current and future SNF storage requirements at Generation's sites through the end of the license renewal periods, and through

decommissioning. The following table describes the current status of Generation's SNF storage facilities.

Site	Date for loss of full core reserve [a]
Braidwood	2012
Byron	Dry cask storage in operation
Clinton	2018
Dresden	Dry cask storage in operation
LaSalle	Dry cask storage in operation
Limerick	Dry cask storage in operation
Oyster Creek	Dry cask storage in operation
Peach Bottom	Dry cask storage in operation
Quad Cities	Dry cask storage in operation
Salem	Dry cask storage in operation
Three Mile Island [b]	2023

(a) The date for loss of full core reserve identifies when the on-site storage pool will no longer have sufficient space to receive a full complement of fuel from the reactor core. Dry cask storage will be in operation at those sites prior to the closing of their on-site storage pools.
(b) The DOE previously has indicated it will begin accepting spent fuel in 2020. If this does not occur, Three Mile Island will need an onsite dry cask storage facility.

For a discussion of matters associated with Generation's contracts with the DOE for the disposal of SNF, see Note 18 of the Combined Notes to Consolidated Financial Statements.

As a by-product of their operations, nuclear generating units produce LLRW. LLRW is accumulated at each generating station and permanently disposed of at Federally licensed disposal facilities. The Federal Low-Level Radioactive Waste Policy Act of 1980 provides that states may enter into agreements to provide regional disposal facilities for LLRW and restrict use of those facilities to waste generated within the region. Illinois and Kentucky have entered into an agreement, although neither state currently has an operational site and none is anticipated to be operational until after 2020. 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 is currently utilizing on-site storage capacity at its nuclear generation stations for limited amounts of LLRW and has been shipping its Class A LLRW, which represent 93% of LLRW generated at its stations, to disposal facilities in Utah and South Carolina. The disposal facility in South Carolina at present is only receiving LLRW from LLRW generators in South Carolina, New Jersey (which includes Oyster Creek and Salem), and Connecticut. Generation has pending license amendments for its Peach Bottom and LaSalle stations that will allow it to store LLRW from its remaining stations that have limited capacity. If approved, there will enough storage capacity to store all Class B and C LLRW for the life of all stations in Generations nuclear fleet. Generation continues to pursue alternative disposal strategies for LLRW, including an LLRW reduction program to minimize cost impacts and on-site storage.

Nuclear Insurance. Generation is subject to liability, property damage and other risks associated with a major accidental outage at any of its nuclear stations. Generation has reduced its financial exposure to these risks through insurance and other industry risk-sharing provisions. See "Nuclear Insurance" within Note 18 of the Combined Notes to Consolidated Financial Statements for details.

For information regarding property insurance, see ITEM 2. Properties—Generation. Generation is self-insured to the extent that any losses may exceed the amount of insurance maintained or are within the policy deductible for its insured losses. Such losses could have a material adverse effect on Exelon's and Generation's financial condition and results of operations.

Decommissioning. NRC regulations require that licensees of nuclear generating facilities demonstrate reasonable assurance that funds will be available in specified minimum amounts at the end of the life of the facility to decommission the facility. See ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Exelon Corporation, Executive Overview; ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, Critical Accounting Policies and Estimates, Nuclear Decommissioning Asset Retirement Obligations and Nuclear Decommissioning Trust Fund Investments; and Notes 2, 8 and 12 of the Combined Notes to Consolidated Financial Statements for additional information regarding Generation's NDT funds and its decommissioning obligations.

Dresden Unit 1 and Peach Bottom Unit 1 have ceased power generation. SNF at Dresden Unit 1 is currently being stored in dry cask storage until a permanent repository under the NWPA is completed. All SNF for Peach Bottom Unit 1, which ceased operation in 1974, has been removed from the site and the SNF pool is drained and decontaminated. Generation's estimated liability to decommission Dresden Unit 1 and Peach Bottom Unit 1 was $182 million at December 31, 2010. As of December 31, 2010, NDT funds set aside to pay for these obligations were $330 million.

Zion Station Decommissioning. On December 11, 2007, Generation entered into an Asset Sale Agreement (ASA) with EnergySolutions Inc. and its wholly owned subsidiaries, EnergySolutions, LLC. (EnergySolutions) and ZionSolutions, under which ZionSolutions has assumed responsibility for decommissioning Zion Station, which is located in Zion, Illinois and ceased operation in 1998.

On September 1, 2010, Generation and EnergySolutions completed the transactions contemplated by the ASA. Specifically, Generation transferred to ZionSolutions substantially all of the assets (other than land) associated with Zion Station, including assets held in related NDT funds. In consideration for Generation's transfer of those assets, ZionSolutions assumed decommissioning and other liabilities associated with Zion Station. Pursuant to the ASA, ZionSolutions can periodically request reimbursement from the Zion Station-related NDT funds for costs incurred related to the decommissioning efforts at Zion Station. However, ZionSolutions is subject to certain restrictions on its ability to request reimbursement; specifically, if certain milestones as defined in the ASA are not met, all or a portion of requested reimbursements shall be deferred until such milestones are met. See Note 12 of the Combined Notes to Consolidated Financial Statements for additional information regarding Zion Station Decommissioning.

Fossil, Hydroelectric and Renewable Facilities

Generation operates various fossil, hydroelectric and renewable facilities and maintains ownership interests in several other facilities including LaPorte, Keystone, Conemaugh and Wyman, which are operated by third parties. In 2010 and 2009, electric supply (in GWh) generated from owned fossil, hydroelectric and renewable generating facilities was 6% of Generation's total electric supply. The majority of this output was dispatched to support Generation's power marketing activities. For additional information regarding Generation's electric generating facilities, see ITEM 2. Properties—Generation.

John Deere Renewables**.** On December 9, 2010, Generation acquired all of the equity interests of John Deere Renewables, LLC (now known as Exelon Wind), a leading operator and developer of wind power, for approximately $893 million in cash. Generation acquired 735 MWs of installed, operating wind capacity located in eight states. Approximately 75% of the operating portfolio's expected output is already sold under long-term power purchase arrangements. Additionally, Generation will pay up to $40 million related to three projects with a capacity of 230 MWs which are currently in advanced stages of development, contingent upon meeting certain contractual commitments related to the commencement of construction of each project. This contingent consideration was valued at $32 million of which approximately $16 million has been recorded as a current liability and the remainder has been recorded as a noncurrent liability. As a result, total

consideration recorded for the Exelon Wind acquisition was $925 million. See Note 3 of the Combined Notes to Consolidated Financial Statements for additional information regarding the Exelon Wind acquisition.

Plant Retirements. On December 2, 2009, Exelon announced its intention to permanently retire three coal-fired generating units and one oil/gas-fired generating unit, effective May 31, 2011. The units to be retired are Cromby Generating Station (Cromby) Unit 1 and Unit 2 and Eddystone Generating Station (Eddystone) Unit 1 and Unit 2. These actions were in response to the economic outlook related to the continued operation of these four units. Subsequently, PJM determined that transmission reliability upgrades will be necessary to alleviate reliability impacts and that those upgrades will be completed in a manner that will permit Generation's retirement of the units on the following schedule: Cromby Unit 1 and Eddystone Unit 1 on May 31, 2011; Cromby Unit 2 on December 31, 2011; and Eddystone Unit 2 on June 1, 2012. These dates are dependent upon the completion of required transmission reliability upgrades and may be subject to further change. Generation revised the depreciable useful lives for the affected units to reflect the revised deactivation dates. For more information regarding plant retirements, see Note 14 of the Combined Notes to Consolidated Financial Statements.

Licenses. Fossil and renewable generation plants are generally not licensed, and, therefore, the decision on when to retire plants is, fundamentally, a commercial one. FERC has the exclusive authority to license most non-Federal hydropower projects located on navigable waterways or Federal lands, or connected to the interstate electric grid. The license for the Conowingo Hydroelectric Project expires on August 31, 2014 and for the Muddy Run Pumped Storage Facility Project expires on September 1, 2014. In March 2009, Generation filed a Pre-Application Document and Notice of Intent to renew the licenses, pursuant to FERC relicensing requirements. For those plants located within the control areas administered by PJM or the New England control area administered by ISO-NE, notice is required to be provided to PJM or ISO-NE, as applicable, before a plant can be retired.

Insurance. Generation does not purchase business interruption insurance for its wholly owned fossil and hydroelectric operations. Generation maintains both property damage and liability insurance. For property damage and liability claims, Generation is self-insured to the extent that losses are within the policy deductible or exceed the amount of insurance maintained. Such losses could have a material adverse effect on Exelon and Generation's financial condition and their results of operations and cash flows. For information regarding property insurance, see ITEM 2. Properties—Generation.

Long-Term Contracts

In addition to energy produced by owned generation assets, Generation sells electricity purchased under the following long-term contracts in effect as of December 31, 2010:

Seller	Location	Expiration	Capacity (MW)
Kincaid Generation, LLC	Kincaid, Illinois	2013	1,108
Tenaska Georgia Partners, LP [(a)]	Franklin, Georgia	2030	945
Tenaska Frontier, Ltd	Shiro, Texas	2020	830
Green Country Energy, LLC [(b)]	Jenks, Oklahoma	2022	778
Elwood Energy, LLC	Elwood, Illinois	2012	775
Lincoln Generating Facility, LLC	Manhattan, Illinois	2011	664
Wolf Hollow	Granbury, Texas	2023	350
Old Trail Windfarm, LLC	McLean, Illinois	2026	198
Others [(c)]	Various	2011 to 2028	491
Total			6,139

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(a) Generation has sold its rights to 945 MW of capacity, energy, and ancillary services supplied from its existing long-term contract with Tenaska Georgia Partners, LP through a PPA with Georgia Power, a subsidiary of Southern Company for a 20 year period that began on June 1, 2010.
(b) Commencing June 1, 2012 and lasting for 10 years, Generation has agreed to sell its rights to 520 MW, or approximately two-thirds, of capacity, energy, and ancillary services supplied from its existing long-term contract with Green Country Energy, LLC through a PPA with Public Service Company of Oklahoma, a subsidiary of American Electric Power Company, Inc..
(c) Includes long-term capacity contracts with seven counterparties.

Fuel

The following table shows sources of electric supply in GWh for 2010 and estimated for 2011:

	Source of Electric Supply [(a)]	
	2010	2011 (Est.)
Nuclear	140,010	139,375
Purchases—non-trading portfolio	21,062	18,055
Fossil, renewable and hydroelectric	10,717	11,253
Total supply	171,789	168,683

(a) Represents Generation's proportionate share of the output of its generating plants.

The fuel costs for nuclear generation are substantially less than for fossil-fuel generation. Consequently, nuclear generation is generally the most cost-effective way for Generation to meet its wholesale obligations, including to ComEd and PECO, and some of Generation's retail business requirements.

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 and the fabrication of fuel assemblies. Generation has uranium concentrate inventory and supply contracts sufficient to meet all of its uranium concentrate requirements through 2015. Generation's contracted conversion services are sufficient to meet all of its uranium conversion requirements through 2015. All of Generation's enrichment requirements have been contracted through 2012. Contracts for fuel fabrication have been obtained through 2013. Generation does not anticipate difficulty in obtaining the necessary uranium concentrates or conversion, enrichment or fabrication services to meet the nuclear fuel requirements of its nuclear units.

Coal is procured primarily through annual supply contracts, with the remainder supplied through either short-term contracts or spot-market purchases.

Natural gas is procured through annual, monthly and spot-market purchases. Some fossil generation stations can use either oil or natural gas as fuel. Fuel oil inventories are managed so that in the winter months sufficient volumes of fuel are available in the event of extreme weather conditions and during the remaining months to take advantage of favorable market pricing.

Generation uses financial instruments to mitigate price risk associated with certain commodity price exposures. Generation also hedges forward price risk with both over-the-counter and exchange-traded instruments. See Item 1A. Risk Factors, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, Critical Accounting Policies and Estimates and Note 9 of the Combined Notes to Consolidated Financial Statements for additional information regarding derivative financial instruments.

Power Team

Generation's wholesale marketing and retail electric supplier operations include the physical delivery and marketing of power obtained through its generation capacity and through long-term, intermediate-term 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 PPAs. PPAs are commitments related to power generation of specific generation plants and/or are dispatchable in nature similar to asset ownership. Generation enters into PPAs as part of its overall strategic plan, with objectives such as obtaining low-cost energy supply sources to meet its physical delivery obligations to customers and assisting customers to meet renewable portfolio standards. Generation may buy power to meet the energy demand of its customers, including ComEd and PECO. These purchases may be for more than the energy demanded by Power Team's customers. Power Team then sells this open position, along with capacity not used to meet customer demand, in the wholesale electricity markets. Where necessary, Generation also purchases transmission service to ensure that it has reliable transmission capacity to physically move its power supplies to meet customer delivery needs in markets without an organized RTO. Generation also incorporates contingencies into its planning for extreme weather conditions, including potentially reserving capacity to meet summer loads at levels representative of warmer-than-normal weather conditions.

Generation also manages the price and supply risks for energy and fuel associated with generation assets and the risks of power marketing activities. Generation implements a three-year ratable sales plan to align its hedging strategy with its financial objectives. Generation also enters into transactions that are outside of this ratable sales plan, such as a financial swap with ComEd that is described below and runs into 2013. However, except for the ComEd swap arrangement, Generation is exposed to relatively greater commodity price risk beyond 2011 for which a larger portion of its electricity portfolio may be unhedged. Generation has been and will continue to be proactive in using hedging strategies to mitigate this risk in subsequent years. As of December 31, 2010, the percentage of expected generation hedged was 90%-93%, 67%-70%, and 32%-35% for 2011, 2012 and 2013, respectively. The percentage of expected generation hedged is the amount of equivalent sales divided by the expected generation. Expected generation represents the amount of energy estimated to be generated or purchased through owned or contracted capacity. Equivalent sales represent all hedging products, which include cash flow hedges, other derivatives and certain non-derivative contracts, including sales to ComEd and PECO to serve their retail load. A portion of Generation's hedging strategy may be implemented through the use of fuel products based on assumed correlations between power and fuel prices, which routinely change in the market. The trading portfolio is subject to a risk management policy that includes stringent risk management limits including volume, stop-loss and value-at-risk limits to manage exposure to market risk. Additionally, the corporate risk management group and Exelon's RMC monitor the financial risks of the power marketing activities. Generation also uses financial and commodity contracts for proprietary trading purposes, but this activity accounts for only a small portion of Generation's efforts.

At December 31, 2010, Generation's short and long-term commitments relating to the purchase and sale of energy and capacity from and to unaffiliated utilities and others were as follows:

(in millions)	Net Capacity Purchases (a)	Power Only Purchases (b)	Power Only Sales	Transmission Rights Purchases (c)
2011	$ 291	$ 60	$ 1,632	$ 9
2012	274	17	758	9
2013	151	—	314	6
2014	147	—	149	—
2015	141	—	150	—
Thereafter	940	—	670	—
Total	$ 1,944	$ 77	$ 3,673	$ 24

(a) Net capacity purchases include PPAs and other capacity contracts that are accounted for as operating leases. Amounts presented as commitments represent Generation's expected payments under these arrangements at December 31, 2010, including certain capacity charges which are subject to plant availability.
(b) Excludes renewable energy PPA contracts that are contingent in nature.
(c) Transmission rights purchases include estimated commitments for additional transmission rights that will be required to fulfill firm sales contracts.

ComEd procures all of its electricity through a competitive procurement process, through which Generation supplies a portion of ComEd's load. Additionally, in order to fulfill a requirement of the Illinois Settlement, Generation and ComEd entered into a five-year financial swap contract that expires on May 31, 2013. See ComEd—Retail Electric Services, Procurement Related Proceedings for additional information regarding ComEd's procurement-related proceedings and the financial swap contract.

Generation had a PPA with PECO under which Generation supplied PECO with all of PECO's electric supply needs through December 31, 2010. Generation supplied electricity to PECO from its portfolio of generation assets, PPAs and other market sources. As of January 1, 2011, PECO procures all of its electricity through a competitive procurement process, through which Generation will continue to supply a portion of PECO's load. See PECO—Retail Electric Services, Procurement Related Proceedings for additional information regarding PECO's competitive, full-requirements energy-supply procurement process after 2010.

Capital Expenditures

Generation's business is capital intensive and requires significant investments in energy generation and in other internal infrastructure projects. Generation's estimated capital expenditures for 2011 are as follows:

(in millions)	
Nuclear fuel (a)	$1,025
Production plant	850
Uprates	475
Wind	225
Total	$2,575

(a) Includes Generation's share of the investment in nuclear fuel for the co-owned Salem plant

ComEd

ComEd is engaged principally in the purchase and regulated retail sale of electricity and the provision of distribution and transmission services to a diverse base of residential, commercial and industrial customers in northern Illinois. ComEd is a public utility under the Illinois Public Utilities Act subject to regulation by the ICC related to distribution rates and service, the issuance of securities, and certain other aspects of ComEd's business. ComEd is a public utility under the Federal Power Act subject to regulation by FERC related to transmission rates and certain other aspects of ComEd's business. Specific operations of ComEd are also subject to the jurisdiction of various other Federal, state, regional and local agencies. Additionally, ComEd is subject to mandatory reliability standards set by the NERC.

ComEd's retail service territory has an area of approximately 11,300 square miles and an estimated population of 9 million. The service territory includes the City of Chicago, an area of about 225 square miles with an estimated population of 3 million. ComEd has approximately 3.8 million customers.

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 2011 to 2066. ComEd anticipates working with the appropriate agencies to extend or replace the franchise agreements prior to expiration.

ComEd's kWh sales and peak electricity load are generally higher during the summer and winter months, when temperature extremes create demand for either summer cooling or winter heating. ComEd's highest peak load occurred on August 1, 2006 and was 23,613 MW; its highest peak load during a winter season occurred on January 15, 2009 and was 16,328 MW.

Retail Electric Services

Under Illinois law, transmission and distribution service is regulated, while electric customers are allowed to purchase generation from a competitive electric generation supplier.

At December 31, 2010, approximately 66,200 retail customers (primarily commercial and industrial customers), representing approximately 52% of ComEd's annual retail kWh sales, had elected to purchase their electricity from a competitive electric generation supplier. There are currently a minimal number of residential customers being served by alternate suppliers. Customers who receive electricity from a competitive electric generation supplier continue to pay a delivery charge to ComEd. Under the current regulatory mechanisms in effect, ComEd is permitted to recover its electricity procurement costs from retail customers, without mark-up. Thus, although energy sales affect ComEd's reported revenues, they do not affect its net income, as the energy sales are offset by equal amount of purchased power expense.

Under Illinois law, ComEd is required to deliver electricity to all customers. ComEd's obligation to provide generation supply service, which is referred to as a POLR obligation, primarily varies by customer size. ComEd's obligation to provide such service to residential customers and other small customers with demands of under 100 kW continues for all customers who do not or cannot choose a competitive electric generation supplier or who choose to return to the utility after taking service from a competitive electric generation supplier. ComEd does not have a fixed-price generation supply service obligation to most of its largest customers with demands of 100 kW or greater, as this group of customers has previously been declared competitive. Beginning June 2010 ComEd had no fixed price generation supply service obligations for customers with demands of 100-400 kW. Customers with competitive declarations may still purchase power and energy from ComEd, but only at hourly market prices.

Procurement Related Proceedings. ComEd is permitted to recover its electricity procurement costs from retail customers without mark-up. Beginning on January 1, 2007, ComEd procured 100% of energy to meet its load service requirements through ICC-approved staggered SFCs with various suppliers, including Generation. Beginning in June 2009, under the Illinois Settlement Legislation, the IPA designs, and the ICC approves an electricity supply portfolio for ComEd and administers a competitive process under which ComEd procures its electricity supply from various suppliers, including Generation. In order to fulfill a requirement of the Illinois Settlement, ComEd hedged the price of a significant portion of energy purchased on the spot market with a five-year variable-to-fixed financial swap contract with Generation that expires on May 31, 2013. See Notes 2 and 9 of the Combined Notes to Consolidated Financial Statements for additional information regarding ComEd's procurement-related proceedings and the financial swap contract.

Electric Distribution Rate Cases. The ICC issued an order in ComEd's 2007 electric distribution rate case approving a $274 million increase in ComEd's annual delivery services revenue requirement, which became effective in September 2008. ComEd and several other parties filed appeals of the rate order with the Illinois Appellate Court (Court). The Court issued a decision on September 30, 2010, ruling against ComEd on the treatment of post-test year accumulated depreciation and the recovery of costs for an AMI/Customer Applications pilot program via a rider (Rider SMP). On November 18, 2010, the Court denied ComEd's petition for rehearing in connection with the September 30, 2010 ruling. On January 25, 2011, ComEd filed a Petition for Leave to Appeal to the Illinois Supreme Court. Subsequent to the Illinois Appellate Court's ruling, ComEd filed a request with the ICC to allow it to request recovery, through inclusion in the 2010 Rate Case, of $3 million in operation and maintenance costs, as well as carrying costs associated with capital investment in the ICC-approved AMI/Customer Applications pilot program. The AMI pilot program capital investment had already been requested in rate base in the 2010 Rate Case. On December 2, 2010, the ICC approved ComEd's request. The investment and the pilot program costs are subject to challenge in the 2010 Rate Case proceeding.

On June 30, 2010, ComEd requested ICC approval for an increase of $396 million, subsequently changed to $326 million, to its annual delivery services revenue requirement (2010 Rate Case) to allow ComEd to continue modernizing its electric delivery system and recover the costs of substantial investments made since its last rate filing in 2007. The requested rate increase also reflects increased costs, most notably pension and OPEB, since ComEd's rates were last determined. The Court's September 30, 2010 ruling in connection with ComEd's 2007 electric distribution rate case makes it highly unlikely that the ICC would decide the post-test year accumulated depreciation issue in ComEd's favor in the 2010 Rate Case. ComEd estimates that its requested revenue requirement increase of $326 million could be reduced by approximately $85 million as a result of this adjustment. Certain parties have submitted testimony recommending significant reductions to ComEd's requested increase as well as the write-off of certain assets, most notably the regulatory asset associated with severance costs, which was approximately $74 million as of December 31, 2010. Management believes the regulatory asset is appropriate based on the ICC's orders in ComEd's last two rate cases. The new electric distribution rates are expected to take effect no later than June 2011. ComEd cannot predict how much of the requested electric distribution rate increase the ICC may approve. See Note 2 of the Combined Notes to Consolidated Financial Statements for additional information on ComEd's rate case proceedings.

Other. Illinois law provides that in the event an electric utility, such as ComEd, experiences a continuous power interruption of four hours or more that affects (in ComEd's case) 30,000 or more customers, the utility may be liable for actual damages suffered by customers as a result of the interruption and may be responsible for reimbursement of local governmental emergency and contingency expenses incurred in connection with the interruption. Recovery of consequential damages is barred. The affected utility may seek from the ICC a waiver of these liabilities when the

utility can show that the cause of the interruption was unpreventable damage due to weather events or conditions, customer tampering, or certain other causes enumerated in the law. ComEd does not believe that during the years 2010, 2009 and 2008 it had any interruptions that have triggered this damage liability or reimbursement requirement.

Construction Budget

ComEd's business is capital intensive and requires significant investments primarily in energy transmission and distribution facilities, to ensure the adequate capacity and reliability of its system. Based on PJM's RTEP, ComEd has various construction commitments, as discussed in Note 18 of the Combined Notes to Consolidated Financial Statements. ComEd's most recent estimate of capital expenditures for electric plant additions and improvements for 2011 is $1,015 million which includes RTEP projects. See ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources for further information.

PECO

PECO is engaged principally in the purchase and regulated retail sale of electricity and the provision of transmission and distribution services to retail customers in southeastern Pennsylvania, including the City of Philadelphia, as well as the purchase and regulated retail sale of natural gas and the provision of distribution services to retail customers in the Pennsylvania counties surrounding the City of Philadelphia. PECO is a public utility under the Pennsylvania Public Utility Code subject to regulation by the PAPUC as to electric and gas distribution rates and service, the issuances of certain securities and certain other aspects of PECO's operations. PECO is a public utility under the Federal Power Act subject to regulation by FERC as to transmission rates and certain other aspects of PECO's business and by the U.S. Department of Transportation as to pipeline safety and other aspects of gas operations. Specific operations of PECO are subject to the jurisdiction of various other Federal, state, regional and local agencies. Additionally, PECO is also subject to NERC mandatory reliability standards.

PECO's combined electric and natural gas retail service territory has an area of approximately 2,100 square miles and an estimated population of 3.8 million. PECO provides electric delivery service in an area of approximately 1,900 square miles, with a population of approximately 3.8 million, including approximately 1.5 million in the City of Philadelphia. PECO supplies natural gas service in an area of approximately 1,900 square miles in southeastern Pennsylvania adjacent to the City of Philadelphia, with a population of approximately 2.3 million. PECO delivers electricity to approximately 1.6 million customers and natural gas to approximately 490,000 customers.

PECO has the necessary authorizations to deliver regulated electric and natural gas service in the various municipalities or territories in which it now supplies such services. PECO's authorizations consist of charter rights and certificates of public convenience issued by the PAPUC and/or "grandfathered rights," which are rights generally unlimited as to time and generally exclusive from competition from other electric and natural gas utilities. In a few defined municipalities, PECO's natural gas service territory authorizations overlap with that of another natural gas utility but PECO does not consider those situations as posing a material competitive or financial threat.

PECO's kWh sales and peak electricity load are generally higher during the summer and winter months, when temperature extremes create demand for either summer cooling or winter heating. PECO's highest peak load occurred on August 3, 2006 and was 8,932 MW; its highest peak load during a winter season occurred on December 20, 2004 and was 6,838 MW.

PECO's natural gas sales are generally higher during the winter months when cold temperatures create demand for winter heating. PECO's highest daily natural gas send out occurred on January 17, 2000 and was 718 mmcf.

Retail Electric Services

PECO's retail electric sales and distribution revenues are derived pursuant to rates regulated by the PAPUC. Under the 1998 restructuring settlement, PECO's electric generation rates were capped through a transition period which ended on December 31, 2010. During the transition period, PECO was authorized to recover from customers $5.3 billion of costs that might not have otherwise been recovered in a competitive market (stranded costs) with a 10.75% return on the unamortized balance through the imposition and collection of a non-bypassable CTC, which was a component of the capped electric generation rate on customer bills. At December 31, 2010, PECO's stranded costs were fully recovered.

Beginning January 1, 2011, PECO's electric supply procurement cost rates charged to default service customers are subject to quarterly adjustments designed to recover or refund the difference between PECO's actual cost of electricity delivered and the amount included in rates without markup through the GSA.

Pennsylvania permits competition by EGSs for the supply of retail electricity while transmission and distribution service remains regulated under the Competition Act. For the year ended December 31, 2010, less than 1% of PECO's residential and large commercial and industrial and 4% of its small commercial and industrial loads were purchased from alternative EGSs. The small percentage of customer load provided by an alternative EGS is due to the electric generation rate caps that were lower than current market prices throughout the transition period. Customers that choose an alternative EGS are not subject to PECO's electric supply procurement cost rates. In preparation for the transition to market-based competitive pricing, multiple alternative EGSs began marketing to customers in PECO's service territory. As of January 31, 2011, PECO believes that at least 10% of residential, 46% of small commercial and industrial and 86% of large commercial and industrial loads will be purchased from alternative EGSs. Beginning with January 2011 customer bills, PECO presented its electric supply Price to Compare, which will be updated quarterly, to assist customers with the evaluation of offers from alternative EGSs. PECO's average residential Price to Compare for the first three months of 2011 is 9.92 cents per kWh.

Customer selection of an alternative EGS or PECO as default service provider does not impact PECO's results of operations or financial position. PECO's cost of electric supply is passed directly through to default service customers without markup. For those customers that choose an alternative EGS, PECO will act as the billing agent but will not record revenues or expenses related to this electric supply. PECO remains the distribution service provider for all the customers in its service territory and charges a regulated rate for delivery service. PECO receives transmission revenue from PJM for customers that select an alternative EGS.

Procurement Proceedings. Prior to January 1, 2011, PECO procured all its electric supply under a full requirements PPA with Generation, which expired on December 31, 2010. The term and procurement costs under the PPA with Generation corresponded with PECO's transition period and capped electric generation rates in accordance with its 1998 restructuring settlement. Beginning January 1, 2011, PECO's electric supply for its customers is procured through a competitive process in accordance with its PAPUC-approved DSP Program. During 2010, PECO entered into contracts with PAPUC-approved bidders for its third and fourth competitive procurements of electric supply for default electric service commencing January 2011, which included fixed price full requirement contracts for all procurement classes, spot market price full requirements contracts for the commercial and industrial procurement classes, and block energy contracts for the residential procurement class. As of December 31, 2010, including the previous competitive procurements completed in 2009 and 2010, the 2011 expected electric supply for all customer classes had been substantially procured. PECO will conduct five additional competitive procurements for electric supply for all customer classes during the term of its DSP Program.

Electric Distribution Rate Case. In December 2010, the PAPUC approved a settlement of PECO's electric distribution rate case filed in August 2010 that provides for an annual revenue increase of $225 million. The approved electric distribution rates became effective on January 1, 2011. The electric distribution rate case settlement and the electric supply procurement results indicate an increase of 5.1% in the average residential customer total electric bill in January 2011, above 2010 bills.

See Note 2 of the Combined Notes to Consolidated Financial Statements for additional information.

Smart Meter and Energy Efficiency Programs

Smart Meter Programs. In April 2010, the PAPUC approved PECO's $550 million Smart Meter Procurement and Installation Plan, which was filed in accordance with the requirements of Act 129. PECO filed for PAPUC approval of an initial dynamic pricing and customer acceptance program in October 2010, and plans to file for approval of a universal meter deployment plan for its remaining customers in 2012.

Also, in April 2010, PECO entered into a Financial Assistance Agreement with the DOE for SGIG funds under the ARRA. Under the SGIG, PECO has been awarded $200 million, the maximum grant allowable under the program, for its SGIG project—Smart Future Greater Philadelphia. As a result of the SGIG funding, PECO will deploy 600,000 smart meters within three years, accelerate universal deployment of more than 1.6 million smart meters from 15 years to 10 years and increase smart grid investments to approximately $100 million over the next three years. In total, over the next 10 years, PECO is planning to spend up to $650 million on its smart grid and smart meter infrastructure. The SGIG funding will be used to significantly reduce the impact of those investments on PECO customers.

Energy Efficiency Programs. In February 2010, the PAPUC approved PECO's EE&C plan, which was filed pursuant to Act 129's EE&C reduction targets. The approved four-year plan totals more than $330 million and includes a CFL program, weatherization programs, an energy efficiency appliance rebate and trade-in program, rebates and energy efficiency programs for non-profit, educational, governmental and business customers, customer incentives for energy management programs and incentives to help customers reduce energy demand during peak periods. In September 2010, PECO filed revisions to the EE&C Plan previously approved in February 2010 that included adjustments to certain incentive levels and the addition of energy efficiency measures to the existing portfolio. These revisions do not impact the total spending or timely recovery under the approved EE&C plan. On January 27, 2011, the PAPUC unanimously approved PECO's EE&C Plan revisions.

See Note 2 of the Combined Notes to Consolidated Financial Statements for additional information.

Natural Gas

PECO's natural gas sales and distribution revenues are derived pursuant to rates regulated by the PAPUC. PECO's purchased natural gas cost rates, which represent a portion of total rates, are subject to quarterly adjustments designed to recover or refund the difference between the actual cost of purchased natural gas and the amount included in rates without markup through the PGC.

PECO's natural gas customers have the right to choose their natural gas suppliers or to purchase their gas supply from PECO at cost. In 2010, 39% of PECO's current total yearly throughput was provided by natural gas suppliers other than PECO and is related primarily to the supply of PECO's large commercial and industrial customers. Natural gas distribution service provided to customers by

PECO remains subject to rate regulation. PECO also provides billing, metering, installation, maintenance and emergency response services at regulated rates.

Procurement Proceedings. PECO's natural gas supply is provided through purchases from a number of suppliers. These purchases are primarily delivered under long-term firm transportation contracts for terms of up to two years. PECO's aggregate annual firm supply under these firm transportation contracts is 46 million dekatherms. Peak natural gas is provided by PECO's liquefied natural gas (LNG) facility and propane-air plant. PECO also has under contract 23 million dekatherms of underground storage through service agreements. Natural gas from underground storage represents approximately 30% of PECO's 2010-2011 heating season planned supplies.

Natural Gas Distribution Rate Cases. On January 1, 2009, PECO implemented the natural gas distribution rates approved by the PAPUC in its settlement of the 2008 natural gas distribution rate case that provided for an additional $77 million of revenue annually. In December 2010, the PAPUC approved a settlement of PECO's natural gas distribution rate case filed in August 2010 that provides an increase in annual revenue of $20 million. The approved natural gas distribution rates became effective on January 1, 2011.

See Note 2 of the Combined Notes to Consolidated Financial Statements for additional information.

Construction Budget

PECO's business is capital intensive and requires significant investments primarily in energy transmission and distribution facilities to ensure the adequate capacity, reliability and efficiency of its system. Based on PJM's RTEP, PECO has various construction commitments, including costs related to transmission system reliability upgrades due to Generation's plant retirements, as discussed in Notes 14 and 18 of the Combined Notes to Consolidated Financial Statements. PECO's most recent estimate of capital expenditures for plant additions and improvements for 2011 is $450 million, which includes capital expenditures related to the smart meter program and SGIG project net of DOE expected reimbursements.

ComEd and PECO

Transmission Services

ComEd and PECO provide unbundled transmission service under rates established by 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. Under FERC's open access transmission policy promulgated in Order No. 888, ComEd and PECO, as owners of transmission facilities, are required to provide open access to their transmission facilities under filed tariffs at cost-based rates. ComEd and PECO are required to comply with FERC's Standards of Conduct regulation, as amended, governing the communication of non-public information between the transmission owner's employees and wholesale merchant employees.

PJM is the ISO and the FERC-approved RTO for the Mid-Atlantic and Midwest regions. PJM is the transmission provider under, and the administrator of, the PJM Open Access Transmission Tariff (PJM Tariff), operates the PJM energy, capacity and other markets, and, through central dispatch, controls the day-to-day operations of the bulk power system for the PJM region. ComEd and PECO are members of PJM and provide regional transmission service pursuant to the PJM Tariff. ComEd, PECO and the other transmission owners in PJM have turned over control of their transmission facilities to PJM, and their transmission systems are currently under the dispatch control of PJM. 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.

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ComEd's transmission rates are established based on a formula that was approved by FERC in January 2008. FERC's order establishes the agreed-upon treatment of costs and revenues in the determination of network service transmission rates and the process for updating the formula rate calculation on an annual basis.

As a result of PECO's 1998 restructuring settlement, retail transmission rates were capped at the level in effect on December 31, 1996, which remained unchanged through December 31, 2010. PECO's transmission rate included in the PJM Open Access Transmission Tariff is a FERC-approved rate. This is the rate that all load serving entities in the PECO transmission zone pay for transmission service. PECO's 2010 electric distribution rate case settlement provided for recovery of PJM transmission network service charges and RTEP charges from default service customers, on a full and current basis through a rider.

See Note 2 of the Combined Notes to Consolidated Financial Statements for additional information regarding transmission services.

Employees

As of December 31, 2010, Exelon and its subsidiaries had 19,214 employees in the following companies, of which 8,550 or 44% were covered by collective bargaining agreements (CBAs):

	IBEW Local 15 (a)	IBEW Local 614 (b)	Other CBA agreements (c)	Total Employees Covered by CBA	Total Employees
Generation	1,684	199	1,801	3,684	9,595
ComEd	3,495	—	—	3,495	5,692
PECO	—	1,258	—	1,258	2,423
Other (d)	86	—	27	113	1,504
Total	5,265	1,457	1,828	8,550	19,214

(a) A separate CBA between ComEd and IBEW Local 15, ratified on November 20, 2009, covers approximately 36 employees in ComEd's System Services Group.
(b) 1,258 PECO craft and call center employees in the Philadelphia service territory are covered by CBAs with IBEW Local 614. The CBAs expire on March 31, 2015. Additionally, Exelon Power, an operating unit of Generation, has an agreement with IBEW Local 614, which expires on March 31, 2015 and covers 199 employees.
(c) During 2009 and early 2010, CBAs were agreed to with the following Security Officers unions: Braidwood, Byron, Clinton, Dresden, Oyster Creek and TMI. The agreements generally expire during 2012 except for the agreements at Clinton and Oyster Creek, which expire in 2013. Additionally, during 2009, a 5-year agreement was reached with Oyster Creek Nuclear Local 1289, which will expire in 2015. Also in 2010, a 3-year agreement was negotiated with New England ENEH, UWUA Local 369, which will expire in 2014, and covers 10 employees.
(d) Other includes shared services employees at BSC.

Environmental Regulation

General

Exelon, Generation, ComEd and PECO are subject to environmental regulation administered by the U.S. EPA and various state and local environmental protection agencies or boards. State and local regulation includes the authority to regulate air, water and noise emissions and solid waste disposals. The Registrants are also subject to legislation regarding environmental matters by the United States Congress and by various state and local jurisdictions where the Registrants operate their facilities.

The Exelon board of directors is responsible for overseeing the management of environmental matters. Exelon has a management team to address environmental matters, including the CEO who also serves as Exelon's Chief Environmental Officer; the Vice President, Corporate Strategy and

Exelon 2020; the Corporate Environmental Strategy Director and the Environmental Regulatory Strategy Director, as well as senior management of Generation, ComEd and PECO. Performance for those individuals directly involved in environmental strategy activities is reviewed and affects compensation as part of the annual individual performance review process. The Exelon board has delegated to its corporate governance committee authority to oversee Exelon's strategies and efforts to protect and improve the quality of the environment, including, but not limited to, Exelon's climate change and sustainability policies and programs, and Exelon 2020, Exelon's comprehensive business and environmental plan, as discussed in further detail below. The Exelon board has also delegated to its generation oversight committee authority to oversee environmental, health and safety issues relating to Generation, and to its energy delivery oversight committee authority to oversee environmental, health and safety issues related to ComEd, PECO and Exelon Transmission Company.

Water

Under the Federal Clean Water Act (Clean Water Act), NPDES permits for discharges into waterways are required to be obtained from the U.S. EPA or from the state environmental agency to which the permit program has been delegated and must be renewed periodically. All of Generation's power generation facilities discharge industrial wastewater into waterways and are therefore subject to these regulations and operate under NPDES permits or pending applications for renewals of such permits after being granted an administrative extension.

See Note 18 of the Combined Notes to Consolidated Financial Statements for additional information regarding the impact to Exelon of state permitting agencies' administration of the Phase II rule implementing Section 316(b) of the Clean Water Act, as well as the planned cessation of generation operations at Oyster Creek.

Generation is also subject to the jurisdiction of certain other state and regional agencies and compacts, including the Delaware River Basin Commission and the Susquehanna River Basin Commission.

Solid and Hazardous Waste

The CERCLA, as amended, provides for immediate response and removal actions coordinated by the U.S. 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 U.S. EPA on the National Priorities List (NPL). These PRPs can be ordered to perform a cleanup, can be sued for costs associated with a U.S. 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 and Pennsylvania, have also enacted statutes that contain provisions substantially similar to CERCLA. In addition, the RCRA governs treatment, storage and disposal of solid and hazardous wastes and cleanup of sites where such activities were conducted.

Generation, ComEd and PECO and their subsidiaries are or are likely to become parties to proceedings initiated by the U.S. EPA, state agencies and/or other responsible parties under CERCLA and RCRA with respect to a number of sites, including MGP sites, or may undertake to investigate and remediate sites for which they may be subject to enforcement actions by an agency or third party.

Environmental Remediation

ComEd and PECO's environmental liabilities primarily arise from contamination at former MGP sites. MGPs manufactured gas in Illinois and Pennsylvania from approximately 1850 to the 1950s. ComEd and PECO generally did not operate MGPs as corporate entities but did acquire MGP sites as part of the absorption of smaller utilities, for which they may be liable for environmental remediation. ComEd, pursuant to an ICC order, and PECO, pursuant to the joint settlements of the 2008 and 2010 natural gas distribution rate cases, are recovering environmental remediation costs of the MGP sites through a provision within customer rates. PECO's 2010 natural gas distribution rate case increased the annual MGP recovery to be collected from customers beginning in January 2011.

The amount to be expended in 2011 at Exelon for compliance with environmental remediation is expected to total $23 million, consisting of $17 million and $6 million at ComEd and PECO, respectively. In addition, Generation, ComEd and PECO may be required to make significant additional expenditures not presently determinable.

See Notes 2 and 18 of the Combined Notes to Consolidated Financial Statements for additional information regarding the Registrants' environmental remediation efforts and related impacts to the Registrants' results of operations, cash flows and financial position.

Air

Air quality regulations promulgated by the U.S. EPA and the various state and local environmental agencies in Illinois, Massachusetts, Pennsylvania and Texas 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), mercury and other pollutants and require permits for operation of emissions 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, including a two-phase program to reduce acid rain effects by significantly reducing emissions of SO_2 and NO_x from power plants. Flue-gas desulfurization systems (SO_2 scrubbers) have been installed at all of Generation's coal-fired units.

See Note 18 of the Combined Notes to Consolidated Financial Statements for additional information regarding clean air regulation and legislation in the forms of the proposed Transport Rule, the regulation of hazardous air pollutants from fossil generating stations, and regulation of GHG emissions, in addition to NOVs issued to Generation and ComEd for alleged violations of the Clean Air Act.

Global Climate Change

Exelon believes the evidence of global climate change is compelling and that the energy industry, though not alone, is a significant contributor to the human-caused emissions of GHGs that many in the scientific community believe contribute to global climate change, as reported by the National Academy of Sciences in May 2010. Exelon, as a producer of electricity from predominantly low-carbon generating facilities (such as nuclear, wind and hydroelectric), has a relatively small GHG emission profile, or carbon footprint, compared to other domestic generators of electricity. By virtue of its significant investment in low-carbon intensity assets, Generation's emission intensity, or rate of carbon dioxide equivalent (CO_2e) emitted per unit of electricity generated, is among the lowest in the industry. Exelon does produce GHG emissions, primarily at its fossil fuel-fired generating plants; CO_2, methane and nitrous oxide are all emitted in this process, with CO_2 representing the largest portion of these GHG emissions. GHG emissions from Generation's combustion of fossil fuels represent approximately 90% of Exelon's total GHG emissions. However, only approximately 6% of Exelon's total electric supply is provided by its fossil fuel generating plants. Other GHG emission sources at Exelon include natural gas (methane) leakage on the gas pipeline system and the coal piles at its generating plants,

sulfur hexafluoride (SF_6) leakage in its electric operations and refrigerant leakage from its chilling and cooling equipment as well as fossil fuel combustion in its motor vehicles and usage of electricity in its facilities. Despite its small carbon footprint, Exelon believes its operations could be significantly affected by the possible physical risks of climate change and by mandatory programs to reduce GHG emissions. See Item 1A. Risk Factors for information regarding the market and financial, regulatory and legislative, and operational risks associated with climate change.

Climate Change Regulation. Exelon is, or may become, subject to climate change regulation or legislation at the international, Federal, regional and state levels.

International Climate Change Regulation. At the international level, the United States is currently not a party to the Kyoto Protocol, which is a protocol to the United Nations Framework Convention on Climate Change (UNFCCC) and became effective for signatories on February 16, 2005. The United Nations' Kyoto Protocol process generally requires developed countries to cap GHG emissions at certain levels during the 2008-2012 time period. At the conclusion of the December 2007 United Nations Climate Change Conference in Bali, Indonesia, the Bali Action Plan was adopted, which identifies a work group, process and timeline for the consideration of possible post-2012 international actions to further address climate change. In December 2009, the United States agreed to the non-binding Copenhagen Accord at the conclusion of the 15th Conference of the Parties under the UNFCCC. Under the Copenhagen Accord, the United States agreed to undertake a number of voluntary measures, including the establishment of a goal to reduce GHG emissions and contributions toward a fund to assist developing nations to address their GHG emissions. The Conference of the Parties met in Mexico in December 2010 and while some progress was made in the Cancun Agreement, the fundamental issues around GHG emission reductions and a successor to the Kyoto Protocol remain unresolved. The next Conference of the Parties meeting will be held in December 2011 in South Africa.

Federal Climate Change Legislation and Regulation. Various stakeholders, including Exelon, legislators and regulators, shareholders and non-governmental organizations, as well as other companies in many business sectors are considering ways to address the climate change issue. Mandatory programs to reduce GHG emissions are likely to evolve in the future. If these programs become effective, Exelon may incur costs either to further limit or offset the GHG emissions from its operations or procure emission allowances or credits.

Numerous bills were introduced in Congress during the 111th Congress that address climate change from different perspectives, including direct regulation of GHG emissions and the establishment of Federal Renewable Portfolio Standards, but none were passed by both houses of Congress. Exelon supports the enactment, through Federal legislation, of a cap-and-trade program for GHG emissions that is mandatory, economy-wide and designed in a way to limit potential harm to the economy and protect consumers. Exelon believes that any mechanism for allocation of GHG emission allowances should include significant free grants of allowances to electric (and potentially gas) distribution companies to help offset the cost impact of GHG regulation to the end-use consumer. Over the last few years, Exelon has worked with other businesses and environmental organizations that participate in the United States Climate Action Partnership to support the development of an integrated package of recommendations for the Federal government to address the climate change issue through Federal legislation, including aggressive emission reduction targets for total U.S. emissions and robust cost containment measures to ensure that program costs are reasonable. In reaction to the U.S. EPA's proposed regulation of GHG emissions, various bills have been introduced in the U.S. House of Representatives that would prohibit or impede the U.S. EPA's rulemaking efforts. The timing of the consideration of such legislation is unknown.

The issue of GHG regulation of stationary sources will likely be addressed either under the existing provisions of the Clean Air Act by U.S. EPA regulation, or by new and comprehensive Federal

legislation. The Obama administration and the U.S. EPA have stated a preference for addressing the issue through Federal legislation. The extent to which GHG emissions will be regulated is currently unknown; however, potential regulation of GHG emissions from stationary sources could cause Exelon to incur material costs of compliance.

Regional and State Climate Change Legislation and Regulation. At a regional level, on November 15, 2007, six Midwest state Governors (Illinois, Iowa, Kansas, Michigan, Minnesota and Wisconsin) signed the Midwestern Greenhouse Gas Accord. Under that Accord, an inter-state work group was formed to establish a Midwestern GHG Reduction Program that will: (1) establish GHG reduction targets and timeframes consistent with member state targets; (2) develop a market-based and multi-sector cap-and-trade program to help achieve GHG reductions; and (3) develop other mechanisms and policies to assist in meeting GHG reduction targets (e.g. a low carbon fuel standard). In May 2010, an advisory group appointed by the Governors issued recommendations, but no actions have been taken on the recommendations.

At the state level, the PCCA was signed into law in Pennsylvania in July 2008. The PCCA requires, among other things, that: a Climate Change Advisory Committee be formed; a report on the potential impact of climate change in Pennsylvania be developed; the PA DEP develop a GHG inventory for Pennsylvania; a voluntary GHG registry be identified; and the PA DEP, in consultation with the Climate Change Advisory Committee, develop a Climate Change Action Plan for Pennsylvania to be reviewed with the Pennsylvania General Assembly. The Climate Change Advisory Committee issued its recommendations for an Action Plan for consideration by the Pennsylvania legislature on October 9, 2009.

Exelon's Voluntary Climate Change Efforts. In a world increasingly concerned about global climate change, nuclear power as well as other virtually non-GHG emitting power will play a pivotal role. As a result, Exelon's low-carbon generating fleet is seen by management as a competitive advantage. Exelon believes that the significance of its low GHG emission profile can only grow as policymakers take action to address global climate change.

Despite Exelon's low GHG emission inventory and the absence of a mandatory national program in the United States, Exelon is actively engaged in voluntary reduction efforts. Exelon made a voluntary commitment in 2005 under the U.S. EPA's Climate Leaders Program to reduce its GHG emissions by 8% from 2001 levels by the end of 2008. Exelon achieved this goal by reducing its carbon dioxide-equivalent (CO_2e) emissions to 9.7 million metric tons in 2008, from a 2001 baseline of 15.7 million metric tons. This was accomplished through the retirement of older, inefficient fossil power plants, reduced leakage of SF_6, increased use of renewable energy and energy efficiency initiatives.

In 2008, Exelon expanded its commitment to GHG reduction with the announcement of a comprehensive business and environmental strategic plan. The plan, Exelon 2020, details an enterprise-wide strategy and a wide range of initiatives being pursued by Exelon to reduce Exelon's GHG emissions and those of its customers, communities, suppliers and markets. Exelon 2020 sets a goal for Exelon to reduce, offset, or displace more than 15 million metric tons of GHG emissions per year by 2020 (from 2001 levels).

Through Exelon 2020, Exelon is pursuing three broad strategies: reducing or offsetting its own carbon footprint, helping customers and communities reduce their GHG emissions, and offering more low-carbon electricity in the marketplace. In 2010, Exelon announced that it had achieved just over 50% of the annual Exelon 2020 goal. The planned retirement of fossil units, Cromby Units 1 and 2 and Eddystone Unit 1 in 2011 and Eddystone Unit 2 in 2012, will further contribute to fully achieving the goal. The early retirement of Oyster Creek may result in increased generation from fossil generating plants in the PJM RTO, which could result in increased GHG emissions under Exelon 2020 through reverse displacement. The current plan for achieving the Exelon 2020 goal accounts for these events.

Initiatives to reduce Exelon's own carbon footprint include reducing building energy consumption by 25%, reducing vehicle fleet emissions, improving the efficiency of the generation and delivery system for electricity and natural gas, and developing an industry-leading green supply chain. Plans to help customers reduce their GHG emissions include ComEd's Smart Ideas portfolio of energy efficiency programs, a similar portfolio of energy efficiency programs at PECO to meet the requirements of Act 129, the implementation of smart-meters and real-time pricing programs and a broad array of communication initiatives to increase customer awareness of approaches to manage their energy consumption. See Note 2 of the Combined Notes to Consolidated Financial Statements for further information regarding ComEd and PECO smart grid filings and stimulus grant awards. Finally, Exelon will offer more low-carbon electricity in the marketplace by increasing its investment in renewable power and adding capacity to existing nuclear plants through uprates.

Exelon has incorporated Exelon 2020 into its overall business plans and has an organized implementation effort underway. This implementation effort includes a periodic review and refinement of Exelon 2020 initiatives in light of changing market conditions. Specific initiatives and the amount of expenditures to implement the plan will depend on economic and policy developments, and will be made on a project-by-project basis in accordance with Exelon's normal project evaluation standards. As further legislation and regulation imposing requirements on emissions of air pollutants are promulgated, Exelon's emissions reduction efforts will position the company to benefit from the long-term positive impact of the requirements on capacity and energy prices while minimizing the impact of costs of compliance on Exelon's operations, cash flows or financial position.

The Exelon 2020 strategy is reviewed annually and updated to reflect changes in the market, regulations, technology and other factors that affect the merit of various GHG abatement options. In spite of the recent economic downturn, the decline in wholesale power prices and the uncertainty of Federal climate policy, Exelon 2020 has been demonstrated to be a sustainable business strategy.

Renewable and Alternative Energy Portfolio Standards

Thirty-three states have adopted some form of RPS requirement. As previously described, Illinois and Pennsylvania have laws specifically addressing energy efficiency and renewable energy initiatives. In addition to state level activity, RPS legislation has been considered and may be considered again in the future by the United States Congress. Also, states that currently do not have RPS requirements may determine to adopt such legislation in the future.

The Illinois Settlement Legislation required that procurement plans implemented by electric utilities include cost-effective renewable energy resources or approved equivalents such as RECs in amounts that equal or exceed 2% of the total electricity that each electric utility supplies to its eligible retail customers by June 1, 2008, increasing to 10% by June 1, 2015, with a goal of 25% by June 1, 2025. Utilities are allowed to pass-through any costs from the procurement of these renewable resources or approved equivalents subject to legislated rate impact criteria. As of December 31, 2010, ComEd had purchased sufficient renewable energy resources or equivalents, such as RECs, to comply with the Illinois Settlement Legislation. See Note 2 and Note 18 of the Combined Notes to Consolidated Financial Statements for additional information.

The AEPS Act is effective for PECO beginning in 2011, following the expiration of PECO's transition period. During 2011, PECO will be required to supply approximately 3.5% and 6.2% of electric energy generated from Tier I (including solar, wind power, low-impact hydropower, geothermal energy, biologically derived methane gas, fuel cells, biomass energy, coal mine methane and black liquor generated within Pennsylvania) and Tier II (including waste coal, demand-side management, large-scale hydropower, municipal solid waste, generation of electricity utilizing by-products of the pulping process and wood, distributed generation systems and integrated combined coal gasification

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technology) alternative energy resources, respectively, as measured in AECs. The compliance requirements will incrementally escalate to 8.0% for Tier I and 10.0% for Tier II by 2021. In order to prepare for the first year of required compliance, PECO procured and banked AECs in accordance with their PAPUC-approved plan over the past three years. PECO has entered into five-year agreements and ten-year agreements with accepted bidders, including Generation, to purchase annually 452,000 non-solar and 8,000 solar Tier 1 AECs, respectively. PECO also purchases AECs through its DSP Program full requirement contracts. In November 2010, PECO filed a petition with the PAPUC for approval to procure Tier II AECs to satisfy PECO's compliance requirements for the AEPS reporting years ending 2011 and 2012.

Similar to ComEd and PECO, Generation's retail electric business must source a portion of the electric load it serves in IL and PA from renewable resources or approved equivalents such as RECs. While Generation is not directly affected by RPS or AEPS legislation from a compliance perspective, potential regulation and legislation regarding renewable and alternative energy resources could increase the pace of development of wind and other renewable/alternative energy resources, which could put downward pressure on wholesale market prices for electricity in some markets where Exelon operates generation assets. At the same time, such developments may present some opportunities for sales of Generation's renewable power, including from Exelon Wind, Generation's hydroelectric and landfill gas generating stations and wind energy PPAs.

See Note 2 of the Combined Notes to Consolidated Financial Statements for additional information.

Executive Officers of the Registrants as of February 10, 2011

Name	Age	Position	Period
Rowe, John W.	65	Chairman, Chief Executive Officer and Director, Exelon	2000 - Present
		Chairman, Generation	2008 - Present
		Chairman, PECO	2007 - Present
		President, Exelon	2004 - 2008
		President, Generation	2007 - 2008
		Director, ComEd	2009 - Present
		Director, PECO	2005 - Present
Crane, Christopher M.	52	President and Chief Operating Officer, Exelon; President, Generation	2008 - Present
		Chief Operating Officer, Generation	2007 - 2010
		Executive Vice President, Exelon	2007 - 2008
		President and Chief Nuclear Officer, Exelon Nuclear; Senior Vice President, Exelon	2004 - 2007
Clark, Frank M.	65	Chairman and Chief Executive Officer, ComEd	2005 - Present
		Director, ComEd	2002 - Present
O'Brien, Denis P.	50	Chief Executive Officer, PECO; Executive Vice President, Exelon	2007 - Present
		President and Director, PECO	2003 - Present
Gillis, Ruth Ann M.	56	President, Exelon Business Services Company	2005 - Present
		Executive Vice President, Exelon	2008 - Present
		Chief Administrative and Diversity Officer, Exelon	2010 - Present
		Chief Diversity Officer, Exelon	2009 - 2010
		Senior Vice President, Exelon	2002 - 2008

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Name	Age	Position	Period
Von Hoene Jr., William A.	57	Executive Vice President, Finance and Legal, Exelon	2009 - Present
		Executive Vice President and General Counsel, Exelon	2008 - 2009
		Senior Vice President, Exelon Business Services Company	2004 - 2009
		Senior Vice President, Exelon	2006 - 2008
Hilzinger, Matthew F.	47	Senior Vice President and Chief Financial Officer, Exelon; Chief Financial Officer, Generation	2008 - Present
		Treasurer, Exelon & Generation	2011 - Present
		Senior Vice President and Corporate Controller, Exelon	2005 - 2008
		Principal Accounting Officer, ComEd; Principal Accounting Officer, PECO	2005 - 2006
		Vice President, ComEd	2004 - 2006
Cornew, Kenneth W.	45	Senior Vice President, Exelon; President, Power Team	2008 - Present
		Senior Vice President, Trading and Origination, Power Team	2007 - 2008
		Senior Vice President, Power Transactions, Power Team	2003 - 2006
Dominguez, Joseph	47	Senior Vice President, Federal Regulatory Affairs & Public Policy, Exelon	2010 - Present
		Senior Vice President, State Governmental Affairs, Generation	2010 - Present
		Senior Vice President, State Regulatory Affairs and General Counsel, Generation	2010 - 2010
		Senior Vice President, Communications and Public Affairs, Exelon	2009 - 2010
		Senior Vice President, Exelon Business Services Company; Senior Vice President, Generation	2007 - 2010
		Vice President and Associate General Counsel, Exelon Business Services Company	2004 - 2007
Pramaggiore, Anne R.	52	President and Chief Operating Officer, ComEd	2009 - Present
		Executive Vice President, Customer Operations, Regulatory and External Affairs, ComEd	2007 - 2009
		Senior Vice President, Regulatory and External Affairs, ComEd	2005 - 2007
Bradford, Darryl M.	55	Senior Vice President and General Counsel, Exelon	2010 - Present
		General Counsel, ComEd	2007 - 2010
		Senior Vice President, Regulatory and Energy Policy, ComEd	2009 - 2010
		Senior Vice President, ComEd	2007 - 2009
		Vice President, ComEd	2005 - 2006

Name	Age	Position	Period
DesParte, Duane M.	47	Vice President and Corporate Controller, Exelon	2008 - Present
		Vice President, Finance, Exelon Business Services Company	2007 - 2008
		Vice President, Business Operations, ComEd; Vice President, Business Operations, PECO	2004 - 2006

Generation

Name	Age	Position	Period
Rowe, John W.	65	Chairman, Generation	2008 - Present
		Chairman, Chief Executive Officer and Director, Exelon	2000 - Present
		Chairman, PECO	2007 - Present
		President, Generation	2007 - 2008
		President, Exelon	2004 - 2008
		Director, ComEd	2009 - Present
		Director, PECO	2005 - Present
Crane, Christopher M.	52	President and Chief Operating Officer, Exelon; President, Generation	2008 - Present
		Chief Operating Officer, Generation	2007 - 2010
		Executive Vice President, Exelon	2007 - 2008
		President and Chief Nuclear Officer, Exelon Nuclear; Senior Vice President, Exelon	2004 - 2007
Pardee, Charles G.	51	Senior Vice President and Chief Operating Officer, Generation	2010 - Present
		President, Exelon Nuclear	2008 -2010
		Chief Nuclear Officer, Generation	2007 - 2010
		Senior Vice President, Generation	2007 - 2008
		Chief Operating Officer, Generation	2005 - 2007
Cornew, Kenneth W.	45	Senior Vice President, Exelon; President, Power Team	2008 - Present
		Senior Vice President, Trading and Origination, Power Team	2007 - 2008
		Senior Vice President, Power Transactions, Power Team	2003 - 2006
Pacilio, Michael J.	50	President, Exelon Nuclear and Chief Nuclear Officer, Generation	2010 - Present
		Chief Operating Officer, Exelon Nuclear	2007 - 2010
		Senior Vice President, Mid-West PWR Operations, Exelon Nuclear	2005 - 2007
Garg, Sunil	44	Senior Vice President, Generation; President, Exelon Power	2010 - Present
		Senior Vice President, Human Resources, Exelon; Senior Vice President, Exelon Business Services Company	2009 - 2010
		Vice President, Exelon Business Services Company	2007 - 2009
		Director of Integrated Business Services, Exelon Business Services Company	2004 - 2007

Name	Age	Position	Period
Dominguez, Joseph	47	Senior Vice President, State Governmental Affairs, Generation	2010 - Present
		Senior Vice President, Federal Regulatory Affairs & Public Policy, Exelon	2010 - Present
		Senior Vice President, State Regulatory Affairs and General Counsel, Generation	2010 - 2010
		Senior Vice President, Communications and Public Affairs, Exelon	2009 - 2010
		Senior Vice President, Exelon Business Services Company; Senior Vice President, Generation	2007 - 2010
		Vice President and Associate General Counsel, Exelon Business Services Company	2004 - 2007
Hilzinger, Matthew F.	47	Senior Vice President and Chief Financial Officer, Exelon; Chief Financial Officer, Generation	2008 - Present
		Senior Vice President and Corporate Controller, Exelon	2005 - 2008
		Treasurer, Exelon and Generation	2011 - Present
		Principal Accounting Officer, ComEd; Principal Accounting Officer, PECO	2005 - 2006
		Vice President, ComEd	2004 - 2006
Galvanoni, Matthew R.	38	Chief Accounting Officer, Generation; Vice President, Assistant Corporate Controller, Exelon Business Services Company	2009 - Present
		Vice President, Comptroller, Accountant and Controller, ComEd; Vice President and Controller, PECO	2007 - 2009
		Director of Financial Reporting and Analysis, Exelon	2006

ComEd

Name	Age	Position	Period
Clark, Frank M.	65	Chairman and Chief Executive Officer, ComEd	2005 - Present
		Director, ComEd	2002 - Present
Pramaggiore, Anne R.	52	President and Chief Operating Officer, ComEd	2009 - Present
		Executive Vice President, Customer Operations, Regulatory and External Affairs, ComEd	2007 - 2009
		Senior Vice President, Regulatory and External Affairs, ComEd	2005 - 2007
Hooker, John T.	62	Executive Vice President, Legislative and External Affairs, ComEd	2009 - Present
		Senior Vice President, State Governmental Affairs and Real Estate and Facilities, ComEd	2008 - 2009
		Senior Vice President, State, Legislative and Governmental Affairs, ComEd	2005 - 2008

Name	Age	Position	Period
Donnelly, Terence R.	50	Executive Vice President, Operations, ComEd	2009 - Present
		Senior Vice President, Transmission and Distribution, ComEd	2007 - 2009
		Senior Vice President, Technical Services, PECO; Senior Vice President, Technical Services, ComEd	2007 - 2007
		Vice President, Transmission and Substations, Exelon Energy Delivery; Vice President, Transmission and Substations, ComEd	2004 - 2007
		Vice President, Transmission and Substations, PECO	2005 - 2006
Trpik Jr., Joseph R.	41	Senior Vice President, Chief Financial Officer and Treasurer, ComEd	2009 - Present
		Vice President & Assistant Corporate Controller, Exelon Business Services Company	2007 - 2009
		Vice President and Assistant Corporate Controller, Exelon	2004 - 2009
		Assistant Controller, ComEd	2004 - 2006
Marquez Jr., Fidel	49	Senior Vice President, Customer Operations, ComEd	2009 - Present
		Vice President of External Affairs and Large Customer Services, ComEd	2007 -2009
		Vice President of External Affairs, Chicago Operations, ComEd	2004 -2006
O'Neill, Thomas S.	48	Senior Vice President, Regulatory and Energy Policy and General Counsel, ComEd	2010 - Present
		Senior Vice President, Exelon	2009 - 2010
		Senior Vice President, New Business Development, Generation; Senior Vice President, New Business Development, Exelon	2009 - 2009
		Vice President, New Plant Development, Generation	2007 - 2009
		Vice President, Licensing and Regulatory, Exelon Nuclear	2005 - 2007
Anthony, J. Tyler	46	Senior Vice President, Distribution Operations, ComEd	2010 - Present
		Vice President, Transmission and Substations, ComEd	2007 - 2010
		Vice President, Transmission and Substations, PECO	2007 - 2007
		Vice President, Outage Planning and Services, Generation	2006 - 2007
		Vice President, Project Management, Exelon Nuclear	2004 - 2006
Waden, Kevin J.	39	Vice President, Comptroller, Accountant and Controller, ComEd	2009 - Present
		Director of Accounting Operations, ComEd	2007 - 2009
		Director of Financial Reporting and Accounting Research, Exelon Energy Delivery	2003 - 2007

PECO

Name	Age	Position	Period
O'Brien, Denis P.	50	Executive Vice President, Exelon; Chief Executive Officer, PECO	2007 - Present
		President and Director, PECO	2003 - Present
Adams, Craig L.	58	Senior Vice President and Chief Operating Officer, PECO	2007 - Present
		Senior Vice President and Chief Supply Officer, Exelon Business Services Company	2004 - 2007
Barnett, Phillip S.	47	Senior Vice President and Chief Financial Officer, PECO	2007 - Present
		Senior Vice President, Corporate Financial Planning, Exelon	2005 - 2007
Bonney, Paul R.	52	Vice President, Regulatory Affairs and General Counsel, PECO	2009 - Present
		General Counsel, Vice President & Assistant Secretary, PECO	2007 - 2009
		Vice President & Deputy General Counsel, Regulatory, Exelon Business Services Company	2001 - 2007
Diaz Jr., Romulo L.	64	Vice President, Governmental and External Affairs, PECO	2009 - Present
		Associate General Counsel, Exelon	2008 - 2009
		City Solicitor, City of Philadelphia	2005 - 2008
Acevedo, Jorge A.	39	Vice President and Controller, PECO	2009 - Present
		Assistant Treasurer, PECO	2010 - Present
		Assistant Controller, Generation	2007 - 2009
		Director of Accounting, Power Team division of Generation	2003 - 2007

ITEM 1A. RISK FACTORS

Each of the Registrants operates in a market and regulatory environment that poses significant risks, many of which are beyond each Registrant's control. Management of each Registrant regularly meets with the Chief Risk Officer and the RMC, which is comprised of officers of the Registrants, to identify and evaluate the most significant risks of the Registrants' businesses, and the appropriate steps to manage and mitigate those risks. The Chief Risk Officer and senior executives of the Registrants discuss those risks with the Risk Oversight and Audit Committees of the Exelon Board of Directors and the ComEd and PECO Boards of Directors. In addition, the Exelon Board of Directors' Generation Oversight and Energy Delivery Oversight Committees, respectively, evaluate risks related to the generation and energy delivery businesses. The risk factors discussed below may adversely affect one or more of the Registrants' results of operations and cash flows and the market prices of their publicly traded securities. Each of the Registrants has disclosed the material risks known to it to affect its business at this time. However, there may be further risks and uncertainties that are not presently known or that are not currently believed to be material that may in the future adversely affect its performance or financial condition.

The Registrants' most significant risks arise as a consequence of: (1) Generation's position as a predominantly nuclear generator selling power into competitive wholesale markets, and (2) the role of both ComEd and PECO as operators of electric transmission and distribution systems in two of the

largest metropolitan areas in the United States. The Registrants' major risks fall primarily under the following categories:

- ***Market and Financial Risks.*** Exelon's and Generation's market and financial risks include the risk of price fluctuations in the wholesale power markets. Wholesale power prices are a function of supply and demand, which in turn are driven by factors such as the price of fuels, in particular the price of natural gas and coal, that drive the wholesale market prices that Generation's nuclear power plants can command, the rate of expansion of subsidized low carbon generation such as wind energy in the markets in which Generation's output is sold, and the impacts on energy demand of factors such as weather, economic conditions and implementation of energy efficiency and demand response programs.
- ***Regulatory and Legislative Risks.*** The Registrants regulatory and legislative risks include changes to the laws and regulations that govern competitive markets and utility cost recovery, and that drive environmental policy. In particular, Exelon's and Generation's financial performance may be adversely affected by changes that could affect Generation's ability to sell power into the competitive wholesale power markets at market-based prices. In addition, potential regulation and legislation regarding climate change and renewable portfolio standards could increase the pace of development of wind energy facilities, which could put downward pressure in some markets on wholesale market prices for electricity from Generation's nuclear assets, partially offsetting any additional value Exelon and Generation might derive from Generation's nuclear assets under a carbon constrained regulatory regime that might exist in the future.
- ***Operational Risks.*** The Registrants operational risks include those risks inherent in running the nation's largest fleet of nuclear power reactors and large electric and gas distribution systems. The safe and effective operation of the nuclear facilities and the ability to effectively manage the associated decommissioning obligations as well as the ability to maintain the availability, reliability and safety of its energy delivery systems are fundamental to Exelon's ability to protect and grow shareholder value. Additionally, the operating costs of ComEd and PECO and the opinions of customers and regulators of ComEd and PECO are affected by those companies' ability to maintain the reliability and safety of their energy delivery systems.

A discussion of each of these risks and other risk factors is included below.

Market and Financial Risks

Generation is exposed to price fluctuations in the wholesale power market, which may negatively affect its results of operations. (Exelon and Generation)

Generation hedges the price risk associated with the generation it owns, or controls through long-term power purchase agreements. Absent any hedging activity through long-term, fixed price transactions, Generation would be exposed to the risk of rising and falling spot market prices in the markets in which its assets are located, which would mean that Generation's cash flows would vary accordingly.

The wholesale spot market price of electricity for each hour is generally determined by the marginal cost of supplying the next unit of electricity to the market during that hour. Many times, the next unit of electricity will be supplied from generating stations fueled by fossil fuels, and, therefore, the market price of power will reflect the market price of the marginal fuel. As such, changes in the market price of fossil fuels will cause comparable changes to the market price of power. For example, the use of new technologies to recover natural gas from shale deposits is expected to increase natural gas supply and reserves, which will tend to place further downward pressure on natural gas prices and could reduce Generation's revenue, and, therefore, adversely affect the its financial condition, results of operations and cash flows. Further, in the event that alternative generation resources, such as wind

and solar, are mandated through RPS or otherwise subsidized or encouraged through climate legislation or regulation and added to the supply, they could displace a higher marginal cost fossil plant, which could reduce the price at which market participants sell their electricity. This occurrence could then reduce the market price at which all generators in that region, including Generation, would sell their output.

The market price for electricity is also affected by changes in the demand for electricity. Poorer than expected economic conditions, milder than normal weather, and the growth of energy efficiency and demand response programs can depress demand. The result is that higher-cost generating resources do not run as frequently, putting downward pressure on market prices for electricity. The continued sluggish economy in the United States has in fact led to a slow down in the growth of demand for electricity. If this continues, it could adversely affect the Registrants' ability to pay dividends or fund other discretionary uses of cash such as growth projects. A slow recovery could result in a prolonged depression of or further decline in commodity prices, which could also adversely affect Exelon's and Generation's results of operations, cash flows and financial position.

In addition to price fluctuations, Generation is exposed to other risks of the wholesale power market that are beyond its control and may negatively affect its results of operations. (Exelon and Generation)

Credit Risk. In the bilateral markets, Generation is exposed to the risk that counterparties that owe Generation money, or are obligated to purchase energy or fuel from Generation, will not perform their obligations for operational or financial reasons. In the event the counterparties to these arrangements fail to perform, Generation might be forced to purchase or sell energy or fuel in the wholesale markets at less favorable prices and incur additional losses, to the extent of amounts, if any, already paid to the counterparties. In the spot markets, Generation is exposed to risk as a result of default sharing mechanisms that exist within certain markets, primarily RTO's and ISO's, the purpose of which is to spread such risk across all market participants. Generation is also a party to agreements with entities in the energy sector that have experienced rating downgrades or other financial difficulties. In addition, the retail businesses subject Generation to credit risk through competitive electricity and natural gas supply activities to serve commercial and industrial companies. Retail credit risk results when customers default on their contractual obligations. This risk represents the loss that may be incurred due to the nonpayment of a customer's account balance, as well as the loss from the resale of energy previously committed to serve the customer.

Unstable Markets. The wholesale spot markets remain evolving markets that vary from region to region and are still developing practices and procedures. Problems in or the failure of any of these markets could adversely affect Generation's business. In addition, a significant decrease in market participation could affect market liquidity and have a detrimental effect on market stability.

Market performance and other factors may decrease the value of decommissioning trust funds and benefit plan assets and increase the related obligations, which then could require significant additional funding. (Exelon, Generation, ComEd and PECO)

Disruptions in the capital markets and their actual or perceived effects on particular businesses and the greater economy may adversely affect the value of the investments held within Generation's NDTs and Exelon's employee benefit plan trusts. The Registrants have significant obligations in these areas and Exelon and Generation hold substantial assets in these trusts. The asset values are subject to market fluctuations and will yield uncertain returns, which may fall below the Registrants' projected return rates. A decline in the market value of the NDT fund investments may increase the funding requirements to decommission Generation's nuclear plants. A decline in the market value of the pension and other postretirement benefit plan assets will increase the funding requirements associated

with Exelon's pension and other postretirement benefit plans. Additionally, Exelon's pension and other postretirement benefit plan liabilities are sensitive to changes in interest rates. As interest rates decrease, the liabilities increase, potentially increasing benefit costs and funding requirements. Changes in demographics, including increased numbers of retirements or changes in life expectancy assumptions may also increase the funding requirements of the obligations related to the pension and other postretirement benefit plans. If future increases in pension and other postretirement costs as a result of reduced plan assets or other factors are not recoverable from ComEd and PECO customers, the results of operations and financial positions of ComEd and PECO could be negatively affected. Ultimately, if the Registrants are unable to manage the decommissioning trust funds and benefit plan assets and obligations, their results of operations and financial positions could be negatively affected.

Unstable capital and credit markets and increased volatility in commodity markets may adversely affect the Registrants' businesses in several ways, including the availability and cost of short-term funds for liquidity requirements, the Registrants' ability to meet long-term commitments, Generation's ability to hedge effectively its generation portfolio, and the competitiveness and liquidity of energy markets; each could adversely affect the Registrants' financial condition, results of operations and cash flows. (Exelon, Generation, ComEd and PECO)

The Registrants rely on the capital markets, particularly for publicly offered debt, as well as the banking and commercial paper markets, to meet their financial commitments and short-term liquidity needs if internal funds are not available from the Registrants' respective operations. Disruptions in the capital and credit markets can adversely affect the Registrants' ability to access the capital markets or draw on their respective bank revolving credit facilities. The Registrants' access to funds under those credit facilities is dependent on the ability of the banks that are parties to the facilities to meet their funding commitments. Those banks may not be able to meet their funding commitments to the Registrants if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests from the Registrants and other borrowers within a short period of time. Longer term disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation, reduced alternatives or failures of significant financial institutions could result in the deferral of discretionary capital expenditures, changes to Generation's hedging strategy to reduce collateral-posting requirements, or a reduction in dividend payments or other discretionary uses of cash.

In addition, the credit facilities for Exelon, Generation and PECO largely expire in October 2012. Exelon anticipates refinancing these credit facilities, approximately $6.4 billion, in the first half of 2011. Disruptions in the capital and credit markets could reduce or restrict the Registrants' ability to secure sufficient liquidity or secure liquidity at reasonable terms. The Registrants may choose to establish cost-effective alternative liquidity sources as appropriate.

The strength and depth of competition in competitive energy markets depend heavily on active participation by multiple trading parties, which could be adversely affected by disruptions in the capital and credit markets and legislative and regulatory initiatives that may affect participants in commodities transactions. Reduced capital and liquidity and failures of significant institutions that participate in the energy markets could diminish the liquidity and competitiveness of energy markets that are important to the respective businesses of the Registrants. Perceived weaknesses in the competitive strength of the energy markets could lead to pressures for greater regulation of those markets or attempts to replace market structures with other mechanisms for the sale of power, including the requirement of long-term contracts such as the financial swap contract between Generation and ComEd as described further in Note 2 of the Combined Notes to Consolidated Financial Statements, which could have a material adverse effect on Exelon's and Generation's results of operations and cash flows.

If any of the Registrants were to experience a downgrade in its credit ratings to below investment grade or otherwise fail to satisfy the credit standards of its trading counterparties, it would be required to provide significant amounts of collateral under its agreements with counterparties and could experience higher borrowing costs. (Exelon, Generation, ComEd and PECO)

Generation's trading business is subject to credit quality standards that may require market participants to post collateral for their obligations. If Generation were to be downgraded or lose its investment grade credit rating (based on its senior unsecured debt rating) or otherwise fail to satisfy the credit standards of trading counterparties, it would be required under trading agreements to provide collateral in the form of letters of credit or cash, which may have a material adverse effect upon its liquidity. The amount of collateral required to be provided by Generation at any point in time is dependent on a variety of factors, including (1) the notional amount of trading positions, (2) the nature of counterparty and related agreements, and (3) changes in power or other commodity prices. In addition, if Generation were downgraded, it could experience higher borrowing costs as a result of the downgrade. Generation could experience a downgrade in its ratings if any of the credit rating agencies concludes that the level of business or financial risk and overall creditworthiness of the power generation industry or Generation has deteriorated. Changes in ratings methodologies by the credit rating agencies could also have a negative impact on the ratings of Generation.

ComEd's financial swap contract with Generation and its operating agreement with PJM contain collateral provisions that are affected by its credit rating and market prices. If certain wholesale market conditions exist and ComEd were to lose its investment grade credit rating (based on its senior unsecured debt rating), it would be required under the financial swap contract with Generation to provide collateral in the form of letters of credit or cash, which may have a material adverse effect upon its liquidity. Collateral posting by ComEd under the financial swap will generally increase as forward market prices fall and decrease as forward market prices rise. Conversely, collateral requirements under the PJM operating agreement will generally increase as market prices rise and decrease as market prices fall. Given the relationship to market prices, contract collateral requirements can be volatile. In addition, if ComEd were downgraded, it could experience higher borrowing costs as a result of the downgrade.

PECO's operating agreement with PJM and its power and natural gas procurement contracts contain collateral provisions that are affected by its credit rating. If certain wholesale market conditions exist and PECO were to lose its investment grade credit rating (based on its senior unsecured debt rating), it would be required to provide collateral in the form of letters of credit or cash, which may have a material adverse effect upon its liquidity. PECO's collateral requirements relating to its natural gas supply contracts are a function of market prices. Collateral posting requirements for PECO with respect to these contracts will generally increase as forward market prices fall and decrease as forward market prices rise. Given the relationship to forward market prices, contract collateral requirements can be volatile. In addition, if PECO were downgraded, it could experience higher borrowing costs as a result of the downgrade.

Either or both ComEd and PECO could experience a downgrade in its ratings if any of the credit rating agencies concludes that the level of business or financial risk and overall creditworthiness of the utility industry in general or ComEd or PECO in particular has deteriorated. ComEd or PECO could experience a downgrade if the current regulatory environments in Illinois and Pennsylvania become less predictable by materially lowering returns for utilities in the applicable state or adopting other measures to mitigate higher electricity prices. Additionally, the ratings for ComEd or PECO could be downgraded if either company's financial results are weakened from current levels due to weaker operating performance or due to a failure to properly manage its capital structure. In addition, changes in ratings methodologies by the agencies could also have a negative impact on the ratings of ComEd or PECO.

ComEd and PECO conduct their respective businesses and operate under governance models and other arrangements and procedures intended to assure that ComEd and PECO are treated as separate, independent companies, distinct from Exelon and other Exelon subsidiaries in order to isolate ComEd and PECO from Exelon and other Exelon subsidiaries in the event of financial difficulty at Exelon or another Exelon subsidiary. These measures (commonly referred to as "ringfencing") may help avoid or limit a downgrade in the credit ratings of ComEd and PECO in the event of a reduction in the credit rating of Exelon. Despite these ringfencing measures, the credit ratings of ComEd or PECO could remain linked, to some degree, to the credit ratings of Exelon. Consequently, a reduction in the credit rating of Exelon could result in a reduction of the credit rating of ComEd or PECO, or both. A reduction in the credit rating of ComEd or PECO could have a material adverse effect on ComEd or PECO, respectively.

See Liquidity and Capital Resources—Recent Market Conditions and Security Ratings for further information regarding the potential impacts of credit downgrades on the Registrants' cash flows.

Generation's financial performance may be negatively affected by price volatility, availability and other risk factors associated with the procurement of nuclear and fossil fuel. (Exelon and Generation)

Generation depends on nuclear fuel, coal, natural gas and oil to operate its generating facilities. Nuclear fuel is obtained predominantly through long-term uranium concentrate supply contracts, contracted conversion services, contracted enrichment services and contracted fuel fabrication services. Coal, natural gas and oil are procured for generating plants through annual, short-term and spot-market purchases. The supply markets for nuclear fuel, coal, natural gas and oil are subject to price fluctuations, availability restrictions and counterparty default that may negatively affect the results of operations for Generation.

Generation's risk management policies cannot fully eliminate the risk associated with its commodity trading activities. (Exelon and Generation)

Generation's asset-based power position as well as its power marketing, fuel procurement and other commodity trading activities expose Generation to risks of commodity price movements. Generation attempts to manage this exposure through enforcement of established risk limits and risk management procedures. These risk limits and risk management procedures may not work as planned and cannot eliminate all risks associated with these activities. Even when its policies and procedures are followed, and decisions are made based on projections and estimates of future performance, results of operations may be diminished if the judgments and assumptions underlying those decisions prove to be incorrect. Factors, such as future prices and demand for power and other energy-related commodities, become more difficult to predict and the calculations become less reliable the further into the future estimates are made. As a result, Generation cannot predict the impact that its commodity trading activities and risk management decisions may have on its business, operating results or financial position.

Generation buys and sells energy and other products in the wholesale markets and enters into financial contracts to manage risk and hedge various positions in Generation's power generation portfolio. The proportion of hedged positions in its power generation portfolio may cause volatility in Generation's future results of operations.

Generation may not be able to effectively respond to increased demand for energy. (Exelon and Generation)

Generation's financial growth may depend in part on its ability to respond to increased demand for energy. If demand for electricity rises in the future, it may be necessary for the market to increase capacity through the construction of new generating facilities. Development by Generation of new generating facilities would require the commitment of substantial capital resources, including access to the capital markets. The wholesale markets for electricity and certain states' statutes contemplate that future generation will be built in those markets at the risk of market participants. Thus, the ability of Generation to recover the costs of and to earn an adequate return on any future investment in generating facilities will be dependent on its ability to build, finance and efficiently operate facilities that are competitive in those markets. Additionally, construction of new generating facilities by Generation in markets in which it currently competes would be subject to market concentration tests administered by FERC. If Generation cannot pass these tests administered by FERC, it could be limited in how it responds to increased demand for energy.

Financial performance and load requirements may be adversely affected if Generation is unable to effectively manage its power portfolio. (Exelon and Generation)

A significant portion of Generation's power portfolio is used to provide power under procurement contracts with ComEd, PECO and other customers. To the extent portions of the power portfolio are not needed for that purpose, Generation's output is sold in the wholesale market. To the extent its power portfolio is not sufficient to meet the requirements of its customers under the related agreements, Generation must purchase power in the wholesale power markets. Generation's financial results may be negatively affected if it is unable to cost-effectively meet the load requirements of its customers, manage its power portfolio and effectively handle the changes in the wholesale power markets.

Challenges to tax positions taken by the Registrants as well as tax law changes and the inherent difficulty in quantifying potential tax effects of business decisions, could negatively impact the Registrants' results of operations and cash flows. (Exelon, Generation, ComEd and PECO)

1999 sale of fossil generating assets. The IRS has challenged Exelon's 1999 tax position on an involuntary conversion and like-kind exchange transaction. In the third quarter of 2010, Exelon and IRS Appeals reached a nonbinding, preliminary agreement to settle Exelon's involuntary conversion and CTC positions and for the IRS to withdraw its assertion of a $110 million substantial understatement penalty related to the involuntary conversion position. However, Exelon and IRS Appeals failed to reach a settlement on the like-kind exchange position. Exelon expects to initiate litigation on this matter during the second half of 2011. If the IRS is successful in its challenge to the like-kind exchange position, it would accelerate future income tax payments and increase interest expense related to the deferred tax gain that would become currently payable. As of December 31, 2010, Exelon's and ComEd's potential cash outflow, including tax and interest (after tax), could be as much as $830 million, excluding penalties. If the deferral were successfully challenged by the IRS, Exelon's and ComEd's results of operations could also be negatively impacted by up to $230 million (after tax) related to interest expense. In addition to attempting to impose tax on the like-kind exchange position, the IRS has asserted penalties for a substantial understatement of tax, which could result in an after-tax charge of $86 million to Exelon's and ComEd's results of operations should the IRS prevail in asserting the penalties. The timing effects of the final resolution of the like-kind exchange matter are unknown. See Note 11 of the Combined Notes to Consolidated Financial Statements for additional information.

Tax reserves and the recoverability of deferred tax assets. The Registrants are required to make judgments in order to estimate their obligations to taxing authorities. These tax obligations include income, real estate, sales and use and employment-related taxes and ongoing appeals issues related to these tax matters. These judgments include reserves for potential adverse outcomes regarding tax positions that have been taken that may be subject to challenge by the tax authorities. The Registrants also estimate their ability to utilize tax benefits, including those in the form of carryforwards and tax credits. See Notes 1 and 11 of the Combined Notes to Consolidated Financial Statements for additional information.

Increases in customer rates and the impact of economic downturns may lead to greater expense for uncollectible customer balances. Additionally, increased rates could lead to decreased volumes delivered. Both of these factors may decrease ComEd’s and PECO’s results from operations and cash flows. (Exelon, ComEd and PECO)

ComEd’s current procurement plan includes purchasing power through contracted suppliers and the spot market. PECO began procuring power at market-based rates through contracted suppliers and the spot market on January 1, 2011 following the end of its transition period. ComEd’s and PECO’s costs of purchased power are charged to customers without a return or profit component. For PECO, purchased natural gas costs are charged to customers with no return or profit component. Purchased power and natural gas prices fluctuate based on their relevant supply and demand. Significantly higher rates related to purchased power and natural gas can result in declines in customer usage, lower electric transmission and distribution revenues and potentially additional uncollectible accounts expense for ComEd and PECO as well as lower gas distribution revenues for PECO. Also, ComEd’s and PECO’s cash flows can be affected by differences between the time period when electricity and natural gas are purchased and the ultimate recovery from customers.

In addition to increased purchased power charges for ComEd and PECO customers and purchased natural gas costs for PECO customers, the impact of economic downturns on ComEd and PECO’s customers, such as unemployment for residential customers and less demand for products and services provided by commercial and industrial customers, and the related regulatory limitations on residential service terminations may result in an increase in the number of uncollectible customer balances, which would negatively impact ComEd’s and PECO’s results from operations and cash flows. See ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk for further discussion of the Registrants’ credit risk.

The effects of weather may impact the Registrants’ results of operations and cash flows. (Exelon, Generation, ComEd and PECO)

Temperatures above normal levels in the summer tend to increase summer cooling electricity demand and revenues, and temperatures below normal levels in the winter tend to increase winter heating electricity and gas demand and revenues. Moderate temperatures adversely affect the usage of energy and resulting revenues. Extreme weather conditions or damage resulting from storms may stress ComEd’s and PECO’s transmission and distribution systems, resulting in increased maintenance and capital costs and limiting each company’s ability to meet peak customer demand. These extreme conditions may have detrimental effects on ComEd’s and PECO’s results of operations and cash flows.

Generation’s operations are also affected by weather, which affects demand for electricity as well as operating conditions. To the extent that weather is warmer in the summer or colder in the winter than assumed, Generation may require greater resources to meet its contractual commitments. Extreme weather conditions or storms may affect the availability of generation and its transmission,

limiting Generation's ability to source or send power to where it is sold. In addition, drought-like conditions can impact Generation's ability to run certain generating assets at full capacity. These conditions, which cannot be accurately predicted, may have an adverse effect by causing Generation to seek additional capacity at a time when wholesale markets are tight or to seek to sell excess capacity at a time when those markets are weak.

Certain long-lived assets recorded on the Registrants' statements of financial position may become impaired, which would result in write-offs of the impaired amounts. (Exelon, Generation, ComEd and PECO)

Long-lived assets represent the single largest asset class on the Registrants' statement of financial position. Specifically, long-lived assets account for 57%, 48%, 58% and 63% of total assets for Exelon, Generation, ComEd and PECO, respectively, as of December 31, 2010. The Registrants evaluate for impairment the carrying value of long-lived assets to be held and used whenever indications of impairment exist. Factors such as the business climate, including current energy and market conditions, environmental regulation, and the condition of assets are considered when evaluating long-lived assets for impairment. An impairment would require the Registrants to reduce the long-lived asset through a non-cash charge to expense by the amount of the impairment, and such an impairment could have a material adverse impact on the Registrants' results of operations.

Exelon holds certain investments in coal-fired plants in Georgia and Texas subject to long-term leases extending through 2028-2032. On an annual basis, Exelon reviews the estimated residual values of these leased assets to determine whether any indications of impairment exist. In determining the estimate of residual value, the expectation of future market conditions, including commodity prices, is considered. An impairment would require Exelon to reduce the value of its investment in the plants through a non-cash charge to expense. Such an impairment could have a material adverse impact on Exelon's results of operations.

Exelon and ComEd had approximately $2.6 billion of goodwill recorded at December 31, 2010 in connection with the merger between PECO and Unicom Corporation, the former parent company of ComEd. Under GAAP, goodwill remains at its recorded amount unless it is determined to be impaired, which is generally based upon an annual analysis that compares the implied fair value of the goodwill to its carrying value. If an impairment occurs, the amount of the impaired goodwill will be written-off and expensed, reducing equity. The actual timing and amounts of any goodwill impairments will depend on many sensitive, interrelated and uncertain variables. Adverse regulatory actions or a fully successful IRS challenge to Exelon's and ComEd's like-kind exchange income tax position in combination with changes in significant assumptions used in estimating ComEd's fair value (e.g., discount and growth rates, utility sector market performance and transactions, operating and capital expenditure requirements and the fair value of debt) could result in an impairment. Such an impairment would result in a non-cash charge to expense, which could have a material impact on Exelon's and ComEd's operating results.

See ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operation—Critical Accounting Policies and Estimates and Notes 5 and 7 of the Combined Notes to the Consolidated Financial Statements for additional discussion on long-lived asset and goodwill impairments.

The Registrants' businesses are capital intensive and the costs of capital projects may be significant. (Exelon, Generation, ComEd and PECO)

The Registrants' businesses are capital intensive and require significant investments in energy generation and in other internal transmission and distribution infrastructure projects. The Registrants'

results of operations, financial condition, or cash flows could be adversely affected if they were unable to effectively manage their capital projects or raise the necessary capital. See Item 1 of this Form 10-K for further information regarding the Registrants' potential future capital expenditures.

Exelon and its subsidiaries have guaranteed the performance of third parties, which may result in substantial costs in the event of non-performance. (Exelon, Generation, ComEd and PECO)

The Registrants have issued certain guarantees of the performance of others, which obligate Exelon and its subsidiaries to perform in the event that the third parties do not perform. In the event of non-performance by the third parties, the Registrants could incur substantial cost to fulfill their obligations under these guarantees. Such performance guarantees could have a material impact on the operating results, financial condition, or cash flows of the Registrants. See Note 18 of the Combined Notes to Consolidated Financial Statements for additional information.

Due to its significant contractual agreements with ComEd, Generation will be negatively affected in the event of non-performance or change in the creditworthiness of ComEd. (Exelon and Generation)

Generation currently provides power under procurement contracts with ComEd for a significant portion of ComEd's electricity supply requirements. In addition, Generation entered into a financial swap contract with ComEd, effective August 2007, to hedge a portion of ComEd's electricity supply requirements through May 2013. Consequently, Generation is highly dependent on ComEd's continued payments under these procurement contracts and would be adversely affected by negative events affecting these agreements, including the non-performance or a significant change in the creditworthiness of ComEd. A default by ComEd under these agreements would have an adverse effect on Generation's results of operations and financial position.

Generation's business may be negatively affected by competitive electric generation suppliers. (Exelon and Generation)

Because retail customers where Generation serves load can switch from their respective energy delivery company to a competitive electric generation supplier for their energy needs, planning to meet Generation's obligation to provide the supply needed to serve Generation's share of an electric distribution companies' default service obligation is more difficult than planning for retail load before the advent of retail competition. Before retail competition, the primary variables affecting projections of load were weather and the economy. With retail competition, another major factor is the ability of retail customers to switch to competitive electric generation suppliers. If fewer of such customers switch from its retail load serving counterparties than Generation anticipates, the load that Generation must serve will be greater than anticipated, which could, if market prices have increased, increase Generation's costs (due to its need to go to market to cover its incremental supply obligation) more than the increase in Generation's revenues. If more customers switch than Generation anticipates, the load that Generation must serve will be lower than anticipated, which could, if market prices have decreased, cause Generation to lose opportunities in the market.

Regulatory and Legislative Risks

The Registrants' generation and energy delivery businesses are highly regulated and could be subject to adverse regulatory and legislative actions. Fundamental changes in regulation or legislation could disrupt the Registrants' business plans and adversely affect their operations and financial results. (Exelon, Generation, ComEd and PECO)

Substantially all aspects of the businesses of the Registrants are subject to comprehensive Federal or state regulation and legislation. Further, Exelon's and Generation's operating results and

cash flows are heavily dependent upon the ability of Generation to sell power at market-based rates, as opposed to cost-based or other similarly regulated rates, and Exelon's, ComEd's and PECO's operating results and cash flows are heavily dependent on their ability to recover their costs for the retail purchase and distribution of power to their customers. In the planning and management of operations, the Registrants must address the effects of regulation on their businesses and changes in the regulatory framework, including initiatives by Federal and state legislatures, RTOs, ratemaking agencies and taxing authorities. Fundamental changes in regulations or other adverse legislative actions impacting the Registrants' businesses would require changes in their business planning models and operations and could adversely affect their results of operations, cash flows and financial position.

Regulatory and legislative developments related to climate change and RPS may also significantly affect Exelon's and Generation's results of operations, cash flows and financial positions. Various legislative and regulatory proposals to address climate change through GHG emission reductions, if enacted, could result in increased costs to entities that generate electricity through carbon-emitting fossil fuels, which could increase the market price at which all generators in that region, including Generation, may sell their output, thereby increasing the revenue Generation could realize from its low-carbon nuclear assets. However, regulation or legislation addressing climate change through an RPS could also increase the pace of development of wind energy facilities in the Midwest, which could put downward pressure on wholesale market prices for electricity from Generation's Midwest nuclear assets, partially offsetting any additional value Exelon and Generation might derive from Generation's nuclear assets under a carbon constrained regulatory regime that might exist in the future. The Registrants cannot predict when or whether any of these various legislative and regulatory proposals may become law or what their effect will be on the Registrants.

Generation may be negatively affected by possible Federal or state legislative or regulatory actions that could affect the scope and functioning of the wholesale markets. (Exelon and Generation)

Federal and state legislative and regulatory bodies are facing pressures to address consumer concerns that energy prices in wholesale markets are too high because the competitive model is not working, and are therefore facing calls for some form of re-regulation or some other means of reducing wholesale market prices. As the energy markets continue to mature, a low number of wholesale market power participants entering procurement proceedings may also influence how certain regulators and legislators view the effectiveness of these competitive markets.

The criticism of restructured electricity markets, which has escalated in recent years as retail rate freezes have expired, is expected to continue in 2011. Generation is dependent on robust and competitive wholesale energy markets to achieve its business objectives.

Approximately 80% of Generation's generating resources, which include directly owned assets and capacity obtained through long-term contracts, are located in the region encompassed by PJM. Generation's future results of operations will depend on (1) FERC's continued adherence to and support for policies that favor the preservation of competitive wholesale power markets, such as the PJM's, and (2) the absence of material changes to market structures that would limit or otherwise negatively affect the competitiveness of the PJM market. Generation could also be adversely affected by efforts of state legislatures, such as the New Jersey Capacity Legislation enacted into law on January 28, 2011 and other states seeking to enact similar programs, and regulatory authorities to respond to the concerns of consumers or others about the costs of energy that are reflected through wholesale markets.

In addition, FERC's application of its Order 697 and its subsequent revisions could pose a risk that Generation will have difficulty satisfying FERC's tests for market-based rates. Since Order 697 became

final in June 2007, Generation has obtained orders affirming Generation's authority to sell at market-based rates and none denying that authority. Generation's next submission seeking reauthorization to sell at market-based rates was filed on December 30, 2010 for the PJM region. In its filing, Generation submitted studies showing that it continues to satisfy the tests required by Order 697. Should FERC take a more stringent tack with respect to Order 697 applications, it is possible that Generation's authority to sell at market-based rates could be in doubt. Generation, however, currently expects that FERC will approve its pending application.

On July 21, 2010, the Dodd-Frank Act was enacted into law. Dodd-Frank calls for the Commodity Futures Trading Commission (CFTC), the SEC and the Federal Reserve to regulate the market for over-the-counter (OTC) derivative products. Currently, rulemakings are pending at these agencies, the product of which will be rules that implement the mandates in Dodd-Frank to eliminate the risk of systemic failure of financial markets. The significance of the effect on Generation will depend in part on whether it is determined to be a swap dealer or a qualifying end-user, based on the meaning of those terms established in the final rules. If Generation is deemed a swap dealer, it will be required execute bilateral OTC derivative transactions through an exchange or central clearinghouse. This could require Generation to tie up substantial additional capital in order to satisfy exchange-based margin requirements.

Even if Generation is not deemed a swap dealer, the rules could impose burdens on market participants to such an extent that liquidity in the bilateral OTC derivative market decreases substantially. As Generation's hedging program relies heavily on its ability to trade actively in the current bilateral OTC derivatives market, the effect of the new rules could significantly impede Generation's ability to meet its hedge targets. Generation continues to monitor the rulemaking procedures and cannot predict the ultimate outcome that the financial reform legislation will have on its results of operation, cash flows or financial position.

Generation's affiliation with ComEd and PECO, together with the presence of a substantial percentage of Generation's physical asset base within the ComEd and PECO service territories, could increase Generation's cost of doing business to the extent future complaints or challenges regarding ComEd and/or PECO retail rates result in settlements or legislative or regulatory requirements funded in part by Generation. (Exelon and Generation)

Generation has significant generating resources within the service areas of ComEd and PECO and makes significant sales to each of them. Those facts tend to cause Generation to be directly affected by developments in those markets. Government officials, legislators and advocacy groups are aware of Generation's affiliation with ComEd and PECO and its sales to each of them. In periods of rising utility rates, particularly when driven by increased costs of energy production and supply, those officials and advocacy groups may question or challenge costs incurred by ComEd or PECO, including transactions between Generation, on the one hand, and ComEd or PECO, on the other hand, regardless of any previous regulatory processes or approvals underlying those transactions. The prospect of such challenges may increase the time, complexity and cost of the associated regulatory proceedings, and the occurrence of such challenges may subject Generation to a level of scrutiny not faced by other unaffiliated competitors in those markets. In addition, government officials and legislators may seek ways to force Generation to contribute to efforts to mitigate potential or actual rate increases, through measures such as generation-based taxes and contributions to rate-relief packages.

The Registrants may incur substantial costs to fulfill their obligations related to environmental and other matters. (Exelon, Generation, ComEd and PECO)

The businesses in which the Registrants operate are subject to extensive environmental regulation and legislation by local, state and Federal authorities. These laws and regulations affect the manner in

which the Registrants conduct their operations and make capital expenditures. These regulations affect how the Registrants handle air and water emissions and solid waste disposal. Violations of these emission and disposal requirements can subject the Registrants to enforcement actions, capital expenditures to bring existing facilities into compliance, additional operating costs for remediation and clean-up costs, civil penalties and exposure to third parties' claims for alleged health or property damages or operating restrictions to achieve compliance. In addition, the Registrants are subject to liability under these laws for the remediation costs for environmental contamination of property now or formerly owned by the Registrants and of property contaminated by hazardous substances they generate. The Registrants have incurred and expect to incur significant costs related to environmental compliance, site remediation and clean-up. Remediation activities associated with MGP operations conducted by predecessor companies is one component of such costs. Also, the Registrants are 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.

If application of Section 316(b), which establishes a national requirement for reducing the adverse impacts to aquatic organisms at existing generating stations, requires the retrofitting of cooling water intake structures at Salem or other Exelon power plants, this development could result in material costs of compliance. On December 8, 2010, pursuant to discussions with the NJDEP regarding the application of Section 316(b) of the Clean Water Act to Oyster Creek, Exelon announced that Generation will permanently cease generation operations at Oyster Creek by December 31, 2019, ten years before the expiration of its operating license in 2029.

Additionally, Generation is subject to exposure for asbestos-related personal injury liability alleged at certain current and formerly owned generation facilities. Future legislative action could require Generation to make a material contribution to a fund to settle lawsuits for alleged asbestos-related disease and exposure.

In some cases, a third party who has acquired assets from a Registrant has assumed the liability the Registrant may otherwise have for environmental matters related to the transferred property. If the transferee fails to discharge the assumed liability, a regulatory authority or injured person could attempt to hold the Registrant responsible, and the Registrant's remedies against the transferee may be limited by the financial resources of the transferee. See Note 18 of the Combined Notes to Consolidated Financial Statements for additional information.

Changes in ComEd's and PECO's terms and conditions of service, including their respective rates, are subject to regulatory approval proceedings and/or negotiated settlements that are at times contentious, lengthy and subject to appeal, which lead to uncertainty as to the ultimate result and which may introduce time delays in effectuating rate changes. (Exelon, ComEd and PECO)

ComEd and PECO are required to engage in regulatory approval proceedings as a part of the process of establishing the terms and rates for their respective services. These proceedings typically involve multiple parties, including governmental bodies and officials, consumer advocacy groups and various consumers of energy, who have differing concerns but who have the common objective of limiting rate increases or even reducing rates. The proceedings generally have timelines that may not be limited by statute. Decisions are subject to appeal, potentially leading to additional uncertainty associated with the approval proceedings. The potential duration of such proceedings creates a risk that rates ultimately approved by the applicable regulatory body may not be sufficient for ComEd or PECO to recover its costs by the time the rates become effective. Established rates are also subject to subsequent prudency reviews by state regulators, whereby various portions of rates can be adjusted, including recovery mechanisms for costs associated with the procurement of electricity or gas, MGP remediation, smart grid infrastructure, and energy efficiency and demand response programs.

In certain instances, ComEd and PECO may agree to negotiated settlements related to various rate matters, customer initiatives or franchise agreements. These settlements are subject to regulatory approval.

ComEd and PECO cannot predict the ultimate outcomes of any settlements or the actions by Illinois, Pennsylvania or Federal regulators for establishing rates, including the extent, if any, to which certain costs such as significant capital projects will be recovered or what rates of return will be allowed. Nevertheless, the expectation is that ComEd and PECO will continue to be obligated to deliver electricity to customers in their respective service territories and will also retain significant POLR and default service obligations to provide electricity and natural gas to certain groups of customers in its service area who do not choose an alternative supplier. The ultimate outcome and timing of regulatory rate proceedings have a significant effect on the ability of ComEd and PECO, as applicable, to recover their costs and could have a material adverse effect on ComEd's and PECO's results of operations, cash flows and financial position. See Note 2 of the Combined Notes to the Consolidated Financial Statements for information on appeals in connection with ComEd's 2007 Illinois electric distribution rate case.

Federal or additional state RPS and/or energy conservation legislation, along with energy conservation by customers, could negatively affect the results of operations and cash flows of ComEd and PECO. (Exelon, ComEd and PECO)

Changes to current state legislation or the development of Federal legislation that requires the use of renewable and alternate fuel sources, such as wind, solar, biomass and geothermal, could significantly impact ComEd and PECO, especially if timely cost recovery is not allowed. The impact could include increased costs for RECs and purchased power and increased rates for customers.

Federal and state legislation mandating the implementation of energy conservation programs that require the implementation of new technologies, such as smart meters and smart grid, have increased capital expenditures and could significantly impact ComEd and PECO, if timely cost recovery is not allowed. Furthermore, regulated energy consumption reduction targets and declines in customer energy consumption resulting from the implementation of new energy conservation technologies could lead to a decline in the revenues of Exelon, ComEd and PECO. For additional information, see ITEM 1. Business "Environmental Regulation-Renewable and Alternative Energy Portfolio Standards".

ComEd and PECO are likely to be subject to higher transmission operating costs in the future as a result of PJM's RTEP. (Exelon, ComEd and PECO)

Uncertainties exist as to the construction of new transmission facilities, their cost and how those costs will be allocated to transmission system participants and customers. In accordance with a FERC order and related settlement, PJM's RTEP requires the costs of new transmission facilities to be allocated across the entire PJM footprint for new facilities greater than or equal to 500 kV, and requires costs of new facilities less than 500 kV to be allocated to the beneficiaries of the new facilities. On August 6, 2009, the U.S. Court of Appeals for the Seventh Circuit remanded to FERC its decision related to allocation of new facilities 500 kV and above for further proceedings. See Notes 2 and 18 of the Combined Notes to Consolidated Financial Statements for additional information.

The impact of not meeting the criteria of the FASB guidance for accounting for the effects of certain types of regulation could be material to Exelon, ComEd and PECO. (Exelon, ComEd and PECO)

As of December 31, 2010, Exelon, ComEd and PECO have concluded that the operations of ComEd and PECO meet the criteria of the authoritative guidance for accounting for the effects of certain types of regulation. If it is concluded in a future period that a separable portion of their

businesses no longer meets the criteria, Exelon, ComEd and PECO are required to eliminate the financial statement effects of regulation for that part of their business. That action would include the elimination of any or all regulatory assets and liabilities that had been recorded in their Consolidated Balance Sheets and the recognition of a one-time extraordinary item in their Consolidated Statements of Operations. The impact of not meeting the criteria of the authoritative guidance could be material to the financial statements of Exelon, ComEd and PECO. At December 31, 2010, the extraordinary gain could have been as much as $1.8 billion (before taxes) as a result of the elimination of ComEd's regulatory assets and liabilities. At December 31, 2010, the extraordinary charge could have been as much as $534 million (before taxes) as a result of the elimination of PECO's regulatory assets and liabilities. Exelon would record the same amount of extraordinary gain and charge related to ComEd's and PECO's regulatory assets and liabilities, respectively. Further, Exelon would record a charge against OCI (before taxes) of up to $2.7 billion and $45 million for ComEd and PECO, respectively, related to Exelon's regulatory assets associated with its defined benefit postretirement plans. The impacts and resolution of the above items could lead to an additional impairment of ComEd's goodwill, which could be significant and at least partially offset the extraordinary gain discussed above. A significant decrease in equity as a result of any changes could limit the ability of ComEd and PECO to pay dividends under Federal and state law and cause significant volatility in future results of operations. See Notes 1, 2 and 7 of the Combined Notes to Consolidated Financial Statements for additional information regarding accounting for the effects of regulation, regulatory matters and ComEd's goodwill, respectively.

Exelon and Generation may incur material costs of compliance if Federal and/or state regulation or legislation is adopted to address climate change. (Exelon and Generation)

Various stakeholders, including legislators and regulators, shareholders and non-governmental organizations, as well as other companies in many business sectors, including utilities, are considering ways to address the effect of GHG emissions on climate change. In 2009, select Northeast and Mid-Atlantic states implemented a model rule, developed via the RGGI, to regulate CO_2 emissions from fossil-fired generation. If carbon reduction regulation or legislation becomes effective, Exelon and Generation may incur costs either to limit further the GHG emissions from their operations or to procure emission allowance credits. The nature and extent of environmental regulation may also impact the ability of Exelon and its subsidiaries to meet the GHG emission reduction targets of Exelon 2020. For example, more stringent permitting requirements may preclude the construction of lower-carbon nuclear and gas-fired power plants. Similarly, a Federal RPS could increase the cost of compliance by mandating the purchase or construction of more expensive supply alternatives. For more information regarding climate change, see "Global Climate Change" in ITEM 1 of this Form 10-K and Note 18 of the Combined Notes to Consolidated Financial Statements in ITEM 8 of this Form 10-K.

The Registrants could be subject to higher costs and/or penalties related to mandatory reliability standards. (Exelon, Generation, ComEd and PECO)

As a result of the Energy Policy Act of 2005, users, owners and operators of the bulk power transmission system, including Generation, ComEd and PECO, are subject to mandatory reliability standards promulgated by NERC and enforced by FERC. PECO as operator of a natural gas distribution system is also subject to mandatory reliability standards of the U.S. Department of Transportation. The standards are based on the functions that need to be performed to ensure the bulk power system operates reliably and is guided by reliability and market interface principles. Compliance with or changes in the reliability standards may subject the Registrants to higher operating costs and/or increased capital expenditures. In addition, the ICC and PAPUC impose certain distribution reliability standards on ComEd and PECO, respectively. If the Registrants were found not to be in compliance with the mandatory reliability standards, they could be subject to remediation costs as well as sanctions, which could include substantial monetary penalties.

The Registrants cannot predict the outcome of the legal proceedings relating to their business activities. An adverse determination could have a material adverse effect on their results of operations, financial positions and cash flows. (Exelon, Generation, ComEd and PECO)

The Registrants are involved in legal proceedings, claims and litigation arising out of their business operations, the most significant of which are summarized in Note 18 of the Combined Notes to Consolidated Financial Statements. Adverse outcomes in these proceedings could require significant expenditures that could have a material adverse effect on the Registrants' results of operations.

Operational Risks

The Registrants' employees, contractors, customers and the general public may be exposed to a risk of injury due to the nature of the energy industry. (Exelon, Generation, ComEd and PECO)

Employees and contractors throughout the organization work in, and customers and the general public may be exposed to, potentially dangerous environments near operations. As a result, employees, contractors, customers and the general public are at risk for serious injury, including loss of life. Significant risks include nuclear accidents, dam failure, gas explosions, pole strikes and electric contact cases.

War, acts and threats of terrorism, natural disaster, pandemic and other significant events may adversely affect Exelon's results of operations, its ability to raise capital and its future growth. (Exelon, Generation, ComEd and PECO)

Exelon does not know the impact that potential terrorist attacks could have on the industry in general and on Exelon in particular. As owner-operators of infrastructure facilities, such as nuclear, fossil and hydroelectric generation facilities and electric and gas transmission and distribution facilities, Exelon faces a risk that its operations would be direct targets of, or indirect casualties of, an act of terror. Any retaliatory military strikes or sustained military campaign may affect its operations in unpredictable ways, such as changes in insurance markets and disruptions of fuel supplies and markets, particularly oil. Additionally, natural disasters and other events that have an adverse effect on the economy in general may adversely affect Exelon's operations and its ability to raise capital. Instability in the financial markets as a result of terrorism, war, natural disasters, pandemic, credit crises, recession or other factors also may affect Exelon's results of operations and its ability to raise capital. In addition, the implementation of security guidelines and measures has resulted in and is expected to continue to result in increased costs.

Further, the physical risks of climate change, such as more frequent or more extreme weather events, changes in temperature and precipitation patterns, changes to ground and surface water availability, sea level rise and other related phenomena, could affect some, or all, of the Registrant's operations. Severe weather or other natural disasters could be destructive, which could result in increased costs, including supply chain costs. An extreme weather event within the Registrants' service areas can also directly affect their capital assets, causing disruption in service to customers due to downed wires and poles or damage to other operating equipment. Finally, climate change could affect the availability of a secure and economical supply of water in some locations, which is essential for Exelon's and Generation's continued operation, particularly the cooling of generating units.

Exelon would be significantly affected by the outbreak of a pandemic. Exelon has plans in place to respond to a pandemic. However, depending on the severity of a pandemic and the resulting impacts to workforce and other resource availability, the ability to operate its generating and transmission and distribution assets could be affected, resulting in decreased service levels and increased costs.

Generation's financial performance may be negatively affected by matters arising from its ownership and operation of nuclear facilities. (Exelon and Generation)

Nuclear capacity factors. Capacity factors, particularly nuclear capacity factors, significantly affect Generation's results of operations. Nuclear plant operations involve substantial fixed operating costs but produce electricity at low variable costs due to nuclear fuel costs typically being lower than fossil fuel costs. Consequently, to be successful, Generation must consistently operate its nuclear facilities at high capacity factors. Lower capacity factors increase Generation's operating costs by requiring Generation to produce additional energy from primarily its fossil facilities or purchase additional energy in the spot or forward markets in order to satisfy Generation's obligations to committed third-party sales, including ComEd and PECO. These sources generally have higher costs than Generation incurs to produce energy from its nuclear stations.

Nuclear refueling outages. Refueling outages are planned to occur once every 18 to 24 months and currently average approximately 26 days in duration for the nuclear plants operated by Generation. The total number of refueling outages, along with their duration, can have a significant impact on Generation's results of operations. When refueling outages at wholly and co-owned plants last longer than anticipated or Generation experiences unplanned outages, capacity factors decrease and Generation faces lower margins due to higher energy replacement costs and/or lower energy sales. Each 26-day outage, depending on the capacity of the station, will decrease the total nuclear annual capacity factor between 0.3% and 0.5%.

***Nuclear fuel quality*.** The quality of nuclear fuel utilized by Generation can affect the efficiency and costs of Generation's operations. Certain of Generation's nuclear units have previously had a limited number of fuel performance issues. Remediation actions could result in increased costs due to accelerated fuel amortization, increased outage costs and/or increased costs due to decreased generation capabilities.

Spent nuclear fuel storage. The approval of a national repository for the storage of SNF, such as the one proposed for Yucca Mountain, Nevada, and the timing of such facility opening, will significantly affect the costs associated with storage of SNF, and the ultimate amounts received from the DOE to reimburse Generation for these costs. Through the NRC's "waste confidence" rule, the NRC has determined that, if necessary, spent fuel generated in any reactor can be stored safely and without significant environmental impacts for at least 60 years beyond the licensed life for operation, which may include the term of a revised or renewed license of that reactor, at its spent fuel storage basin or at either onsite or offsite independent spent fuel storage installations. Any regulatory action relating to the timing and availability of a repository for SNF may adversely affect Generation's ability to decommission fully its nuclear units. Furthermore, under its contract with the DOE, Generation would be required to pay the DOE a one-time SNF storage fee including interest of approximately $1 billion as of December 31, 2010, prior to the first delivery of SNF. Generation currently estimates 2020 to be the earliest date when the DOE will begin accepting SNF, which could be delayed by further regulatory action. See Note 18 of the Combined Notes to Consolidated Financial Statements for additional information on the spent nuclear fuel obligation.

License renewals. Generation cannot assure that economics will support the continued operation of the facilities for all or any portion of any renewed license period. If the NRC does not renew the operating licenses for Generation's nuclear stations or a station cannot be operated through the end of its operating license, Generation's results of operations could be adversely affected by increased depreciation rates, impairment charges and accelerated future decommissioning costs, since depreciation rates and decommissioning cost estimates currently include assumptions that license renewal will be received. In addition, Generation may lose revenue and incur increased fuel and purchased power expense to meet supply commitments.

Should a national policy for the disposal of SNF not be developed, the unavailability of a repository for SNF could become a consideration by the NRC during future nuclear license renewal proceedings, including applications for new licenses.

***Regulatory risk*.** The NRC may modify, suspend or revoke licenses, shut down a nuclear facility and impose civil penalties for failure to comply with the Atomic Energy Act, related regulations or the terms of the licenses for nuclear facilities. A change in the Atomic Energy Act or the applicable regulations or licenses may require a substantial increase in capital expenditures or may result in increased operating or decommissioning costs and significantly affect Generation's results of operations or financial position. Events at nuclear plants owned by others, as well as those owned by Generation, may cause the NRC to initiate such actions.

***Operational risk*.** Operations at any of Generation's nuclear generation plants could degrade to the point where Generation has to shut down the plant or operate at less than full capacity. If this were to happen, identifying and correcting the causes may require significant time and expense. Generation may choose to close a plant rather than incur the expense of restarting it or returning the plant to full capacity. In either event, Generation may lose revenue and incur increased fuel and purchased power expense to meet supply commitments. For plants operated but not wholly owned by Generation, Generation may also incur liability to the co-owners. For the plant not wholly owned by Generation and operated by PSEG, Salem Units 1 and 2, from which Generation receives its share of the plant's output, Generation's results of operations are dependent on the operational performance of the co-owner operators and could be adversely affected by a significant event at those plants. Additionally, poor operating performance at nuclear plants not owned by Generation could result in increased regulation and reduced public support for nuclear-fueled energy, which could significantly affect Generation's results of operations or financial position. In addition, closure of generating plants owned by others, or extended interruptions of their operations, could have effects on transmission systems that could adversely affect the sale and delivery of electricity in markets served by Generation.

Nuclear major incident risk. Although the safety record of nuclear reactors generally has been very good, accidents and other unforeseen problems have occurred both in the United States and abroad. The consequences of a major incident can be severe and include loss of life and property damage. Any resulting liability from a nuclear plant major incident within the United States, owned by Generation or owned by others, may exceed Generation's resources, including insurance coverage. Uninsured losses and other expenses, to the extent not recovered from insurers or the nuclear industry, could be borne by Generation and could have a material adverse effect on Generation's results of operations or financial position. Additionally, an accident or other significant event at a nuclear plant within the United States, owned by others or Generation, may result in increased regulation and reduced public support for nuclear-fueled energy and significantly affect Generation's results of operations or financial position. See Note 18 of the Combined Notes to Consolidated Financial Statements for additional discussion of nuclear insurance.

Nuclear insurance. As required by the Price-Anderson Act, Generation carries the maximum available amount of nuclear liability insurance. As of January 1, 2011, the required amount of nuclear liability insurance is $375 million for each operating site. Claims exceeding that amount are covered through mandatory participation in a financial protection pool. In addition, the U.S. Congress could impose revenue-raising measures on the nuclear industry to pay claims exceeding the $12.6 billion limit for a single incident.

Generation is a member of an industry mutual insurance company, NEIL, which provides property and business interruption insurance for Generation's nuclear operations. In recent years, NEIL has made distributions to its members but Generation cannot predict the level of future distributions or if they will continue at all.

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. Generation is required to provide to the NRC a biennial report by unit (annually for Generation's two units that have been retired) addressing Generation's ability to meet the NRC-estimated funding levels including scheduled contributions to and earnings on the decommissioning trust funds. The NRC funding levels are based upon the assumption that decommissioning will commence after the end of the current licensed life of each unit.

Forecasting trust fund investment earnings and costs to decommission nuclear generating stations requires significant judgment, and actual results may differ significantly from current estimates. The performance of capital markets also can significantly affect the value of the trust funds. Currently, Generation is making contributions to the trust funds of the former PECO units based on amounts being collected by PECO from its customers and remitted to Generation. While Generation has recourse to collect additional amounts from PECO customers (subject to certain limitations and thresholds), it has no recourse to collect additional amounts from ComEd customers or from the previous owners of Clinton, TMI Unit No. 1 and Oyster Creek generating stations, if there is a shortfall of funds necessary for decommissioning. If circumstances changed such that Generation were unable to continue to make contributions to the trust funds of the former PECO units based on amounts collected from PECO customers, or if Generation no longer had recourse to collect additional amounts from PECO customers if there was a shortfall of funds for decommissioning, the adequacy of the trust funds related to the former PECO units may be negatively affected. See Note 2 of the Combined Notes to Consolidated Financial Statements for additional information.

Ultimately, if the investments held by Generation's NDTs are not sufficient to fund the decommissioning of Generation's nuclear plants, Generation may be required to take steps, such as providing financial guarantees through letters of credit or parent company guarantees or make additional contributions to the trusts, which could be significant, to ensure that the trusts are adequately funded and that NRC minimum funding requirements are met. As a result, Generation's cash flows and financial position may be significantly adversely affected. See Note 12 of the Combined Notes to Consolidated Financial Statements for additional information.

Generation's financial performance may be negatively affected by risks arising from its ownership and operation of hydroelectric facilities. (Exelon and Generation)

FERC has the exclusive authority to license most non-Federal hydropower projects located on navigable waterways, Federal lands or connected to the interstate electric grid. The license for the Conowingo Hydroelectric Project expires August 31, 2014, and the license for the Muddy Run Pumped Storage Project expires on September 1, 2014. Generation cannot predict whether it will receive all the regulatory approvals for the renewed license of its hydroelectric facilities. If FERC does not renew the operating licenses for Generation's hydroelectric facilities or a station cannot be operated through the end of its operating license, Generation's results of operations could be adversely affected by increased depreciation rates and accelerated future decommissioning costs, since depreciation rates and decommissioning cost estimates currently include assumptions that license renewal will be received. Generation may also lose revenue and incur increased fuel and purchased power expense to meet supply commitments. In addition, conditions may be imposed as part of the license renewal process that may adversely affect operations, may require a substantial increase in capital expenditures or may result in increased operating costs and significantly affect Generation's results of operations or financial position. Similar effects may result from a change in the Federal Power Act or the applicable regulations due to events at hydroelectric facilities owned by others, as well as those owned by Generation.

ComEd's and PECO's operating costs, and customers' and regulators' opinions of ComEd and PECO, are affected by their ability to maintain the availability and reliability of their delivery systems. (Exelon, ComEd and PECO)

Failures of the equipment or facilities used in ComEd's and PECO's delivery systems can interrupt the electric transmission and electric and natural gas delivery, which could negatively impact related revenues, and increase maintenance and capital expenditures. Equipment or facilities failures can be due to a number of factors, including weather. Those failures or those of other utilities, including prolonged or repeated failures, can affect customer satisfaction and the level of regulatory oversight and ComEd's and PECO's maintenance and capital expenditures. Regulated utilities, which are required to provide service to all customers within their service territory, have generally been afforded liability protections against claims by customers relating to failure of service. Under Illinois law, however, ComEd can be required to pay damages to its customers in some circumstances involving extended outages affecting large numbers of its customers.

ComEd's and PECO's respective ability to deliver electricity, their operating costs and their capital expenditures may be negatively affected by transmission congestion. (Exelon, ComEd and PECO)

Demand for electricity within ComEd's and PECO's service areas could stress available transmission capacity requiring alternative routing or curtailment of electricity usage with consequent effects on operating costs, revenues and results of operations. Also, insufficient availability of electric supply to meet customer demand could jeopardize ComEd and PECO's ability to comply with reliability standards and strain customer and regulatory agency relationships. As with all utilities, potential concerns over transmission capacity or generation facility retirements could result in PJM or FERC requiring ComEd and PECO to upgrade or expand their respective transmission systems through additional capital expenditures.

Failure to attract and retain an appropriately qualified workforce may negatively impact the Registrants' results of operations. (Exelon, Generation, ComEd and PECO)

Certain events, such as an employee strike, loss of contract resources due to a major event, and an aging workforce without appropriate replacements, may lead to operating challenges and increased costs for the Registrants. The challenges include lack of resources, loss of knowledge and a lengthy time period associated with skill development. In this case, costs, including costs for contractors to replace employees, productivity costs and safety costs, may rise. The Registrants are particularly affected due to the specialized knowledge required of the technical and support employees for their generation, transmission and distribution operations. If the Registrants are unable to successfully attract and retain an appropriately qualified workforce, their results of operations could be negatively affected.

The Registrants are subject to information security risks. (Exelon, Generation, ComEd and PECO)

The Registrants face information security risks as the owner-operators of generation, transmission and distribution facilities. A security breach of the Registrants' information systems could impact the reliability of the generation fleet and/or reliability of the transmission and distribution system or subject them to financial harm associated with theft or inappropriate release of certain types of information. The Registrants cannot accurately assess the probability that a security breach may occur, despite the measures taken by the Registrants to prevent such a breach, and are unable to quantify the potential impact of such an event.

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The Registrants may make acquisitions that do not achieve the intended financial results. (Exelon, Generation, ComEd and PECO)

The Registrants may make investments and pursue mergers and acquisitions that fit their strategic objectives and improve their financial performance. It is possible that FERC or state public utility commission regulations may impose certain other restrictions on such transactions. Achieving the anticipated benefits of an investment is subject to a number of uncertainties, and failure to achieve these anticipated benefits could result in increased costs, decreases in the amount of expected revenues generated by the combined company and diversion of management's time and energy and could have an adverse effect on the combined company's business, financial condition, operating results and prospects.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Exelon, Generation, ComEd and PECO

None.

ITEM 2. PROPERTIES

Generation

The following table sets forth Generation's owned net electric generating capacity by station at December 31, 2010:

Station	Location	No. of Units	Percent Owned [a]	Primary Fuel Type	Primary Dispatch Type [b]	Net Generation Capacity (MW) [c]
Nuclear [d]						
Braidwood	Braidwood, IL	2		Uranium	Base-load	2,360
Byron	Byron, IL	2		Uranium	Base-load	2,336
Clinton	Clinton, IL	1		Uranium	Base-load	1,067
Dresden	Morris, IL	2		Uranium	Base-load	1,751
LaSalle	Seneca, IL	2		Uranium	Base-load	2,286
Limerick	Limerick Twp., PA	2		Uranium	Base-load	2,289
Oyster Creek	Forked River, NJ	1		Uranium	Base-load	625[e]
Peach Bottom	Peach Bottom Twp., PA	2	50	Uranium	Base-load	1,148[f]
Quad Cities	Cordova, IL	2	75	Uranium	Base-load	1,345[f]
Salem	Hancock's Bridge, NJ	2	42.59	Uranium	Base-load	1,003[f]
Three Mile Island	Londonderry Twp, PA	1		Uranium	Base-load	837
						17,047
Fossil (Steam Turbines)						
Conemaugh	New Florence, PA	2	20.72	Coal	Base-load	352[f]
Cromby 1	Phoenixville, PA	1		Coal	Intermediate	144[g]
Cromby 2	Phoenixville, PA	1		Oil/Gas	Intermediate	201[g]
Eddystone 1, 2	Eddystone, PA	2		Coal	Intermediate	588[g]
Eddystone 3, 4	Eddystone, PA	2		Oil/Gas	Intermediate	760
Fairless Hills	Falls Twp, PA	2		Landfill Gas	Peaking	60
Handley 4, 5	Fort Worth, TX	2		Gas	Peaking	870
Handley 3	Fort Worth, TX	1		Gas	Intermediate	395
Keystone	Shelocta, PA	2	20.99	Coal	Base-load	357[f]
Mountain Creek 6, 7	Dallas, TX	2		Gas	Peaking	240
Mountain Creek 8	Dallas, TX	1		Gas	Intermediate	565
Schuylkill	Philadelphia, PA	1		Oil	Peaking	166
Wyman	Yarmouth, ME	1	5.89	Oil	Intermediate	36[f]
						4,734

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Station	Location	No. of Units	Percent Owned [a]	Primary Fuel Type	Primary Dispatch Type [b]	Net Generation Capacity (MW) [c]
Fossil (Combustion Turbines)						
Chester	Chester, PA	3		Oil	Peaking	39
Croydon	Bristol Twp., PA	8		Oil	Peaking	391
Delaware	Philadelphia, PA	4		Oil	Peaking	56
Eddystone	Eddystone, PA	4		Oil	Peaking	60
Falls	Falls Twp., PA	3		Oil	Peaking	51
Framingham	Framingham, MA	3		Oil	Peaking	29
LaPorte	Laporte, TX	4		Gas	Peaking	152
Medway	West Medway, MA	3		Oil/Gas	Peaking	105
Moser	Lower Pottsgrove Twp., PA	3		Oil	Peaking	51
New Boston	South Boston, MA	1		Oil	Peaking	12
Pennsbury	Falls Twp., PA	2		Landfill Gas	Peaking	6
Richmond	Philadelphia, PA	2		Oil	Peaking	96
Salem	Hancock's Bridge, NJ	1	42.59	Oil	Peaking	16[f]
Schuylkill	Philadelphia, PA	2		Oil	Peaking	30
Southeast Chicago	Chicago, IL	8		Gas	Peaking	296
Southwark	Philadelphia, PA	4		Oil	Peaking	52
						1,442
Fossil (Internal Combustion/Diesel)						
Conemaugh	New Florence, PA	4	20.72	Oil	Peaking	2[f]
Cromby	Phoenixville, PA	1		Oil	Peaking	3
Delaware	Philadelphia, PA	1		Oil	Peaking	3
Keystone	Shelocta, PA	4	20.99	Oil	Peaking	2[f]
Schuylkill	Philadelphia, PA	1		Oil	Peaking	3
						13
Hydroelectric and Renewable [h]						
AgriWind	Bureau Co., IL	4	99	Wind	Base-load	8[f]
Blue Breezes	Faribault Co., MN	2		Wind	Base-load	3
Bluegrass Ridge	Gentry Co., MO	27	99	Wind	Base-load	56[f]
Brewster	Jackson Co., MN	6	94-99	Wind	Base-load	6[f]
Cassia	Twin Falls Co., ID	14		Wind	Base-load	29
Cisco	Jackson Co., MN	4	99	Wind	Base-load	8[f]
City Solar	Chicago, IL	n.a.		Solar	Base-load	10
Conception	Nodaway Co., MO	24		Wind	Base-load	50
Conowingo	Harford Co., MD	11		Hydroelectric	Base-load	572
Cow Branch	Atchinson Co., MO	24		Wind	Base-load	50
Cowell	Pipestone Co., MN	1	99	Wind	Base-load	2[f]
CP Windfarm	Faribault Co., MN	2		Wind	Base-load	4
Echo 1	Umatilla Co., OR	21	99	Wind	Base-load	34[f]
Echo 2	Morrow Co., OR	10		Wind	Base-load	20
Echo 3	Morrow Co., OR	6	99	Wind	Base-load	10[f]
Ewington	Jackson Co., MN	10	99	Wind	Base-load	20[f]
Greensburg	Kiowa Co., KS	10		Wind	Base-load	13
Harvest	Huron Co., MI	32		Wind	Base-load	53
High Plains	Moore Co., TX	8	99.5	Wind	Base-load	10[f]
Exelon Wind 1	Hansford Co., TX	8		Wind	Base-load	10
Exelon Wind 2	Hansford Co., TX	8		Wind	Base-load	10
Exelon Wind 3	Hansford Co., TX	8		Wind	Base-load	10
Exelon Wind 4	Hansford Co., TX	38		Wind	Base-load	80
Exelon Wind 5	Sherman Co., TX	8		Wind	Base-load	10

Exelon Wind 6	Sherman Co., TX	8	Wind	Base-load	10
Exelon Wind 7	Moore Co., TX	8	Wind	Base-load	10
Exelon Wind 8	Moore Co., TX	8	Wind	Base-load	10

Station	Location	No. of Units	Percent Owned (a)	Primary Fuel Type	Primary Dispatch Type (b)	Net Generation Capacity (MW) (c)
Exelon Wind 9	Moore Co., TX	8		Wind	Base-load	10
Exelon Wind 10	Moore Co., TX	8		Wind	Base-load	10
Exelon Wind 11	Moore Co., TX	8		Wind	Base-load	10
Loess Hills	Atchinson Co., MO	4		Wind	Base-load	5
Marshall	Lyon Co., MN	9	98-99	Wind	Base-load	19
Michigan Wind	Bingham Twp., MI	46		Wind	Base-load	69
Mountain Home	Elmore Co., ID	20		Wind	Base-load	40
Muddy Run	Lancaster, PA	8		Hydroelectric	Intermediate	1,070
Norgaard	Lincoln Co., MN	7	99	Wind	Base-load	9
Threemile Canyon	Morrow Co., OR	6		Wind	Base-load	10
Tuana Springs	Twin Falls Co., ID	8		Wind	Base-load	17
Wolf	Nobles Co., MN	5	99	Wind	Base-load	6
						2,383
Total						25,619

(a) 100%, unless otherwise indicated.
(b) Base-load units are plants that normally operate to take all or part of the minimum continuous load of a system, and consequently, produce electricity at an essentially constant rate. Intermediate units are plants that normally operate to take load of a system during the daytime higher load hours, and consequently, produce electricity by cycling on and off daily. Peaking units consist of lower-efficiency, quick response steam units, gas turbines and diesels normally used during the maximum load periods.
(c) For nuclear stations, capacity reflects the annual mean rating. All other stations reflect a summer rating.
(d) All nuclear stations are boiling water reactors except Braidwood, Byron, Salem and Three Mile Island, which are pressurized water reactors.
(e) On December 8, 2010, Generation announced that it will permanently cease generation operation at Oyster Creek by December 31, 2019. See Note 18 of the Combined Notes to Consolidated Financial Statements for additional information.
(f) Net generation capacity is stated at proportionate ownership share.
(g) On December 2, 2009, Generation announced its intention to permanently retire Units 1 and 2 at Cromby Generating Station and Units 1 and 2 at Eddystone Generating Station. See Note 14 of the Combined Notes to Consolidated Financial Statements for additional information.
(h) Includes Exelon Wind assets acquired on December 9, 2010. See Note 3 of the Combined Notes to Consolidated Financial Statements for additional information.

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

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

ComEd

ComEd's electric substations and a portion of its transmission rights of way are located on property that ComEd owns. A significant portion of its electric transmission and distribution facilities is located above or underneath highways, streets, other public places or property that others own. ComEd believes that it has satisfactory rights to use those places or property in the form of permits, grants, easements, licenses and franchise rights; however, it has not necessarily undertaken to examine the underlying title to the land upon which the rights rest.

Transmission and Distribution

ComEd's higher voltage electric transmission lines owned and in service at December 31, 2010 were as follows:

Voltage (Volts)	Circuit Miles
765,000	90
345,000	2,634
138,000	2,241

ComEd's electric distribution system includes 35,734 circuit miles of overhead lines and 30,118 cable miles of underground lines.

First Mortgage and Insurance

The principal 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.

ComEd maintains property insurance against loss or damage to its properties by fire or other perils, subject to certain exceptions. For its insured losses, ComEd is self-insured to the extent that any losses are within the policy deductible or exceed the amount of insurance maintained. Any such losses could have a material adverse effect on the consolidated financial condition or results of operations of ComEd.

PECO

PECO's electric substations and a significant portion of its transmission lines are located on property that PECO owns. A significant portion of its electric transmission and distribution facilities is located above or underneath highways, streets, other public places or property that others own. PECO believes that it has satisfactory rights to use those places or property in the form of permits, grants, easements and licenses; however, it has not necessarily undertaken to examine the underlying title to the land upon which the rights rest.

Transmission and Distribution

PECO's high voltage electric transmission lines owned and in service at December 31, 2010 were as follows:

Voltage (Volts)	Circuit Miles
500,000	188[a]
230,000	541
138,000	156
69,000	200

(a) In addition, PECO has a 22.00% ownership interest in 127 miles of 500,000 voltage lines located in Pennsylvania and a 42.55% ownership interest in 131 miles of 500,000 voltage lines located in Delaware and New Jersey.

PECO's electric distribution system includes 12,983 circuit miles of overhead lines and 15,828 cable miles of underground lines.

Gas

The following table sets forth PECO's natural gas pipeline miles at December 31, 2010:

	Pipeline Miles
Transportation	31
Distribution	6,716
Service piping	5,801
Total	12,548

PECO has an LNG facility located in West Conshohocken, Pennsylvania that has a storage capacity of 1,200 mmcf and a send-out capacity of 157 mmcf/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 25 mmcf/day. In addition, PECO owns 31 natural gas city gate stations and direct pipeline customer delivery points at various locations throughout its gas service territory.

First Mortgage and Insurance

The principal 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 and refunding mortgage bonds are issued.

PECO maintains property insurance against loss or damage to its properties by fire or other perils, subject to certain exceptions. For its insured losses, PECO is self-insured to the extent that any losses are within the policy deductible or exceed the amount of insurance maintained. Any such losses could have a material adverse effect on the consolidated financial condition or results of operations of PECO.

Exelon

Security Measures

The Registrants have initiated and work to maintain security measures. On a continuing basis, the Registrants evaluate enhanced security measures at certain critical locations, enhanced response and recovery plans, long-term design changes and redundancy measures. Additionally, the energy industry has strategic relationships with governmental authorities to ensure that emergency plans are in place and critical infrastructure vulnerabilities are addressed in order to maintain the reliability of the country's energy systems.

ITEM 3. LEGAL PROCEEDINGS

Exelon, Generation, ComEd and PECO

The Registrants are parties to various lawsuits and regulatory proceedings in the ordinary course of their respective businesses. For information regarding material lawsuits and proceedings, see Notes 2 and 18 of the Combined Notes to Consolidated Financial Statements. Such descriptions are incorporated herein by these references.

PART II

(Dollars in millions except per share data, unless otherwise noted)

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Exelon

Exelon's common stock is listed on the New York Stock Exchange. As of January 31, 2011, there were 661,862,913 shares of common stock outstanding and approximately 130,323 record holders of common stock.

The following table presents the New York Stock Exchange—Composite Common Stock Prices and dividends by quarter on a per share basis:

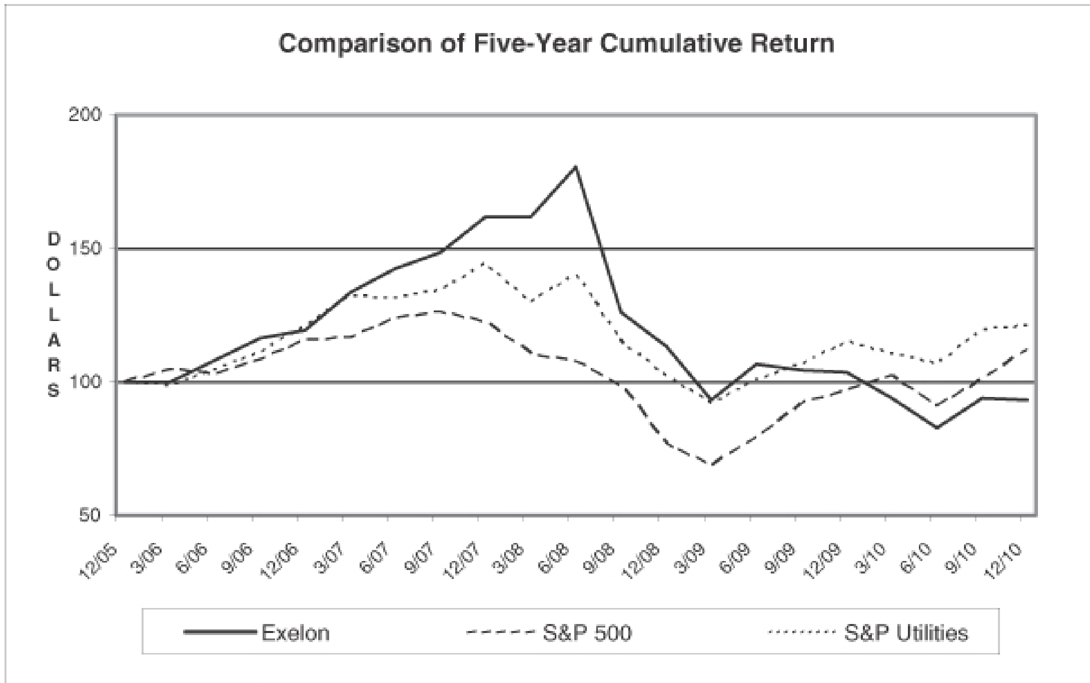
	2010				2009			
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
High price	$ 44.49	$ 43.32	$ 45.10	$ 49.88	$ 51.98	$ 54.47	$ 51.46	$ 58.98
Low price	39.05	37.63	37.24	42.97	45.90	47.30	44.24	38.41
Close	41.64	42.58	37.97	43.81	48.87	49.62	50.12	45.39
Dividends	0.525	0.525	0.525	0.525	0.525	0.525	0.525	0.525

Stock Performance Graph

The performance graph below illustrates a five-year comparison of cumulative total returns based on an initial investment of $100 in Exelon common stock, as compared with the S&P 500 Stock Index and the S&P Utility Index for the period 2006 through 2010.

This performance chart assumes:

- $100 invested on December 31, 2005 in Exelon common stock, in the S&P 500 Stock Index and in the S&P Utility Index; and
- All dividends are reinvested.



	Value of Investment at December 31,					
	2005	2006	2007	2008	2009	2010
Exelon Corporation	$100.00	$119.72	$161.70	$113.39	$104.02	$93.21
S&P 500	$100.00	$115.76	$122.11	$77.00	$97.31	$111.95
S&P Utilities	$100.00	$120.96	$144.35	$102.59	$114.71	$120.95

Source: Bloomberg

Generation

As of January 31, 2011, Exelon held the entire membership interest in Generation.

ComEd

As of January 31, 2011, there were 127,016,519 outstanding shares of common stock, $12.50 par value, of ComEd, of which 127,002,904 shares were indirectly held by Exelon. At January 31, 2011, in addition to Exelon, there were 251 record holders of ComEd common stock. There is no established market for shares of the common stock of ComEd.

PECO

As of January 31, 2011, there were 170,478,507 outstanding shares of common stock, without par value, of PECO, all of which were indirectly held by Exelon.

Exelon, Generation, ComEd and PECO

Dividends

Under applicable Federal law, Generation, ComEd and PECO can pay dividends only from retained, undistributed or current earnings. A significant loss recorded at Generation, ComEd or PECO may limit the dividends that these companies can distribute to Exelon.

The Federal Power Act declares it to be unlawful for any officer or director of any public utility "to participate in the making or paying of any dividends of such public utility from any funds properly included in capital account." What constitutes "funds properly included in capital account" is undefined in the Federal Power Act or the related regulations; however, FERC has consistently interpreted the provision to allow dividends to be paid as long as (1) the source of the dividends is clearly disclosed, (2) the dividend is not excessive and (3) there is no self-dealing on the part of corporate officials. While these restrictions may limit the absolute amount of dividends that a particular subsidiary may pay, Exelon does not believe these limitations are materially limiting because, under these limitations, the subsidiaries are allowed to pay dividends sufficient to meet Exelon's actual cash needs.

Under Illinois law, ComEd may not pay any dividend on its stock unless, among other things, "[its] earnings and earned surplus are sufficient to declare and pay same after provision is made for reasonable and proper reserves," or unless it has specific authorization from the ICC. ComEd has also agreed in connection with financings arranged through ComEd Financing III that it will not declare dividends on any shares of its capital stock in the event that: (1) it exercises its right to extend the interest payment periods on the subordinated debt securities issued to ComEd Financing III; (2) it defaults on its guarantee of the payment of distributions on the preferred trust securities of ComEd Financing III; or (3) an event of default occurs under the Indenture under which the subordinated debt securities are issued.

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 retained earnings is, in the aggregate, less than the involuntary liquidating value of its then outstanding preferred securities. At December 31, 2010, such capital was $2.9 billion and amounted to about 33 times the liquidating value of the outstanding preferred securities of $87 million.

PECO may not declare dividends on any shares of its capital stock in the event that: (1) it exercises its right to extend the interest payment periods on the subordinated debentures which were issued to PEC L.P. or PECO Trust IV; (2) it defaults on its guarantee of the payment of distributions on the Series D Preferred Securities of PEC L.P. or the preferred trust securities of PECO Trust IV; or (3) an event of default occurs under the Indenture under which the subordinated debentures are issued.

At December 31, 2010, Exelon had retained earnings of $9,304 million, including Generation's undistributed earnings of $2,633 million, ComEd's retained earnings of $331 million consisting of retained earnings appropriated for future dividends of $1,970 million, partially offset by $1,639 million of unappropriated retained deficits, and PECO's retained earnings of $522 million.

The following table sets forth Exelon's quarterly cash dividends per share paid during 2010 and 2009:

(per share)	2010 4th Quarter	2010 3rd Quarter	2010 2nd Quarter	2010 1st Quarter	2009 4th Quarter	2009 3rd Quarter	2009 2nd Quarter	2009 1st Quarter
Exelon	$ 0.525	$ 0.525	$ 0.525	$ 0.525	$ 0.525	$ 0.525	$ 0.525	$ 0.525

The following table sets forth Generation's quarterly distributions and ComEd's and PECO's quarterly common dividend payments:

(in millions)	2010 4th Quarter	2010 3rd Quarter	2010 2nd Quarter	2010 1st Quarter	2009 4th Quarter	2009 3rd Quarter	2009 2nd Quarter	2009 1st Quarter
Generation	$ 885	$ 206	$ 156	$ 261	$ 475	$1,126	$ 396	$ 279
ComEd	85	75	75	75	60	60	60	60
PECO	46	63	51	64	65	93	67	87

On January 25, 2011, the Exelon Board of Directors declared a regular quarterly dividend of $0.525 per share on Exelon's common stock. The dividend is payable on March 10, 2011, to shareholders of record of Exelon at the end of the day on February 15, 2011.

ITEM 6. SELECTED FINANCIAL DATA

Exelon

The selected financial data presented below has been derived from the audited consolidated financial statements of Exelon. This data is qualified in its entirety by reference to and should be read in conjunction with Exelon's Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in ITEM 7 of this Report on Form 10-K.

	For the Years Ended December 31,				
in millions, except for per share data	2010	2009	2008	2007	2006
Statement of Operations data:					
Operating revenues	$18,644	$17,318	$18,859	$18,916	$15,655
Operating income	4,726	4,750	5,299	4,668	3,521
Income from continuing operations	$ 2,563	$ 2,706	$ 2,717	$ 2,726	$ 1,590
Income from discontinued operations	—	1	20	10	2
Net income [(a)]	$ 2,563	$ 2,707	$ 2,737	$ 2,736	$ 1,592
Earnings per average common share (diluted):					
Income from continuing operations	$ 3.87	$ 4.09	$ 4.10	$ 4.03	$ 2.35
Income from discontinued operations	—	—	0.03	0.02	—
Net income	$ 3.87	$ 4.09	$ 4.13	$ 4.05	$ 2.35
Dividends per common share	$ 2.10	$ 2.10	$ 2.03	$ 1.76	$ 1.60
Average shares of common stock outstanding—diluted	663	662	662	676	676

(a) The year 2006 reflects the impact of a goodwill impairment charge of $776 million.

	December 31,				
in millions	2010	2009	2008 [(a)]	2007 [(a)(b)]	2006 [(a)(b)]
Balance Sheet data:					
Current assets	$ 6,398	$ 5,441	$ 5,130	$ 4,416	$ 4,130
Property, plant and equipment, net	29,941	27,341	25,813	24,153	22,775
Noncurrent regulatory assets	4,140	4,872	5,940	5,133	5,808
Goodwill	2,625	2,625	2,625	2,625	2,694
Other deferred debits and other assets	9,136	8,901	8,038	8,760	7,933
Total assets	$52,240	$49,180	$47,546	$45,087	$43,340
Current liabilities	$ 4,240	$ 4,238	$ 3,811	$ 5,466	$ 4,871
Long-term debt, including long-term debt to financing trusts	12,004	11,385	12,592	11,965	11,911
Noncurrent regulatory liabilities	3,555	3,492	2,520	3,301	3,025
Other deferred credits and other liabilities	18,791	17,338	17,489	14,131	13,439
Preferred securities of subsidiary	87	87	87	87	87
Noncontrolling interest	3	—	—	—	—
Shareholders' equity	13,560	12,640	11,047	10,137	10,007
Total liabilities and shareholders' equity	$52,240	$49,180	$47,546	$45,087	$43,340

(a) Exelon retrospectively reclassified certain assets and liabilities with respect to option premiums into the mark-to-market net asset and liability accounts to conform to the current year presentation.
(b) Exelon retrospectively reclassified certain assets and liabilities in accordance with the applicable authoritative guidance for offsetting amounts related to qualifying derivative contracts.

Generation

The selected financial data presented below has been derived from the audited consolidated financial statements of Generation. This data is qualified in its entirety by reference to and should be read in conjunction with Generation's Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in ITEM 7 of this Report on Form 10-K.

	For the Years Ended December 31,				
in millions	2010	2009	2008	2007	2006
Statement of Operations data:					
Operating revenues	$10,025	$ 9,703	$10,754	$10,749	$ 9,143
Operating income	3,046	3,295	3,994	3,392	2,396
Income from continuing operations	1,972	2,122	2,258	2,025	1,403
Income (loss) from discontinued operations	—	—	20	4	4
Net income	$ 1,972	$ 2,122	$ 2,278	$ 2,029	$ 1,407

	December 31,				
in millions	2010	2009	2008 (a)	2007 (a,b)	2006 (a,b)
Balance Sheet data:					
Current assets	$ 3,087	$ 3,360	$ 3,486	$ 2,160	$ 2,571
Property, plant and equipment, net	11,662	9,809	8,907	8,043	7,514
Deferred debits and other assets	9,785	9,237	7,691	8,044	7,845
Total assets	$24,534	$22,406	$20,084	$18,247	$17,930
Current liabilities	$ 1,843	$ 2,262	$ 2,168	$ 1,917	$ 1,990
Long-term debt	3,676	2,967	2,502	2,513	1,778
Deferred credits and other liabilities	11,838	10,385	8,848	9,447	8,678
Noncontrolling interest	5	2	1	1	1
Member's equity	7,172	6,790	6,565	4,369	5,483
Total liabilities and member's equity	$24,534	$22,406	$20,084	$18,247	$17,930

(a) Generation retrospectively reclassified certain assets and liabilities with respect to option premiums into the mark-to-market net asset and liability accounts to conform with the current year presentation.
(b) Generation reclassified certain assets and liabilities in accordance with the applicable authoritative guidance for offsetting amounts related to qualifying derivative contracts.

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ComEd

The selected financial data presented below has been derived from the audited consolidated 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 in ITEM 7 of this Report on Form 10-K.

in millions, except for per share data	For the Years Ended December 31, 2010	2009	2008	2007	2006
Statement of Operations data:					
Operating revenues	$6,204	$5,774	$6,136	$6,104	$6,101
Operating income	1,056	843	667	512	555
Net income (loss) [(a)]	337	374	201	165	(112)

(a) The year 2006 reflects the impact of a goodwill impairment charge of $776 million.

in millions	December 31, 2010	2009	2008	2007	2006
Balance Sheet data:					
Current assets	$ 2,151	$ 1,579	$ 1,309	$ 1,241	$ 1,007
Property, plant and equipment, net	12,578	12,125	11,655	11,127	10,457
Goodwill	2,625	2,625	2,625	2,625	2,694
Noncurrent regulatory assets	947	1,096	858	503	532
Other deferred debits and other assets	3,351	3,272	2,790	3,880	3,084
Total assets	$21,652	$20,697	$19,237	$19,376	$17,774
Current liabilities	$ 2,134	$ 1,597	$ 1,153	$ 1,712	$ 1,600
Long-term debt, including long-term debt to financing trusts	4,860	4,704	4,915	4,384	4,133
Noncurrent regulatory liabilities	3,137	3,145	2,440	3,447	2,824
Other deferred credits and other liabilities	4,611	4,369	3,994	3,305	2,919
Shareholders' equity	6,910	6,882	6,735	6,528	6,298
Total liabilities and shareholders' equity	$21,652	$20,697	$19,237	$19,376	$17,774

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PECO

The selected financial data presented below has been derived from the audited consolidated 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 in ITEM 7 of this Report on Form 10-K.

	For the Years Ended December 31,				
in millions	2010	2009	2008	2007	2006
Statement of Operations data:					
Operating revenues	$5,519	$5,311	$5,567	$5,613	$5,168
Operating income	661	697	699	947	866
Net income	324	353	325	507	441
Net income on common stock	320	349	321	503	437

	December 31,				
in millions	2010	2009	2008	2007	2006
Balance Sheet data:					
Current assets	$1,670	$1,006	$ 819	$ 800	$ 762
Property, plant and equipment, net	5,620	5,297	5,074	4,842	4,651
Noncurrent regulatory assets	968	1,834	2,597	3,273	3,896
Other deferred debits and other assets	727	882	679	895	464
Total assets	$8,985	$9,019	$9,169	$9,810	$9,773
Current liabilities	$1,163	$ 939	$ 981	$1,516	$ 978
Long-term debt, including long-term debt to financing trusts	2,156	2,405	2,960	2,866	3,784
Noncurrent regulatory liabilities	418	317	49	250	151
Other deferred credits and other liabilities	2,278	2,706	2,910	3,068	3,051
Preferred securities	87	87	87	87	87
Shareholders' equity	2,883	2,565	2,182	2,023	1,722
Total liabilities and shareholders' equity	$8,985	$9,019	$9,169	$9,810	$9,773

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

Exelon

General

Exelon, a utility services holding company, operates through the following principal subsidiaries each of which is treated as a reportable segment:

- *Generation,* whose business consists of its owned and contracted electric generating facilities, its wholesale energy marketing operations and competitive retail sales operations.
- *ComEd,* whose business consists of the purchase and regulated retail sale of electricity and the provision of transmission and distribution services in northern Illinois, including the City of Chicago.
- *PECO,* whose business consists of the purchase and regulated retail sale of electricity and the provision of transmission and distribution services in southeastern Pennsylvania, including the City of Philadelphia, as well as the purchase and regulated retail sale of natural gas and the provision of distribution services in the Pennsylvania counties surrounding the City of Philadelphia.

See Note 20 of the Combined Notes to Consolidated Financial Statements for segment information.

Through its business services subsidiary BSC, Exelon provides its subsidiaries with a variety of support services at cost. The costs of these services are directly charged or allocated to the applicable business segments. Additionally, the results of Exelon's corporate operations include costs for corporate governance and interest costs and income from various investment and financing activities.

Exelon Corporation

Executive Overview

Financial Results. All amounts presented below are before the impact of income taxes, except as noted.

Exelon's net income was $2,563 million for the twelve months ended December 31, 2010 as compared to $2,707 million for the twelve months ended December 31, 2009, and diluted earnings per average common share were $3.87 for the twelve months ended December 31, 2010 as compared to $4.09 for the twelve months ended December 31, 2009.

Revenue net of purchased power and fuel expense, which is a non-GAAP measure as discussed below, increased by $172 million primarily due to increased revenues of $201 million at Generation largely related to favorable capacity pricing in the Midwest and Mid-Atlantic regions. Exelon's results were also affected by the impact of favorable weather conditions of $168 million in the ComEd and PECO service territories and a decrease in costs of $84 million associated with the Illinois Settlement Legislation, primarily at Generation. Further, revenues at the utility companies increased by $92 million to recover the costs of regulatory required programs, which are offset in operating expenses, and ComEd recognized recovery of $59 million from customers associated with its uncollectible accounts rider mechanism. Offsetting these favorable impacts were unfavorable market and portfolio conditions of $174 million, increased nuclear fuel costs of $115 million, a reduction of $95 million in mark-to-market gains from Generation's hedging activities in 2010 compared to 2009 and a $57 million impairment of SO_2 emissions allowances related to the U.S. EPA's proposed Transport Rule.

Operating and maintenance expense decreased by $75 million primarily due to the impact of 2009 activities, including the $223 million impairment of the Handley and Mountain Creek stations in 2009 and reduced stock compensation costs in 2010 of $40 million across the operating companies. Decreased operating and maintenance expense was partially offset by higher costs at the utility companies associated with regulatory required programs of $84 million, which are offset in revenue net of purchased power expense, a 2009 reduction in Generation's ARO of $51 million and incremental costs of $42 million related to storms in the ComEd and PECO service territories.

Depreciation and amortization expense increased by $241 million primarily due to increased depreciation expense of $144 million related to ongoing capital expenditures and the change in estimated useful lives associated with the plants subject to shutdowns announced in December 2009 and a scheduled increase in CTC amortization expense at PECO of $98 million in connection with the end of the transition period in accordance with its 1998 restructuring settlement. Exelon's results were also significantly affected by $120 million in 2009 expenses related to debt extinguishment costs resulting from a 2009 debt refinancing, and by lower net NDT gains of $102 million in 2010 for Non-Regulatory Agreement Units as a result of less favorable market performance.

Exelon results for the twelve months ended December 31, 2010 were negatively affected by certain income tax-related matters. Exelon recorded a non-cash charge of $65 million (after tax) in 2010 and a non-cash gain of $66 million (after tax) in 2009 for the remeasurement of income tax uncertainties. Exelon also recorded a $65 million (after tax) charge to income tax expense as a result of health care legislation passed in March 2010 that includes a provision that reduces the deductibility of retiree prescription drug benefits for Federal income tax purposes.

For further detail regarding the financial results for the years ended December 31, 2010 and 2009, including explanation of the non-GAAP measure revenue net of purchased power and fuel expense, see the discussions of Results of Operations by Segment below.

Adjusted (non-GAAP) Operating Earnings. Exelon's adjusted (non-GAAP) operating earnings for the twelve months ended December 31, 2010 were $2,689 million, or $4.06 per diluted share, compared with adjusted (non-GAAP) operating earnings of $2,723 million, or $4.12 per diluted share, for the same period in 2009. In addition to net income, Exelon evaluates its operating performance using the measure of adjusted (non-GAAP) operating earnings because management believes it represents earnings directly related to the ongoing operations of the business. Adjusted (non-GAAP) operating earnings exclude certain costs, expenses, gains and losses and other specified items. This information is intended to enhance an investor's overall understanding of year-to-year operating results and provide an indication of Exelon's baseline operating performance excluding items that are considered by management to be not directly related to the ongoing operations of the business. In addition, this information is among the primary indicators management uses as a basis for evaluating performance, allocating resources, setting incentive compensation targets and planning and forecasting of future periods. Adjusted (non-GAAP) operating earnings is not a presentation defined under GAAP and may not be comparable to other companies' presentations or deemed more useful than the GAAP information provided elsewhere in this report.

The following table provides a reconciliation between net income as determined in accordance with GAAP and adjusted (non-GAAP) operating earnings for the year ended December 31, 2010 as compared to 2009:

(All amounts after tax; in millions, except per share amounts)	December 31, 2010	2010 Earnings per Diluted Share	December 31, 2009	2009 Earnings per Diluted Share
Net Income	$2,563	$ 3.87	$2,707	$ 4.09
Illinois Settlement Legislation [(a)]	13	0.02	66	0.10
Mark-to-Market Impact of Economic Hedging Activities [(b)]	(52)	(0.08)	(110)	(0.16)
Unrealized Gains Related to NDT Fund Investments [(c)]	(52)	(0.08)	(132)	(0.19)
Retirement of Fossil Generating Units [(d)]	50	0.08	34	0.05
Impairment of Certain Emissions Allowances [(e)]	35	0.05	—	—
John Deere Renewables, LLC Acquisition Costs [(f)]	7	0.01	—	—
Asset Retirement Obligation Reduction [(g)]	(7)	(0.01)	(32)	(0.05)
NRG Energy, Inc. Acquisition Costs [(h)]	—	—	20	0.03
2009 Restructuring Charges [(i)]	—	—	22	0.03
Costs Associated with Early Debt Retirements [(j)]	—	—	74	0.11
City of Chicago Settlement with ComEd [(k)]	2	—	5	0.01
Non-Cash Charge Resulting From Health Care Legislation [(l)]	65	0.10	—	—
Non-Cash Remeasurement of Income Tax Uncertainties and Reassessment of State Deferred Income Taxes [(m)]	65	0.10	(66)	(0.10)
Impairment of Certain Generating Assets [(n)]	—	—	135	0.20
Adjusted (non-GAAP) Operating Earnings	$2,689	$ 4.06	$2,723	$ 4.12

(a) Reflects credits issued by Generation and ComEd for the years ended December 31, 2010 and 2009, respectively, as a result of the Illinois Settlement Legislation (net of taxes of $9 million and $42 million, respectively). See Note 2 of the Combined Notes to the Consolidated Financial Statements for additional detail related to Generation's and ComEd's rate relief commitments.
(b) Reflects the impact of (gains) for the years ended December 31, 2010 and 2009, respectively, on Generation's economic hedging activities (net of taxes $(34) million and $(71) million, respectively). See Note 9 of the Combined Notes to Consolidated Financial Statements for additional detail related to Generation's hedging activities.
(c) Reflects the impact of (gains) for the years ended December 31, 2010 and 2009, respectively, on Generation's NDT fund investments for Non-Regulatory Agreement Units (net of taxes of $(41) million and $(95) million, respectively). See Note 12 of the Combined Notes to Consolidated Financial Statements for additional detail related to Generation's NDT fund investments.
(d) Primarily reflects accelerated depreciation, inventory write-downs and severance costs for the years ended December 31, 2010 and 2009, respectively, associated with the planned retirement of four fossil generating units (net of taxes of $32 million and $22 million, respectively). See Note 14 of the Combined Notes to Consolidated Financial Statements and "Results of Operations—Generation" for additional detail related to the generating unit retirements.
(e) Reflects the impairment of certain SO2 emissions allowances in the third quarter of 2010 as a result of declining market prices since the release of the EPA's proposed Transport Rule (net of taxes of $22 million). See Note 18 of the Combined Notes to Consolidated Financial Statements for additional information.
(f) Reflects external costs incurred for the year ended December 31, 2010 associated with Exelon's acquisition of John Deere Renewables, LLC (net of taxes of $4 million) now known as Exelon Wind. See Note 3 of the Combined Notes to Consolidated Financial Statements for additional information.
(g) Reflects the income statement impact for the years ended December 31, 2010 and 2009, respectively, primarily related to the reduction in the asset retirement obligations at ComEd and PECO in December 31, 2010 (net of taxes of $(4) million) and the annual update of Generation's decommissioning obligation in 2009 (net of taxes of $(20) million).
(h) Reflects external costs incurred for the year ended December 31, 2009, associated with Exelon's proposed acquisition of NRG Energy, Inc., which was terminated in July 2009 (net of taxes of $14 million).
(i) Reflects the impact in 2009 of the elimination of management and staff positions (net of taxes of $(14) million).
(j) Reflects costs for the year ended December 31, 2009 associated with early debt retirements at Generation and Exelon Corporate (net of taxes of $47 million).

(k) Reflects costs for the years ended December 31, 2010 and 2009, respectively, associated with ComEd's 2007 settlement agreement with the City of Chicago (net of taxes of $1 million and $3 million, respectively).
(l) Reflects a non-cash charge to income taxes related to the passage of Federal health care legislation, which includes a provision that reduces the deductibility, for Federal income tax purposes, of retiree prescription drug benefits for Federal income tax purposes to the extent they are reimbursed under Medicare Part D. See Note 11 of the Combined Notes to Consolidated Financial Statements for additional detail related to the impact of the health care legislation.
(m) Reflects the impacts of 2009 and 2010 remeasurements of income tax uncertainties and a 2009 change in state deferred income tax rates (net of taxes on interest expense of $41 million and $23 million). See Note 11 of the Combined Notes to Consolidated Financial Statements for additional detail.
(n) Reflects the impairment of the Handley and Mountain Creek stations recorded during the first quarter of 2009 (net of taxes of $87 million). See "Results of Operations—Generation" for additional detail related to asset impairments.

Outlook for 2011 and Beyond.

Economic and Market Conditions

Exelon has exposure to various market and financial risks, including the risk of price fluctuations in the wholesale power markets. Wholesale power prices are a function of supply and demand, which in turn are driven by factors such as (1) the price of fuels, in particular, the prices of natural gas and coal, which drive the wholesale market prices that Generation's nuclear power plants can command, (2) the rate of expansion of subsidized low carbon generation such as wind energy in the markets in which Generation's output is sold, (3) the impacts on energy demand of factors such as weather, economic conditions and implementation of energy efficiency and demand response programs, and (4) regulatory and legislative actions, such as the proposed U.S. EPA Transport Rule and the New Jersey capacity legislation. See *Environmental Matters* and *Regulatory and Legislative Matters* sections below for further detail on the Transport Rule and New Jersey capacity legislation, respectively.

The use of new technologies to recover natural gas from shale deposits is expected to increase natural gas supply and reserves, which will tend to place downward pressure on natural gas prices and therefore on wholesale power prices, which would mean a reduction in Exelon's revenues.

The market price for electricity is also affected by changes in the demand for electricity. Poorer than expected economic conditions, milder than normal weather and the growth of energy efficiency and demand response programs can depress demand. The result is that higher-cost generating resources do not run as frequently, putting downward pressure on market prices for electricity and/or capacity. The continued sluggish economy in the United States has in fact led to a slow down in the growth of demand for electricity, and ComEd and PECO are projecting load demand to remain flat in 2011 compared to 2010.

Hedging Strategy. Exelon's policy to hedge commodity risk on a ratable basis over three-year periods is intended to reduce the financial impact of market price volatility. Although Exelon's hedging policies have helped protect Exelon's earnings as wholesale market prices have declined, sustained increases in natural gas supply and reserve levels, or a slow recovery of the economy, could result in a prolonged depression of or further decline in commodity prices and in long-term sluggish growth in demand.

Generation is exposed to commodity price risk associated with the unhedged portion of its electricity portfolio. Generation enters into derivative contracts—including financially-settled swaps, futures contracts and swap options—and physical options and physical forward contracts, all with credit-approved counterparties, to hedge this anticipated exposure. Generation has hedges in place that significantly mitigate this risk for 2011 and 2012. However, Generation is exposed to relatively greater commodity price risk in the subsequent years with respect to which a larger portion of its electricity portfolio is currently unhedged. Generation currently hedges commodity risk on a ratable basis over the three years leading to the spot market. As of December 31, 2010, the percentage of

expected generation hedged was 90%-93%, 67%-70% and 32%-35% for 2011, 2012 and 2013, respectively. The percentage of expected generation hedged is the amount of equivalent sales divided by the expected generation. Expected generation represents the amount of energy estimated to be generated or purchased through owned or contracted capacity. Equivalent sales represent all hedging products, which include cash flow hedges, other derivatives and certain non-derivative contracts including sales to ComEd and PECO to serve their retail load. Generation has been and will continue to be proactive in using hedging strategies to mitigate this price risk in subsequent years as well. The expiration of the PPA with PECO at the end of 2010 will likely result in increases in margins earned by Generation in 2011 for the portion of Generation's electricity portfolio previously sold to PECO under the PPA, however the ultimate impact of entering into new power supply contracts under Generation's three-year ratable hedging program to replace the PPA will depend on a number of factors, including future wholesale market prices, capacity markets, energy demand and the effects of any new applicable Pennsylvania laws and or rules and regulations promulgated by the PAPUC.

Generation procures coal and natural gas through long-term and short-term contracts, and spot-market purchases. Nuclear fuel is obtained predominantly through long-term uranium concentrate supply contracts, contracted conversion services, contracted enrichment services and contracted fuel fabrication services. The supply markets for uranium concentrates and certain nuclear fuel services, coal and natural gas are subject to price fluctuations and availability restrictions. Supply market conditions may make Generation's procurement contracts subject to credit risk related to the potential non-performance of counterparties to deliver the contracted commodity or service at the contracted prices. Approximately 57% of Generation's uranium concentrate requirements from 2011 through 2015 are supplied by three producers. In the event of non-performance by these or other suppliers, Generation believes that replacement uranium concentrates can be obtained, although at prices that may be unfavorable when compared to the prices under the current supply agreements. Non-performance by these counterparties could have a material adverse impact on Exelon's and Generation's results of operations, cash flows and financial position. Generation uses long-term contracts and financial instruments such as over-the-counter and exchange-traded instruments to mitigate price risk associated with certain commodity price exposures. Both ComEd and PECO mitigate exposure to commodity price risk through the recovery of procurement costs from retail customers.

New Growth Opportunities

Nuclear Uprate Program. During 2009, Generation announced a series of planned power uprates across its nuclear fleet that will result in between 1,300 and 1,500 MW of additional generation capacity within eight years. The uprate projects represent a total investment of approximately $3.65 billion in overnight cost, as measured in 2010 dollars. Using proven technologies, the projects take advantage of new production and measurement technologies, new materials and learning from a half-century of nuclear power operations. Uprate projects, representing approximately 60% of the planned uprate MW, are underway at the Limerick and Peach Bottom nuclear stations in Pennsylvania and the Byron, Braidwood, Dresden, LaSalle and Quad Cities plants in Illinois. The remainder will come from additional projects across Generation's nuclear fleet beginning in 2011 and ending in 2017. At 1,500 nuclear-generated MW, the uprates would displace 8 million metric tons of carbon emissions annually that would otherwise come from burning fossil fuels. The uprates are being undertaken pursuant to an organized, strategically sequenced implementation plan. The implementation effort includes a periodic review and refinement of the project in light of changing market conditions. As part of this periodic review process, the uprate project at Three Mile Island is currently under evaluation. The amount of expenditures to implement the plan ultimately will depend on economic and policy developments, and will be made on a project-by-project basis in accordance with Exelon's normal project evaluation standards. The ability to implement several projects requires the successful resolution of various technical issues. The resolution of these issues may affect the timing and amount of the power

increases associated with the power uprate initiative. Through December 31, 2010, Generation had added 101 MWs of nuclear generation through its uprate program, with another 98 MWs scheduled to be added in 2011.

Acquisition of John Deere Renewables. On December 9, 2010, Generation acquired all of the equity interests of John Deere Renewables, LLC (now known as Exelon Wind), a leading operator and developer of wind power, for approximately $893 million in cash. Generation acquired 735 MWs of installed, operating wind capacity located in eight states. Approximately 75% of the operating portfolio's expected output is already sold under long-term power purchase arrangements. Additionally, Generation will pay up to $40 million related to three projects with a capacity of 230 MWs which are currently in advanced stages of development, contingent upon meeting certain contractual commitments related to the commencement of construction of each project. This contingent consideration was valued at $32 million of which approximately $16 million has been recorded as a current liability and the remainder has been recorded as a noncurrent liability. As a result, total consideration recorded for the Exelon Wind acquisition was $925 million. Generation also has the opportunity to pursue approximately 1,200 MWs of new wind projects that are in various stages of development. On September 30, 2010, Generation issued $900 million of senior notes whose proceeds were used to fund the acquisition. The acquisition provides incremental earnings starting in 2012 and cash flows starting in 2013 and is a key part of Exelon 2020.

Transmission Development Project. Exelon, Electric Transmission America, LLC (ETA) and AEP Transmission Holding Company, LLC (AEP) have signed a non-binding memorandum of understanding to develop a 420-mile extra high-voltage transmission project from the Ohio border through Indiana to the northern portion of Illinois. The Reliability Interregional Transmission Extension (RITE) Line project is expected to strengthen the high-voltage transmission system and improve overall system reliability. ComEd is expected to lead the building of the Illinois portion of the project. The total cost of the RITE Line project is expected to be approximately $1.6 billion, with the Illinois portion of the line expected to cost approximately $1.2 billion. These costs are expected to be funded by ComEd, Exelon or an affiliate, ETA and AEP. The ultimate cost of the line will be dependent on a number of factors, including RTO requirements, state siting requirements, routing of the line, and equipment and commodity costs. The project will be built in stages over three to four years, likely between 2015 and 2018, and is subject to FERC, PJM and state approvals.

Advanced Metering Infrastructure. On April 22, 2010, the PAPUC approved PECO's Smart Meter Procurement and Installation Plan under which PECO will deploy 600,000 smart meters within three years and deploy smart meters to all of its electric customers over the next 10 years. On April 12, 2010, PECO entered into a Financial Assistance Agreement with the DOE for SGIG funds under the ARRA. Under the SGIG, PECO has been awarded $200 million, the maximum allowable grant under the program, for its SGIG project, Smart Future Greater Philadelphia. The SGIG project has a budget of more than $400 million and includes approximately $7 million related to demonstration projects by two sub-recipients. In total, over the next ten years, PECO is planning to spend up to a total of $650 million on its smart grid and smart meter infrastructure. During 2010, PECO entered into agreements for an AMI network, AMI systems, installation of the first 600,000 meters, and procurement of meters and fiber-cable. The $200 million SGIG from the DOE will be used to reduce the impact of these investments on PECO ratepayers. PECO filed for PAPUC approval of an initial dynamic pricing and customer acceptance program under the Smart Meter Procurement and Installation Plan in October 2010, and plans to file for approval of a universal meter deployment plan for its remaining customers in 2012.

In October 2009, the ICC approved ComEd's proposed AMI pilot program, with minor modifications, and recovery of substantially all program costs from customers. The one-year program was operational in June 2010. The total anticipated cost of the pilot program is approximately

$69 million. The AMI pilot program allows ComEd to study the costs and benefits related to automated metering and to develop the cost estimate of potential full system-wide implementation of AMI. In addition, the program allows customers the ability to manage energy use, improve energy efficiency and lower energy bills. Due to an adverse September 30, 2010 Illinois Appellate Court decision, ComEd faces certain cost recovery issues in connection with the pilot program. See Regulatory and Legislative Matters below and Note 2 of the Combined Notes to Consolidated Financial Statements for information on cost recovery issues related to ComEd's AMI pilot program.

Liquidity and Cost Management

Pension Plan Funding. As a result of accelerated cash benefits associated with the Tax Relief Act of 2010, Exelon contributed $2.1 billion to its pension plans in January 2011, representing all currently planned 2011 qualified pension contributions. Exelon's planned funding of these contributions includes $500 million from cash from operations, $750 million from the tax benefits of making the pension contributions and $850 million with the accelerated cash tax benefits from the 100% bonus depreciation provision enacted as part of the Tax Relief Act of 2010. Exelon expects the $2.1 billion contribution, along with other factors, will increase the pension funded status from 71% at December 31, 2010 to 89% at December 31, 2011, subject to actual 2011 asset returns and final actuarial valuations. The $2.1 billion pension contribution will also decrease 2011 pension costs.

Financing Activities. On January 18, 2011, ComEd issued $600 million of 1.625% First Mortgage Bonds due January 15, 2014. The net proceeds of the bonds were used as an interim source of liquidity for the January 2011 contribution to Exelon-sponsored pension plans in which ComEd participates. ComEd anticipates receiving tax refunds as a result of both the pension contribution and the recent Federal tax legislation allowing for accelerated depreciation deductions in 2011 and 2012. As a result, the immediate use of the net proceeds to fund the planned contribution will allow those future cash receipts to be available to fund capital investment and for general corporate purposes.

Credit Facilities. On March 25, 2010, ComEd replaced its $952 million credit facility with a similar $1 billion unsecured revolving credit facility that extends to March 25, 2013. Although the covenants are largely the same as the prior facility, the new facility has higher borrowing costs, reflecting current market pricing. See Note 10 of the Combined Notes to Consolidated Financial Statements for further information regarding those costs. Exelon's, Generation's, and PECO's primary credit facilities largely extend through October 2012. These credit facilities currently provide sufficient liquidity to each of the Registrants. Upon maturity of these credit facilities, Exelon, Generation and PECO may not be able to renew or replace these existing facilities at current terms or commitment levels from banks. Consequently, Exelon, Generation, and PECO may face increased costs for liquidity needs in 2011 and may choose to establish cost-effective alternative liquidity sources as appropriate. Exelon anticipates refinancing these credit facilities, approximately $6.4 billion, in the first half of 2011.

On November 4, 2010, Generation entered into a supplemental credit facility, which provides for an aggregate commitment of up to $300 million. The effectiveness and availability of the credit facility were subject to various conditions, which were satisfied on February 7, 2011. This facility will be primarily used to issue letters of credit. See Note 10 of the Combined Notes to Consolidated Financial Statements for further information regarding this credit facility.

Cost Management. Exelon is committed to operating its businesses responsibly and managing its operating and capital costs in a manner that serves its customers and produces value for its shareholders. Exelon is also committed to an ongoing strategy to make itself more effective, efficient and innovative. Exelon is committed to maintaining a cost control focus and continues to analyze cost trends to identify future cost savings opportunities and implement more planning and performance-measurement tools to allow it to better identify areas for sustainable productivity improvements and cost reductions across the Registrants.

Environmental Matters

Exelon supports the promulgation of environmental regulation by the U.S. EPA, including air, water and waste controls for electric generating units. See discussion below for further details. In addition, Exelon supports comprehensive climate change legislation by the U.S Congress, which includes a mandatory, economy-wide cap-and-trade program for GHG emissions that balances the need to protect consumers, business and the economy with the urgent need to reduce national GHG emissions. Several bills containing provisions for legislation of GHG emissions were introduced in Congress during the 111th Congress, but none were passed by both houses of Congress. In reaction to the U.S. EPA's proposed regulation of GHG emissions, various bills have been introduced in the U.S. House of Representatives that would prohibit or impede the U.S. EPA's rulemaking efforts. The timing of the consideration of such legislation is unknown.

Exelon 2020. In 2008, Exelon expanded its commitment to GHG reduction with the announcement of a comprehensive business and environmental strategic plan, which details an enterprise-wide strategy and a wide range of initiatives being pursued by Exelon to reduce, offset, or displace more than 15 million metric tons of GHG emissions per year by 2020 (from 2001 levels). Exelon has incorporated Exelon 2020 into its overall business plans, and as further legislation and regulation imposing requirements on emissions of air pollutants are promulgated, its emissions reduction efforts will position Exelon to benefit from the long-term positive impact of the requirements on capacity and energy prices while minimizing the impact of costs of compliance on Exelon's operations, cash flows or financial position.

Air. On July 6, 2010, the U.S. EPA published its proposed Transport Rule, which is the first of a number of significant regulations that the U.S. EPA expects to issue that will impose more stringent requirements relating to air, water and waste controls on electric generating units. The air and waste regulations will have a disproportionate adverse impact on fossil-fuel power plants, requiring significant expenditures of capital and variable operating and maintenance expense, and will likely result in the retirement of older, marginal facilities. Due to its low carbon generation portfolio, Generation will not be significantly directly affected by these regulations, representing a competitive advantage for Generation relative to electric generators that are more reliant on fossil-fuel plants. Upon preliminary review, it is expected that implementation of the proposed Transport Rule regulations will increase power prices over the long term, which would result in a net benefit to Generation's results of operations and cash flows. Exelon filed comments with the U.S. EPA in support of the proposed Transport Rule on October 1, 2010. Extensive comments were filed by the public, both in support of and in opposition to the proposed Transport Rule. The U.S. EPA is reviewing the comments and is scheduled to issue a final rule by the end of the year, to become effective in January 2012.

Beginning with the proposed Transport Rule, the air requirements are expected to be implemented through a series of increasingly stringent regulations relating to conventional air pollutants (e.g., NO_x, SO_2 and particulate matter) as well as HAPs (e.g., acid gases, mercury and other heavy metals) The U.S. EPA has announced that it will complete a review of NAAQS in the 2011 – 2012 timeframe for ozone (nitrogen oxide and volatile organic chemicals), particulate matter, nitrogen dioxide, sulfur dioxide, and lead. This review could result in more stringent emissions limits on fossil-fired electric generating stations. The U.S. EPA is also preparing a proposed rule for a new HAP standard for electric generating units, which is expected to be finalized in the 2011 – 2012 timeframe. The cumulative impact of these regulations could be to require power plant operators to install wet flue gas desulfurization technology for SO_2 and selective catalytic reduction technology for NO_x.

In the absence of Federal legislation, the U.S. EPA is also moving forward with the regulation of GHG emissions under the Clean Air Act, including permitting requirements under the PSD and Title V operating permit sections of the Clean Air Act for new and modified stationary sources that became

effective on January 2, 2011, and proposed GHG emissions limitations under the New Source Performance Standards scheduled for finalization in May 2012 pursuant to a litigation settlement.

Water. Following legal challenges to the Phase II rule implementing Section 316(b) of the Clean Water Act, the rule has been withdrawn and remanded to the U.S. EPA for revisions consistent with the courts' decisions. In the interim, Generation has been complying with the requirements of the state permitting agencies, which are administering the rule pursuant to their best professional judgment until a new final rule is issued by the U.S. EPA.

On January 7, 2010, the NJDEP issued a draft NPDES permit for Oyster Creek that would have required, in the exercise of its best professional judgment, the installation of cooling towers as the best technology available within seven years after the effective date of the permit. On December 8, 2010, Exelon announced that Generation will permanently cease generation operations at Oyster Creek by December 31, 2019. In reliance on that announcement, NJDEP determined that the existing measures at Oyster Creek represent the best technology available for the facility's cooling water intake through the cessation of generation operations. See further discussion of the planned shutdown of Oyster Creek in the "Plant Retirements" section below.

Waste. Under proposed U.S. EPA rules issued on June 21, 2010, coal combustion waste (CCW) would be regulated for the first time under the RCRA. The U.S. EPA is considering several options, including classification of CCW either as a hazardous or non-hazardous waste. Under either option, the U.S. EPA's intention is the ultimate elimination of surface impoundments as a waste treatment process. For plants affected by the proposed rules, this would result in significant capital expenditures and variable operating and maintenance expenditures to convert to dry handling and disposal systems and installation of new waste water treatment facilities. Exelon anticipates that the only plants in which it has an ownership interest that would be affected by proposed rules would be Keystone and Conemaugh. As a result, Exelon does not currently expect the adoption of the rules as proposed to have a significant impact on its future capital spending requirements and operating costs. The U.S. EPA has not announced a target date for finalization of the CCW rules.

See Note 18 of the Combined Notes to Consolidated Financial Statements for further detail related to environmental matters, including the impact of environmental regulation.

Regulatory and Legislative Matters

Appeal of 2007 Illinois Electric Distribution Rate Case. On September 30, 2010, the Illinois Appellate Court (Court) issued a decision in the appeals related to the ICC's order in ComEd's 2007 electric distribution rate case (2007 Rate Case). That decision ruled against ComEd on the treatment of post-test year accumulated depreciation and the recovery of costs for an AMI/Customer Applications pilot program via a rider (Rider SMP). On November 18, 2010, the Court denied ComEd's petition for rehearing in connection with the September 30, 2010 ruling. On January 25, 2011, ComEd filed a Petition for Leave to Appeal to the Illinois Supreme Court. ComEd does not believe any of its other riders are affected by the Court's ruling. See Note 2 of the Combined Notes to Consolidated Financial Statements for further details related to the Court's order.

The following table presents the impacts to Exelon's and ComEd's actual 2010 and estimated 2011 pre-tax earnings resulting from the Court's order.

(Pre-tax in millions)	Year Ended December 31, 2010	1/1/11 - 5/31/11 [(a)]
Revenues subject to refund based on Court order [(b)]	$ (17)	$ (30)
Reduced pre-tax earnings related to Rider SMP	(1)	(7)
Write-off of Rider SMP regulatory asset	(4)	—

(a) ComEd currently expects new rates will be established in its 2010 distribution rate case no later than June 2011, at which point in time the impacts of the Court's decision should be fully incorporated into ComEd's rates.
(b) The Court also required the ICC to consider whether an additional three months of net pro forma plant investment, beyond what was approved in the ICC order, should be included in rate base. To the extent the ICC allows ComEd to include an additional three months of net plant additions in its revised rates, the pre-tax revenues subject to refund would be reduced by an estimated $12 million in total through the first five months of 2011.

2010 Illinois Electric Distribution Rate Case. On June 30, 2010, ComEd requested ICC approval for an increase of $396 million to its annual delivery services revenue requirement (2010 Rate Case). On January 3, 2011, ComEd filed surrebuttal testimony which adjusted ComEd's requested increase to $326 million to account for recent changes in tax law, corrections, acceptance of limited adjustments proposed by certain parties and the amounts expected to be recovered in the AMI pilot program tariff. The request to increase the annual revenue requirement is to allow ComEd to continue modernizing its electric delivery system and recover the costs of substantial investments made since the last rate filing in 2007. The requested increase also reflects increased costs, most notably pension and OPEB, since ComEd's rates were last determined. The requested increase in electric distribution rates would increase the average residential customer's monthly electric bill by approximately 5%. In addition, ComEd is requesting future recovery of certain amounts that were previously recorded as expense. If that request is approved, ComEd would reverse the previously expensed costs and establish regulatory assets with amortization over the period during which rate recovery is allowed. As a result, ComEd would recognize a one-time benefit of up to $39 million (pre-tax) to reverse the prior charges. The requested increase also includes $22 million for increased uncollectible accounts expense. If the rate request is approved, the threshold for determining over/under recoveries under ComEd's uncollectible accounts tariff would be increased by $22 million.

The Court's September 30, 2010 ruling in connection with the 2007 Rate Case makes it highly unlikely that the ICC would decide the post-test year accumulated depreciation issue in ComEd's favor in the 2010 Rate Case. ComEd estimates that its requested revenue requirement increase of $326 million could be reduced by approximately $85 million as a result of this adjustment. Certain parties have submitted testimony recommending significant reductions to ComEd's requested increase as well as the write-off of certain assets, most notably the regulatory assets associated with severance costs, which was approximately $74 million as of December 31, 2010. Management believes the regulatory asset is appropriate based on the ICC's orders in ComEd's last two distribution rate cases. The new electric distribution rates are expected to take effect no later than June 2011. ComEd cannot predict how much of the requested electric distribution rate increase the ICC may approve. See the discussion of ComEd's 2007 Rate Case above and in Note 2 of the Combined Notes to Consolidated Financial Statements.

Subsequent to the Court's ruling, ComEd filed a request with the ICC to allow it to request recovery, through inclusion in the 2010 Rate Case, of $3 million in operation and maintenance costs, as well as carrying costs associated with capital investment in the ICC-approved AMI/Customer Applications pilot program. The AMI pilot program capital investment had already been requested in rate base in the 2010 Rate Case. On December 2, 2010, the ICC approved ComEd's request. The investment and the pilot program costs are subject to challenge in the 2010 Rate Case proceeding.

ComEd Alternative Regulation Pilot Program. On August 31, 2010, ComEd filed with the ICC an alternative regulation pilot proposal as a companion proposal to its 2010 Rate Case under a provision of the Illinois Public Utility Act that contemplates an alternative regulatory structure. Rather than employing the traditional rate setting process in which the utility seeks recovery of costs already incurred, the proposal, if approved, would bring utilities, stakeholders, and the ICC together to develop, review and approve ongoing investment programs before those investments are made. The pilot

process would include a flow-through mechanism to recover the depreciation and the carrying costs associated with an estimated $130 million in capital investments and $65 million in incremental operating and maintenance expense over a two-year period, as incurred. The unrecovered portion of the capital investments would be included in ComEd's rate base in its future delivery services rate case filing. The alternative regulatory structure as proposed by ComEd includes an immediate operating and maintenance savings to customers (up to $2 million) and an incentive mechanism for completing the capital investments under budget. This filing includes a request for approval of the alternative regulatory mechanism as well as approval of costs related to electric vehicles, accelerated reinvestment of urban underground facilities and low income assistance. If the mechanism is approved, ComEd would also seek recovery of an estimated $125 million of smart grid investments after the conclusion of the Illinois Statewide Smart Grid Collaborative workshops, the smart grid policy docket and the evaluation of its AMI pilot program. The ICC is scheduled to issue an order by May 28, 2011.

Proposed Legislation to Modernize Electric Utility Infrastructure and to Update Illinois Ratemaking Process. ComEd and other Illinois utilities and legislators are working to develop legislation that would modernize Illinois' electric grid. The proposal includes a policy-based approach which would provide a more predictable ratemaking system and would enable utilities to modernize the electric grid and set the stage for fostering economic development while creating and retaining jobs. Many other states are changing or are considering changes to the way they regulate utilities in order to improve the predictability of the ratemaking process.

The proposed legislation, which was introduced in the Illinois General Assembly on February 8, 2011, includes a process for determining formula rates that would provide for the recovery of actual costs of service that are prudently incurred and reasonable in amount, reflect the utility's actual capital structure (excluding goodwill), and include a formula for calculating the return on equity component of the cost of capital. The proposed legislation would apply to electric and gas utilities in Illinois on an opt-in basis and would not have any effect on the IPA process for energy procurement.

If the proposed legislation were to be enacted, ComEd would anticipate adopting a formula rate and investing an additional $2.6 billion in capital expenditures over the next ten years to modernize its system and implement smart grid technology, including improvements to cyber security. These investments would be incremental to ComEd's otherwise planned capital expenditures. However, there can be no assurances that the proposed legislation will be enacted into law.

2011 Pennsylvania Electric and Natural Gas Rates. On December 16, 2010, the PAPUC approved the settlement of PECO's electric distribution rate case for an increase of $225 million in annual service revenue, which is approximately 71% of the $316 million originally requested. The natural gas distribution rate case settlement reflects an increase of approximately $20 million in annual service revenue, which is approximately 46% of the $44 million originally requested. The approved electric and natural gas distribution rates became effective on January 1, 2011.

In accordance with the DSP Program, PECO has completed four competitive procurements for electric supply for default electric service customers commencing January 2011. As of December 31, 2010, PECO had procured substantially all of the total estimated electric supply needed to serve the residential customer class in 2011.

The approved electric distribution rate case settlement and the 2010 electric supply procurement results indicate an increase of 5.1% in the average residential customer total electric bill on January 1, 2011, above 2010 bills.

The approved natural gas distribution rate case settlement and the estimated 2011 PGC costs will result in an increase of 1% in the average residential customer total natural gas bill on January 1, 2011, above 2010 bills.

See Note 2 of the Combined Notes to Consolidated Financial Statements for further details related to PECO's rate case and procurement proceedings.

Financial Reform Legislation. The Dodd-Frank Wall Street Reform and Consumer Protection Act was enacted into law on July 21, 2010. This financial reform legislation includes a provision that requires over-the-counter derivative transactions to be executed through an exchange or centrally cleared. The legislation provides an exemption from mandatory clearing requirements for transactions that are used to hedge commercial risk like those utilized by Generation. At the same time, the legislation includes provisions under which the Commodity Futures Trading Commission may impose collateral requirements for transactions, including those that are used to hedge commercial risk. However, during drafting of the legislation, members of Congress issued a public letter stating that it was not their intention to impose margin and collateral requirements on counterparties that utilize transactions to hedge commercial risk. Final rules on major provisions in the legislation, including new margin requirements, will be established through rulemakings and will not take effect until 12 months after the date of enactment. If deemed a swap dealer, Generation would be required to execute over-the-counter derivative transactions, except those with qualifying end-users that are used to hedge commercial risk, through an exchange or central clearinghouse subject to margin requirements; conversely, if deemed a qualifying end-user, Generation could elect not to clear such transactions. Although we believe a swap dealer designation is unlikely, a substantial shift from over-the-counter sales to exchange cleared sales is estimated to require approximately $1 billion of additional collateral. Generation has adequate credit facilities and flexibility in its hedging program to accommodate these legislative or market changes. Generation continues to monitor the rulemaking procedures and cannot predict the ultimate outcome that the financial reform legislation will have on its results of operations, cash flows or financial position.

New Jersey Capacity Legislation. New Jersey Senate Bill 2381 was enacted into law on January 28, 2011. This legislation establishes a long-term capacity pilot program under which the New Jersey Board of Public Utilities will administer an RFP process to solicit offers for capacity agreements with mid-merit and/or baseload generation constructed after the effective date of the bill. The pilot program seeks capacity agreements for a term of up to 15 years for 2,000 MW. The selected generators are required to bid in and clear the PJM RPM auction, likely causing them to bid in at zero. Generators are paid based on the RFP contract price; therefore any difference between the RPM clearing price and the RFP contract price is either ultimately recovered from or refunded to New Jersey electric customers. This state required customer subsidy for generation capacity is expected to artificially suppress capacity prices within the Mid-Atlantic region, which could adversely affect Generation's results of operations and cash flows. Other states could seek to establish similar programs, which could substantially impair Exelon's market driven position.

PJM's capacity market rules include a Minimum Offer Price Rule (MOPR) that is intended to preclude sellers from artificially suppressing the competitive price signals for generation capacity. On February 1, 2011, PJM Power Providers Group, of which Generation is a member, filed a complaint asking FERC to revise PJM's MOPR to mitigate this exercise of buyer market power. Generation expects PJM to make a similar filing at FERC. In addition, on February 9, 2011, Generation and others filed a complaint in Federal district court requesting that the court declare the statute unconstitutional and that it enjoin implementation of the statute.

Illinois State Income Tax Legislation. The Taxpayer Accountability and Budget Stabilization Act, (Senate Bill 2505), enacted into law in Illinois on January 13, 2011, increases the corporate tax rate in Illinois from 7.3% to 9.5% for tax years 2011 – 2014, provides for a reduction in the rate from 9.5% to 7.75% for tax years 2015 – 2024 and further reduces the rate from 7.75% to 7.3% for tax years 2025 and thereafter.

The rate change from 7.3% to 9.5% will result in a one-time charge or credit to deferred taxes as the balances must be recalculated at the new corporate tax rates. The Registrants are unable to

estimate the impact at this time. Additionally, the rate change will increase Exelon's future Illinois state income taxes, net of offsetting Federal benefit, by approximately $25 million in 2011, of which $10 million and $10 million relate to Generation and ComEd, respectively.

Plant Retirements

Oyster Creek. On December 8, 2010, Exelon announced that Generation will permanently cease generation operations at Oyster Creek by December 31, 2019. The current NRC license for Oyster Creek expires in 2029. In reliance upon Exelon's determination to cease generation operations at Oyster Creek no later than December 31, 2019, the NJDEP has determined that closed cycle cooling is not the best technology available for Oyster Creek given the length of time that would be required to retrofit from the existing once-through cooling system to a closed-cycle cooling system and the limited life span of Oyster Creek after installation of a closed-cycle cooling system. Based on its consideration of these and other factors, in its best professional judgment, NJDEP has determined that the existing measures at Oyster Creek represent the best technology available for the facility's cooling water intake through cessation of generation operations. As a result of the announcement to close Oyster Creek by 2019, Generation's operating expenses increased by $7 million (pre-tax) in 2010 and are estimated to increase approximately $25-$30 million (pre-tax) in each of the years 2011 through 2015. The impacts to Generation's operating expenses in years 2016 through 2019 will be dependent on future capital spending at Oyster Creek. Generation will also make employee retention payments of approximately $20 million in 2011 that are expected to increase operating expenses by approximately $4 million (pre-tax) in each of the years 2011 through 2015.

Eddystone and Cromby. In 2009, Exelon announced its intention to permanently retire three coal-fired generating units and one oil/gas-fired generating unit effective May 31, 2011 in response to the economic outlook related to the continued operation of these four units. The units to be retired are Cromby Generating Station (Cromby) Unit 1 and Unit 2 and Eddystone Generating Station (Eddystone) Unit 1 and Unit 2. PJM determined that transmission reliability upgrades will be necessary to alleviate reliability impacts and that those upgrades will be completed in a manner that will permit Generation's retirement of the units on the following schedule: Cromby Unit 1 and Eddystone Unit 1 on May 31, 2011; Cromby Unit 2 on December 31, 2011; and Eddystone Unit 2 on June 1, 2012. As a result, on December 14, 2010, Generation reached a proposed settlement with FERC Staff and other intervenors regarding the terms of the reliability-must-run rate schedule, subject to FERC approval, for Cromby Unit 2 and Eddystone Unit 2. Under the proposed settlement, monthly fixed-cost recovery during the reliability-must-run period for Cromby Unit 2 and Eddystone Unit 2 would be approximately $2 million and $6 million, respectively. In addition, Generation would be reimbursed for variable costs including fuel, emissions costs, chemicals, auxiliary power and for project investment costs during the reliability-must-run period.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with GAAP requires that management apply accounting policies and make estimates and assumptions that affect results of operations and the amounts of assets and liabilities reported in the financial statements. Management discusses these policies, estimates and assumptions with its Accounting and Disclosure Governance Committee on a regular basis and provides periodic updates on management decisions to the Audit Committees of the Exelon, ComEd and PECO Boards of Directors. Management believes that the areas described below require significant judgment in the application of accounting policy or in making estimates and assumptions that are inherently uncertain and that may change in subsequent periods. Additional discussion of the application of these accounting policies can be found in the Combined Notes to Consolidated Financial Statements.

Nuclear Decommissioning Asset Retirement Obligations (Exelon and Generation)

Generation must make significant estimates and assumptions in accounting for its obligation to decommission its nuclear generating plants in accordance with the authoritative guidance for AROs.

The authoritative guidance requires that Generation estimate its obligation for the future decommissioning of its nuclear generating plants. To estimate that liability, Generation uses a probability-weighted, discounted cash flow model that considers multiple outcome scenarios based upon significant estimates and assumptions embedded in the following:

Decommissioning Cost Studies. Generation uses unit-by-unit decommissioning cost studies to provide a marketplace assessment of the costs and timing of decommissioning activities, which are validated by comparison to current decommissioning projects within its industry and other estimates. Decommissioning cost studies are updated, on a rotational basis, for each of Generation's nuclear units at least every five years.

Cost Escalation Studies. Generation uses cost escalation factors to escalate the decommissioning costs from the decommissioning cost studies discussed above through the assumed decommissioning period for each of the units. Cost escalation studies, updated on an annual basis, are used to determine escalation factors; and are based on inflation indices for labor, equipment and materials, energy, LLRW disposal and other costs.

Probabilistic Cash Flow Models. Generation's probabilistic cash flow models include the assignment of probabilities to various scenarios for decommissioning costs, approaches and timing on a unit-by-unit basis. Probabilities assigned to cost levels include an assessment of the likelihood of costs 20% higher (high-cost scenario) or 15% lower (low-cost scenario) then the base cost scenario. Probabilities assigned alternative decommissioning approaches assess the likelihood of performing DECON (a method of decommissioning shortly after the cessation of operation in which the equipment, structures, and portions of a facility and site containing radioactive contaminants are removed and safely buried in a LLRW landfill or decontaminated to a level that permits property to be released for unrestricted use), Delayed DECON (similar to the DECON scenario but with a delay to allow for spent fuel to be removed from the site prior to onset of decommissioning activities) or SAFSTOR (a method of decommissioning in which the nuclear facility is placed and maintained in such condition that the nuclear facility can be safely stored and subsequently decontaminated to levels that permit release for unrestricted use generally within 60 years after cessation of operations) procedures. Probabilities assigned to the timing scenarios incorporate the likelihood of continued operation through current license lives or through anticipated license renewals. Generation's probabilistic cash flow models also include an assessment of the timing of DOE acceptance of SNF for disposal, which Generation currently assumes will begin in 2020, based on the DOE's most recent indication. For more information regarding the estimated date that DOE will begin accepting SNF, see Note 18 of the Combined Notes to Consolidated Financial Statements.

License Renewals. Generation assumes a successful 20-year renewal for each of its nuclear generating station licenses, except for Oyster Creek, in determining its nuclear decommissioning ARO. See Note 18 of the Combined Notes to Consolidated Financial Statements for additional information on Oyster Creek. Generation has successfully secured 20-year operating license renewal extensions for eight of its nuclear units, and none of Generation's applications for an operating license extension has been denied. Generation is in various stages of the process of pursuing similar extensions on its remaining eleven operating nuclear units (including the two Salem units co-owned by Generation, but operated by PSEG). Generation's assumption regarding license extension for ARO determination purposes is based in part on the good current physical condition and high performance of these nuclear units; the favorable status of the ongoing license renewal proceedings with the NRC, and the successful renewals for eight units to date. Generation estimates that the failure to obtain license

renewals at any of these nuclear units (assuming all other assumptions remain constant) would increase its ARO on average approximately $190 million per unit as of December 31, 2010. The size of the increase to the ARO for a particular nuclear unit is dependent upon the current stage in its original license term and its specific decommissioning cost estimates. If Generation does not receive license renewal on a particular unit, the increase to the ARO may be mitigated by Generation's ability to delay ultimate decommissioning activities under a SAFSTOR method of decommissioning.

Discount Rates. The probability-weighted estimated future cash flows using these various scenarios are discounted using credit-adjusted, risk-free rates (CARFR) applicable to the various businesses in which each of the nuclear units originally operated. Changes in the CARFR could result in significant changes in the ARO. If Generation used a 2009 CARFR instead of the 2010 CARFR in performing its third quarter ARO update, it would have resulted in a $180 million decrease in the ARO. Additionally, if the CARFR used in performing the third quarter 2010 ARO update was increased or decreased by 25 basis points, the ARO would have decreased $60 million or increased $90 million, respectively.

Changes in the assumptions underlying the foregoing items could materially affect the decommissioning obligation. The following table illustrates the effects of changing certain ARO assumptions, discussed above, while holding all other assumptions constant (dollars in millions):

Change in ARO Assumption	Increase to ARO at December 31, 2010
Cost escalation studies	
Uniform increase in escalation rates of 25 basis points	$ 450
Probabilistic cash flow models	
Increase the likelihood of the high-cost scenario by 10 percentage points and decrease the likelihood of the low-cost scenario by 10 percentage points	$ 150
Increase the likelihood of the DECON scenario by 10 percentage points and decrease the likelihood of the SAFSTOR scenario by 10 percentage points	$ 210
Increase the likelihood of operating through current license lives by 10 percentage points and decrease the likelihood of operating through anticipated license renewals by 10 percentage points	$ 370

If the estimated date for DOE acceptance of SNF were to be extended to 2030, Generation's aggregate nuclear decommissioning obligation would be reduced by an immaterial amount.

Under the authoritative guidance, the nuclear decommissioning obligation is adjusted on a regular basis due to the passage of time and revisions to the key assumptions for the expected timing or estimated amounts of the future undiscounted cash flows required to decommission the nuclear plants. For more information regarding accounting for nuclear decommissioning obligations, see Notes 1 and 12 of the Combined Notes to Consolidated Financial Statements.

Goodwill (Exelon and ComEd)

ComEd has goodwill relating to the acquisition of ComEd in 2000 as part of the PECO/Unicom Merger. Under the provisions of the authoritative guidance for goodwill, ComEd is required to perform an assessment for impairment of its goodwill at least annually or more frequently if an event occurs, such as a significant negative regulatory outcome, or circumstances change that would more likely than not reduce the fair value of the ComEd reporting unit below its carrying amount. Under the authoritative guidance, a reporting unit is an operating segment or operating component and is the level at which goodwill is tested for impairment. The impairment assessment is performed using a two-step, fair value based test. The first step compares the fair value of the reporting unit to its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its fair value, the second step is performed. The second step requires an allocation of fair value to the individual assets

and liabilities using purchase price allocation guidance in order to determine the implied fair value of goodwill. If the implied fair value of goodwill is less than the carrying amount, an impairment loss is recorded as a reduction to goodwill and a charge to operating expense. Application of the goodwill impairment test requires management judgment, including the identification of reporting units and determining the fair value of the reporting unit, which management estimates using a weighted combination of a discounted cash flow analysis and a market multiples analysis. Significant assumptions used in these fair value analyses include discount and growth rates, utility sector market performance and transactions, operating and capital expenditure requirements and the fair value of debt. In applying the second step (if needed), management would need to estimate the fair value of specific assets and liabilities of the reporting unit.

ComEd did not recognize an impairment in 2010; however, adverse regulatory actions that could reduce ComEd's allowed long-term rate of return on common equity or a fully successful IRS challenge to Exelon's and ComEd's like-kind exchange income tax position in combination with changes in significant assumptions described above could potentially result in a future impairment loss of ComEd's goodwill, which could be material. If any combination of changes to significant assumptions resulted in a 5% reduction in fair value as of November 1, 2010, ComEd still would have passed the first step of the goodwill assessment. See Notes 2 and 7 of the Combined Notes to Consolidated Financial Statements for additional information.

Purchase Accounting (Exelon and Generation)

Determining the fair value of assets acquired and liabilities assumed in a business combination is judgmental in nature and often involves the use of significant estimates and assumptions. Some of the more significant estimates and assumptions used in valuing Generation's acquisition of John Deere Renewables on December 9, 2010 include: projected future cash flows (including timing); discount rates reflecting the risk inherent in the future cash flows; and future market prices. There are also judgments made to determine the expected useful lives assigned to each class of assets acquired and liabilities assumed. Generation did not record any goodwill related to the acquisition of John Deere Renewables.

Impairment of Long-lived Assets (Exelon, Generation, ComEd and PECO)

Exelon, Generation, ComEd and PECO evaluate their long-lived assets, excluding goodwill, for impairment when circumstances indicate the carrying value of those assets may not be recoverable. Conditions that could have an adverse impact on the cash flows and fair value of the long-lived assets are deteriorating business climate, including current energy and market conditions, condition of the asset, specific regulatory disallowance, or plans to dispose of a long-lived asset significantly before the end of its useful life. The review of long-lived assets for impairment requires significant assumptions about operating strategies and estimates of future cash flows, which require assessments of current and projected market conditions. For the generation business, forecasting future cash flows requires assumptions regarding forecasted commodity prices for the sale of power, costs of fuel and the expected operations of assets. A variation in the assumptions used could lead to a different conclusion regarding the realizability of an asset and, thus, could have a significant effect on the consolidated financial statements. An impairment evaluation is based on an undiscounted cash flow analysis at the lowest level at which cash flows of the long-lived assets are largely independent of other groups of assets and liabilities. For the generation business, the lowest level of independent cash flows is determined by evaluation of several factors, including the geographic dispatch of the generation units and the hedging strategies related to those units. For ComEd and PECO, the lowest level of independent cash flows is determined by evaluation of several factors including the ratemaking jurisdiction in which they operate and the type of service or commodity provided. For ComEd, the lowest level of independent cash flows is transmission and distribution and for PECO, the lowest level

of independent cash flows is transmission, distribution and gas. Impairment may occur when the carrying value of the asset or asset group exceeds the future undiscounted cash flows. When the undiscounted cash flow analysis indicates a long-lived asset or asset group is not recoverable, the amount of the impairment loss is determined by measuring the excess of the carrying amount of the long-lived asset or asset group over its fair value. Events and circumstances frequently do not occur as expected and there will usually be differences between prospective financial information and actual results, and those differences may be material. Additionally, some assumptions or projections inevitably will not materialize and unanticipated events and circumstances may occur during the forecast period. These could include, among others, major changes in the economic environment; significant increases or decreases in current mortgage interest rates and/or terms or availability of financing altogether; property assessment; and/or major revisions in current state and/or Federal tax or regulatory laws. Therefore, the actual results achieved during the projected holding period and investor requirements relative to anticipated annual returns and overall yields could vary from the projection. Accordingly, to the extent that any of the information used in the fair value analysis requires adjustment, the resulting fair market value would be different. As such, the determination of fair value is driven by both internal assumptions as well as information from various public, financial and industry sources. An impairment determination would require the affected Registrant to reduce both the long-lived asset and current period earnings by the amount of the impairment.

Exelon holds certain investments in coal-fired plants in Georgia and Texas subject to long-term leases. Exelon determines the investment in these plants by incorporating an estimate of the residual values of the leased assets. On an annual basis, Exelon reviews the estimated residual values of these plants to determine if the current estimate of their residual value is lower than the one used at the start of the lease. In determining the estimate of the residual value the expectation of future market conditions, including commodity prices, is considered. If the estimated residual value is lower than at the start of the lease and the decline is considered to be other than temporary, a loss will be recognized with a corresponding reduction to the carrying amount of the investment. To date, no such losses have been recognized.

See Note 5 of the Combined Notes to Consolidated Financial Statements for a discussion of asset impairment evaluations made by Generation.

Depreciable Lives of Property, Plant and Equipment (Exelon, Generation, ComEd and PECO)

The Registrants have significant investments in electric generation assets and electric and natural gas transmission and distribution assets. Depreciation of these assets is generally provided over their estimated service lives on a straight-line basis using the composite method. The estimation of service lives requires management judgment regarding the period of time that the assets will be in use. As circumstances warrant, the estimated service lives are reviewed to determine if any changes are needed. Depreciation rates incorporate assumptions on interim retirements based on actual historical retirement experience. To the extent interim retirement patterns change, this could have a significant impact on the amount of depreciation expense recorded in the income statement. Changes to depreciation estimates resulting from a change in the estimated end of service lives could have a significant impact on the amount of depreciation expense recorded in the income statement. See Note 1 of the Combined Notes to Consolidated Financial Statements for information regarding depreciation and estimated service lives of the property, plant and equipment of the Registrants.

The estimated service lives of the nuclear generating facilities are based on the estimated useful lives of the stations, which assume a 20-year license renewal extension of the operating licenses for all of Generation’s operating nuclear generating stations except for Oyster Creek. See Note 18 of the Combined Notes to Consolidated Financial Statements for information regarding Oyster Creek. While Generation has received license renewals for certain facilities, and has applied for or expects to apply

for and obtain approval of license renewals for the remaining facilities, circumstances may arise that would prevent Generation from obtaining additional license renewals. Generation also periodically evaluates the estimated service lives of its fossil fuel generating facilities based on feasibility assessments as well as economic and capital requirements. The estimated service lives of the hydroelectric generating facilities are based on the remaining useful lives of the stations, which assume a license renewal extension of the operating licenses. A change in depreciation estimates resulting from Generation's extension or reduction of the estimated service lives could have a significant effect on Generation's results of operations. Generation completed a depreciation rate study during the first quarter of 2010, which resulted in the implementation of new depreciation rates effective January 1, 2010.

ComEd is required to file a depreciation rate study at least every five years with the ICC. ComEd filed a depreciation rate study with the ICC in January 2009, which resulted in the implementation of new depreciation rates effective January 1, 2009.

PECO is required to file a depreciation rate study at least every five years with the PAPUC. In April 2010, PECO filed a depreciation rate study with the PAPUC for both its electric and gas assets, which resulted in the implementation of new depreciation rates effective January 2011.

Defined Benefit Pension and Other Postretirement Benefits (Exelon, Generation, ComEd and PECO)

Exelon sponsors defined benefit pension plans and postretirement benefit plans for substantially all Generation, ComEd, PECO, and Exelon Corporate employees. See Note 13 of the Combined Notes to Consolidated Financial Statements for additional information regarding the accounting for the defined benefit pension plans and postretirement benefit plans.

The measurement of the plan obligations and costs of providing benefits under Exelon's defined benefit and other postretirement plans involves various factors, including the development of valuation assumptions and accounting policy elections. When developing the required assumptions, Exelon considers historical information as well as future expectations. The measurement of benefit obligations and costs is impacted by several assumptions including the discount rate applied to benefit obligations, the long-term expected rate of return on plan assets, Exelon's expected level of contributions to the plans, the incidence of mortality, the expected remaining service period of plan participants, the level of compensation and rate of compensation increases, employee age, length of service, the long-term expected investment rate credited to employees of certain plans and the anticipated rate of increase of health care costs, among other factors. The assumptions are updated annually and upon any interim remeasurement of the plan obligations. The impact of assumption changes on pension and other postretirement benefit obligations is generally recognized over the expected average remaining service period of the employees rather than immediately recognized in the income statement. Pension and postretirement benefit costs attributed to the operating companies are labor costs and are ultimately allocated to projects within the operating companies, some of which are capitalized.

Pension and postretirement benefit plan assets include equity securities, including U.S. and international securities, and fixed income securities, as well as certain alternative investment classes such as real estate, private equity and hedge funds. See Note 13 of the Combined Notes to Consolidated Financial Statements for information on fair value measurements of pension and other postretirement plan assets, including valuation techniques and classification in accordance with authoritative guidance under the fair value hierarchy.

Expected Rate of Return on Plan Assets. The long-term expected rate of return on plan assets assumption used in calculating pension costs was 8.50%, 8.50% and 8.75% for 2010, 2009 and 2008,

respectively. The weighted average EROA assumption used in calculating other postretirement benefit costs was 7.83%, 8.10% and 7.80% in 2010, 2009 and 2008, respectively. The pension trust activity is non-taxable, while other postretirement benefit trust activity is partially taxable. The EROA is based on asset allocations at year end. In 2010, Exelon modified its pension investment strategy in order to reduce the volatility of its pension assets relative to its pension liabilities. As a result of this modification, over time, Exelon plans to decrease equity investments and increase investments in fixed income securities and alternative investments in order to achieve a balanced portfolio of risk-reducing and return-seeking assets. The change in the overall investment strategy will likely lower the expected rate of return on plan assets in future years as compared to the previous strategy. See Note 13 of the Combined Notes to Consolidated Financial Statements for additional information regarding Exelon's asset allocations. Exelon used an EROA of 8.00% and 7.08% to estimate its 2011 pension and other postretirement benefit costs, respectively. For 2012, Exelon projects an EROA of 7.50% and 7.08% for pension and other postretirement benefit costs, respectively.

Exelon calculates the expected return on pension and other postretirement benefit plan assets by multiplying the EROA by the MRV of plan assets at the beginning of the year, taking into consideration anticipated contributions and benefit payments to be made during the year. In determining MRV, the authoritative guidance for pensions and postretirement benefits allows the use of either fair value or a calculated value that recognizes changes in fair value in a systematic and rational manner over not more than five years. For the majority of pension plan assets, Exelon uses a calculated value that adjusts for 20% of the difference between fair value and expected MRV of plan assets. Use of this calculated value approach enables less volatile expected asset returns to be recognized as a component of pension cost from year to year. For other postretirement benefit plan assets and certain pension plan assets, Exelon uses fair value to calculate the MRV.

Actual asset returns have an impact on the costs reported for the Exelon-sponsored pension and other postretirement benefit plans. The actual asset returns across the Registrant's pension and other postretirement benefit plans for the year ended December 31, 2010 were 11.9% and 11.6%, respectively, compared to an expected long-term return assumption of 8.50% and 7.83%, respectively. Those return levels are expected to decrease 2011 and 2012 benefit costs as follows:

(dollars in millions)	Decrease in 2011 Pension Cost	Decrease in 2011 Postretirement Benefit Cost	Decrease in 2012 Pension Cost	Decrease in 2012 Postretirement Benefit Cost
2010 actual asset returns	$ (8)	$ (8)	$ (15)	$ (7)

This information assumes that movements in asset returns occur absent changes to other actuarial assumptions, and does not consider any actions management may take, such as changes to the amount and timing of future contributions. The actuarial assumptions used in the determination of pension and postretirement benefit costs are interrelated and changes in other assumptions could have the impact of offsetting all or a portion of the potential decrease in benefit costs set forth above.

Discount Rate. The discount rates used to determine the pension and other postretirement benefit obligations at December 31, 2010 were 5.26% and 5.30%, respectively, and the discount rates for determining both the pension and other postretirement benefit obligations at December 31, 2009 and 2008 were 5.83% and 6.09%, respectively. At December 31, 2010, 2009 and 2008, the discount rate was determined by developing a spot rate curve based on the yield to maturity of a universe of high-quality non-callable (or callable with make whole provisions) bonds with similar maturities to the related pension and other postretirement benefit obligations. The spot rates are used to discount the estimated distributions under the pension and other postretirement benefit plans. The discount rate is the single level rate that produces the same result as the spot rate curve. Exelon utilizes an analytical tool developed by its actuaries to determine the discount rates.

The discount rate assumptions used to determine the obligation at year end are used to determine the cost for the following year. Exelon will use discount rates of 5.26% and 5.30% to estimate its 2011 pension and other postretirement benefit costs, respectively.

Health Care Reform Legislation. In March 2010, the Health Care Reform Acts were signed into law, which contain a number of provisions that impact retiree health care plans provided by employers. In particular, the Health Care Reform Acts include a provision that imposes an excise tax on certain high-cost plans beginning in 2018, whereby premiums paid over a prescribed threshold will be taxed at a 40% rate. Although the excise tax does not go into effect until 2018, accounting guidance requires Exelon to incorporate the estimated impact of the excise tax in its annual actuarial valuation. The application of the legislation is still unclear and Exelon continues to monitor the Department of Labor and IRS for additional guidance. Certain key assumptions are required to estimate the impact of the excise tax on Exelon's other postretirement obligation, including projected inflation rates (based on the CPI) and whether pre- and post-65 retiree populations can be aggregated in determining the premium values of health care benefits. Exelon reflected its best estimate of the expected impact in its annual actuarial valuation, which increased its postretirement benefit obligation by $145 million as of December 31, 2010 and increases annual other postretirement benefit costs by approximately $32 million, beginning in 2011.

The excise tax is applied to the value of retiree health care benefits in excess of certain thresholds, which increase each year based on the rate of CPI. Therefore, the assumed rate of CPI impacts the extent to which Exelon's future retiree health care benefit premiums exceed the thresholds. Exelon assumed an annual CPI of 2.5% in calculating the impact of the excise tax on Exelon's other postretirement obligation as of December 31, 2010. As of December 31, 2010, a 50 basis point decrease in the assumed CPI (holding all other assumptions constant) would have increased Exelon's other postretirement benefit obligation by approximately $70 million, and a 50 basis point increase in the assumed CPI would have decreased Exelon's other postretirement benefit obligation by approximately $65 million.

The impact of the excise tax is also dependent on whether pre- and post-65 retirees can be aggregated for purposes of calculating the value of health care benefits provided by Exelon. The value of the health care benefits provided to pre-65 employees is greater than the value for post-65 employees because pre-65 employees are not eligible for Medicare. The aggregation of pre- and post-65 retiree populations reduces the average value of the health care benefits and, therefore, results in less excise tax. Exelon has assumed pre- and post-65 retirees will be allowed to be aggregated for purposes of calculating the impact of the excise tax on its other postretirement benefit obligation as of December 31, 2010. The disaggregation of pre- and post-65 retiree populations would have increased Exelon's other postretirement benefit obligation by approximately $200 million (holding all other assumptions constant) as of December 31, 2010.

Health Care Cost Trend Rate. Assumed health care cost trend rates have a significant effect on the costs reported for Exelon's other postretirement benefit plans. Accounting guidance requires that annual health care cost estimates be developed using past and present health care cost trends (both for Exelon and across the broader economy), as well as expectations of health care cost escalation, changes in health care utilization and delivery patterns, technological advances and changes in the health status of plan participants. Therefore, the trend rate assumption is subject to significant uncertainty, particularly when considering potential impacts of the 2010 Health Care Reform Acts. Exelon assumed a health care cost trend rate of 7.00% at December 31, 2010, decreasing to an ultimate health care cost trend rate of 5.00% in 2015.

Sensitivity to Changes in Key Assumptions: The following tables illustrate the effects of changing certain of the actuarial assumptions discussed above, while holding all other assumptions constant (dollars in millions):

Actuarial Assumption	Change in Assumption	Pension	Other Postretirement Benefits	Total
Change in 2010 cost:				
Discount rate [a]	0.5%	$ (51)	$ (27)	$ (78)
	(0.5)%	55	27	82
EROA	0.5%	(47)	(7)	(54)
	(0.5)%	47	7	54
Health care trend rate	1.00%	N/A	53	53
	(1.00)%	N/A	(43)	(43)
	Extend the year at which the ultimate health care trend rate of 5% is forecasted to be reached by 5 years	N/A	20	20
Change in benefit obligation at December 31, 2010:				
Discount rate [a]	0.5%	(730)	(229)	(959)
	(0.5)%	775	243	1,018
Health care trend rate	1.00%	N/A	490	490
	(1.00)%	N/A	(405)	(405)
	Extend the year at which the ultimate health care trend rate of 5% is forecasted to be reached by 5 years	N/A	201	201

(a) In general, the discount rate will have a larger impact on the pension and other postretirement benefit cost and obligation as the rate moves closer to 0%. Therefore, the discount rate sensitivities above cannot necessarily be extrapolated for larger increases or decreases in the discount rate.

Average Remaining Service Period. For pension benefits, Exelon amortizes its unrecognized prior service costs and certain actuarial gains and losses, as applicable, based on participants' average remaining service periods. The average remaining service period of defined benefit pension plan participants was 12.4 years, 12.7 years and 12.8 years for the years ended December 31, 2010, 2009 and 2008, respectively.

For other postretirement benefits, Exelon amortizes its unrecognized estimated prior service costs over participants' average remaining service period to benefit eligibility age and amortizes its transition obligations and certain actuarial gains and losses over participants' average remaining service period to expected retirement. The average remaining service period of postretirement benefit plan participants related to benefit eligibility age was 6.8 years, 6.8 years and 6.9 years for the years ended December 31, 2010, 2009 and 2008, respectively. The average remaining service period of postretirement benefit plan participants related to expected retirement was 9.0 years, 9.2 years and 9.4 years for the years ended December 31, 2010, 2009 and 2008, respectively.

Regulatory Accounting (Exelon, ComEd and PECO)

Exelon, ComEd and PECO account for their regulated electric and gas operations in accordance with the authoritative guidance for accounting for certain types of regulations, which requires Exelon, ComEd, and PECO to reflect the effects of cost-based rate regulation in their financial statements. Use of this guidance is applicable to utility operations that meet the following criteria: (1) third-party regulation of rates; (2) cost-based rates; and (3) a reasonable expectation that all costs will be recoverable from customers through rates. Regulatory assets represent incurred costs that have been deferred because of their probable future recovery from customers through regulated rates. Regulatory liabilities represent (1) the excess recovery of costs or accrued credits that have been deferred because it is probable such amounts will be returned to customers through future regulated rates; or (2) billings in advance of expenditures for approved regulatory programs. As of December 31, 2010, Exelon, ComEd and PECO have concluded that the operations of ComEd and PECO meet the criteria of the authoritative guidance. If it is concluded in a future period that a separable portion of those operations no longer meets the criteria of this guidance, Exelon, ComEd and PECO would be required to eliminate any associated regulatory assets and liabilities and the impact would be recognized in the Consolidated Statements of Operations and could be material. See Note 2 of the Combined Notes to Consolidated Financial Statements for additional information regarding regulatory matters, including the regulatory assets and liabilities tables of Exelon, ComEd and PECO.

For each regulatory jurisdiction in which they conduct business, Exelon, ComEd and PECO assess whether the regulatory assets and liabilities continue to meet the criteria for probable future recovery or settlement at each balance sheet date and when regulatory events occur. This assessment includes consideration of factors such as changes in applicable regulatory and political environments, historical regulatory treatment for similar costs in ComEd and PECO's jurisdictions, and recent rate orders. Furthermore, Exelon, ComEd and PECO make other judgments related to the financial statement impact of their regulatory environments, such as the types of adjustments to rate base that will be acceptable to regulatory bodies and the types of costs and the extent, if any, to which those costs will be recoverable through rates. Additionally, estimates are made in accordance with the authoritative guidance for contingencies, as to the amount of revenues billed under certain regulatory orders that may ultimately be refunded to customers upon finalization of applicable regulatory or judicial processes. These assessments are based, to the extent possible, on past relevant experience with regulatory bodies in ComEd and PECO's jurisdictions, known circumstances specific to a particular matter and hearings held with the applicable regulatory body. If the assessments and estimates made by Exelon, ComEd and PECO are ultimately different than actual regulatory outcomes, the impact on their results of operations, financial position, and cash flows could be material.

Accounting for Derivative Instruments (Exelon, Generation, ComEd and PECO)

The Registrants utilize derivative instruments to manage their exposure to fluctuations in interest rates, changes in interest rates related to planned future debt issuances and changes in the fair value of outstanding debt. Generation uses a variety of derivative and non-derivative instruments to manage the commodity price risk of its electric generation facilities, including power sales, fuel and energy purchases and other energy-related products marketed and purchased. Additionally, Generation enters into energy-related derivatives for proprietary trading purposes. ComEd has entered into contracts to procure energy, capacity and ancillary services. In addition, ComEd has a financial swap contract with Generation that extends into 2013 and floating-to-fixed energy swaps with several unaffiliated suppliers that extend into 2032. PECO has entered into derivative natural gas contracts to hedge its long-term price risk in the natural gas market. As part of the preparation for the expiration of the PPA with Generation at the end of 2010, PECO has entered into derivative contracts to procure electric supply through a competitive RFP process as outlined in its PAPUC-approved DSP Program. ComEd and PECO do not enter into derivatives for proprietary trading purposes. The Registrants' derivative

activities are in accordance with Exelon's Risk Management Policy (RMP). See Note 9 of the Combined Notes to Consolidated Financial Statements for additional information regarding the Registrants' derivative instruments.

The Registrants account for derivative financial instruments under the applicable authoritative guidance. Determining whether or not a contract qualifies as a derivative under this guidance requires that management exercise significant judgment, including assessing the market liquidity as well as determining whether a contract has one or more underlyings and one or more notional amounts. Further, interpretive guidance related to the authoritative literature continues to evolve, including how it applies to energy and energy-related products. Changes in management's assessment of contracts and the liquidity of their markets, and changes in authoritative guidance related to derivatives, could result in previously excluded contracts being subject to the provisions of the authoritative derivative guidance. Generation has determined that contracts to purchase uranium and contracts to purchase and sell RECs do not meet the definition of a derivative under the current authoritative guidance since they do not provide for net settlement and neither the uranium or REC markets are sufficiently liquid to conclude that forward contracts are readily convertible to cash. If the uranium or REC markets do become sufficiently liquid in the future and Generation begins to account for uranium purchase contracts or REC purchase and sale contracts as derivative instruments, the fair value of these contracts would be accounted for consistent with Generation's other derivative instruments. In this case, if market prices differ from the underlying prices of the contracts, Generation would be required to record a mark-to-market gain or loss, which may have a material impact to Exelon's and Generation's financial positions and results of operations.

Under current authoritative guidance, all derivatives are recognized on the balance sheet at their fair value unless they qualify for a normal purchases and normal sales exception. Further, derivatives that qualify and are designated for hedge accounting are classified as fair value or cash flow hedges. For fair value hedges, changes in fair values for both the derivative and the underlying hedged exposure are recognized in earnings each period. For cash flow hedges, the portion of the derivative gain or loss that is effective in offsetting the change in the hedged cash flows of the underlying exposure is deferred in accumulated OCI and later reclassified into earnings when the underlying transaction occurs. Gains and losses from the ineffective portion of any hedge are recognized in earnings immediately. For other derivative contracts that do not qualify or are not designated for hedge accounting and for energy-related derivatives entered for proprietary trading purposes, changes in the fair value of the derivatives are recognized in earnings each period except for ComEd and PECO, in which changes in the fair value each period are recorded as a regulatory asset or liability.

Normal Purchases and Normal Sales Exception. Determining whether a contract qualifies for the normal purchases and normal sales exception requires that management exercise judgment on whether the contract will physically deliver and requires that management ensure compliance with all of the associated qualification and documentation requirements. Revenues and expenses on contracts that qualify as normal purchases and normal sales are recognized when the underlying physical transaction is completed. Contracts which qualify for the normal purchases and normal sales exception are those for which physical delivery is probable, quantities are expected to be used or sold in the normal course of business over a reasonable period of time and price is not tied to an unrelated underlying derivative. As part of Generation's energy marketing business, Generation enters into contracts to buy and sell energy to meet the requirements of its customers. These contracts include short-term and long-term commitments 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. While these contracts are considered derivative financial instruments under the authoritative guidance, the transactions have been designated as normal purchases and normal sales and are thus not required to be recorded at fair value, but rather on an accrual basis of accounting. The contracts that ComEd has entered into with Generation and other suppliers as part of the initial ComEd procurement auction and the

subsequent RFP process, PECO's full requirement contracts and block contracts under the PAPUC-approved DSP program and all of PECO's natural gas supply agreements that are derivatives qualify for the normal purchases and normal sales exception. If it were determined that a transaction designated as a normal purchase or a normal sale no longer met the scope exceptions, the fair value of the related contract would be recorded on the balance sheet and immediately recognized through earnings at Generation or offset by a regulatory asset or liability at ComEd and PECO. Thereafter, future changes in fair value would be recorded in the balance sheet and recognized through earnings at Generation. Triggering events that could result in a contract's loss of the normal purchase and normal sale designation, because it is no longer probable that the contract will result in physical delivery, include changes in business requirements, changes in counterparty credit and financial rather than physical contract settlements (book-outs).

Commodity Contracts. Identification of a commodity contract as a qualifying cash flow hedge requires Generation to determine that the contract is in accordance with the RMP, the forecasted future transaction is probable and the hedging relationship between the commodity contract and the expected future purchase or sale of the commodity is expected to be highly effective at the initiation of the hedge and throughout the hedging relationship. Internal models that measure the statistical correlation between the derivative and the associated hedged item determine the effectiveness of such a commodity contract designated as a hedge. Generation reassesses its cash flow hedges on a regular basis to determine if they continue to be effective and whether the forecasted future transactions remain probable. When a contract does not meet the effective or probable criteria of the authoritative guidance, hedge accounting is discontinued and changes in the fair value of the derivative are recorded through earnings at Generation or offset by a regulatory asset or liability at ComEd and PECO.

As a part of accounting for derivatives, the Registrants make estimates and assumptions concerning future commodity prices, load requirements, interest rates, the timing of future transactions and their probable cash flows, the fair value of contracts and the expected changes in the fair value in deciding whether or not to enter into derivative transactions, and in determining the initial accounting treatment for derivative transactions. In accordance with the authoritative guidance for fair value measurements, the Registrants categorize these derivatives under a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Derivative contracts are traded in both exchange-based and non-exchange-based markets. Exchange-based derivatives that are valued using unadjusted quoted prices in active markets are categorized in Level 1 in the fair value hierarchy. Certain non-exchange-based derivatives valued using indicative price quotations available through brokers or over-the-counter, on-line exchanges are categorized in Level 2. These price quotations reflect the average of the bid-ask mid-point prices and are obtained from sources that the Registrants believe provide the most liquid market for the commodity. The price quotations are reviewed and corroborated to ensure the prices are observable and representative of an orderly transaction between market participants. This includes consideration of actual transaction volumes, market delivery points, bid-ask spreads and contract duration. The Registrant's non-exchange-based derivatives are traded predominately at liquid trading points. The remainder of non-exchange-based derivative contracts are valued using the Black model, an industry standard option valuation model. The Black model takes into account inputs such as contract terms, including maturity, and market parameters, and assumptions of the future prices of energy, interest rates, volatility, credit worthiness and credit spread. For non-exchange-based derivatives that trade in liquid markets, such as generic forwards, swaps and options, Black model inputs are generally observable. Such instruments are categorized in Level 2. For non-exchange-based derivatives that trade in less liquid markets with limited pricing information, such as the financial swap contract between Generation and ComEd, Black model inputs generally would include both observable and unobservable inputs. In instances where observable data is unavailable, consideration is given to the assumptions that market participants would use in valuing the asset or liability. This includes assumptions about market risks such as liquidity, volatility and contract duration.

Such instruments are categorized in Level 3 as the Black model inputs generally are not observable. The Registrants consider nonperformance risk, including credit risk in the valuation of derivative contracts categorized in Level 1, 2 and 3, including both historical and current market data in its assessment of nonperformance risk, including credit risk. The impacts of credit and nonperformance risk to date have generally not been material to the financial statements.

Interest Rate Derivative Instruments. The Registrants may utilize fixed-to-floating interest rate swaps, which are typically designated as fair value hedges, as a means to achieve its targeted level of variable-rate debt as a percent of total debt. Additionally, the Registrants may use forward-starting interest rate swaps and treasury rate locks to lock in interest-rate levels in anticipation of future financings. The Registrants use a calculation of future cash inflows and estimated future outflows related to the swap agreements, which are discounted and netted to determine the current fair value. Additional inputs to the present value calculation include the contract terms, as well as market parameters such as interest rates and volatility. As these inputs are based on observable data and valuations of similar instruments, the interest rate swaps are categorized in Level 2 in the fair value hierarchy.

See ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk and Notes 8 and 9 of the Combined Notes to Consolidated Financial Statements for additional information regarding the Registrants' derivative instruments.

Taxation (Exelon, Generation, ComEd and PECO)

Significant management judgment is required in determining the Registrants' provisions for income taxes, primarily due to the uncertainty related to tax positions taken, as well as deferred tax assets and liabilities and valuation allowances. In accordance with applicable authoritative guidance, the Registrants account for uncertain income tax positions using a benefit recognition model with a two-step approach including a more-likely-than-not recognition criterion and a measurement approach based on the largest amount of tax benefit that is greater than 50% likely of being ultimately realized upon ultimate settlement. If it is not more likely than not that the benefit of the tax position will be sustained on its technical merits, no benefit will be recorded. Uncertain tax positions that relate only to timing of when an item is included on a tax return are considered to have met the recognition threshold. Management evaluates each position based solely on the technical merits and facts and circumstances of the position, assuming the position will be examined by a taxing authority having full knowledge of all relevant information. Significant judgment is required to determine whether the recognition threshold has been met and, if so, the appropriate amount of unrecognized tax benefits to be recorded in the Registrants' consolidated financial statements.

The Registrants evaluate quarterly the probability of realizing deferred tax assets by reviewing a forecast of future taxable income and the availability of tax planning strategies that can be implemented, if necessary, to realize deferred tax assets. The Registrants also assess their ability to utilize tax attributes, including those in the form of carryforwards, for which the benefits have already been reflected in the financial statements. The Registrants record valuation allowances for deferred tax assets when the Registrants conclude it is more likely than not such benefit will not be realized in future periods.

Actual income taxes could vary from estimated amounts due to the future impacts of various items, including changes in income tax laws, the Registrants' forecasted financial condition and results of operations, failure to successfully implement tax planning strategies, as well as results of audits and examinations of filed tax returns by taxing authorities. While the Registrants believe the resulting tax balances as of December 31, 2010 and 2009 are appropriately accounted for in accordance with the applicable authoritative guidance, the ultimate outcome of tax matters could result in favorable or

unfavorable adjustments to their consolidated financial statements and such adjustments could be material. See Note 11 of the Combined Notes to Consolidated Financial Statements for additional information regarding taxes.

Accounting for Contingencies (Exelon, Generation, ComEd and PECO)

In the preparation of their financial statements, the Registrants make judgments regarding the future outcome of contingent events and record loss contingency amounts that are probable and reasonably estimable based upon available information. The amounts recorded may differ from the actual income or expense incurred when the uncertainty is resolved. The estimates that the Registrants make in accounting for contingencies and the gains and losses that they record upon the ultimate resolution of these uncertainties could have a significant effect on their consolidated financial statements.

Environmental Costs. Environmental investigation and remediation liabilities are based upon estimates with respect to the number of sites for which the Registrants will be responsible, the scope and cost of work to be performed at each site, the portion of costs that will be shared with other parties, the timing of the remediation work, changes in technology, regulations and the requirements of local governmental authorities. Annual studies are conducted to determine the future remediation requirements and estimates are adjusted accordingly. These matters, if resolved in a manner different from the estimate, could have a material effect on the Registrants' results of operations, financial position and cash flows. See Note 18 of the Combined Notes to Consolidated Financial Statements for further information.

Other, Including Personal Injury Claims. The Registrants are self-insured for general liability, automotive liability, and personal injury claims to the extent that losses are within policy deductibles or exceed the amount of insurance maintained. The Registrants have reserves for both open claims asserted and an estimate of claims incurred but not reported (IBNR). The IBNR reserve is estimated based on actuarial assumptions and analysis and is updated annually. Future events, such as the number of new claims to be filed each year, the average cost of disposing of claims, as well as the numerous uncertainties surrounding litigation and possible legislative measures in the United States, could cause the actual costs to be higher or lower than estimated. Accordingly, these claims, if resolved in a manner different from the estimate, could have a material effect on the Registrants' results of operations, financial position and cash flows.

Revenue Recognition (Exelon, Generation, ComEd and PECO)

Revenues related to the sale of energy are recorded when service is rendered or energy is delivered to customers. The determination of Generation's, ComEd's and PECO's retail energy sales to individual customers, however, is based on systematic readings of customer meters generally on a monthly basis. At the end of each month, amounts of energy delivered to customers since the date of the last meter reading are estimated, and corresponding unbilled revenue is recorded. The measurement of unbilled revenue is affected by the following factors: daily customer usage measured by generation or gas throughput volume, customer usage by class, losses of energy during delivery to customers and applicable customer rates. Increases in volumes delivered to the utilities' customers and favorable rate mix due to changes in usage patterns in customer classes in the period could be significant to the calculation of unbilled revenue. Changes in the timing of meter reading schedules and the number and type of customers scheduled for each meter reading date would also have an effect on the measurement of unbilled revenue; however, total operating revenues would remain materially unchanged.

The determination of Generation's energy sales, excluding the retail business, is based on estimated amounts delivered as well as fixed quantity sales. At the end of each month, amounts of

energy delivered to customers during the month are estimated and the corresponding unbilled revenue is recorded. Increases in volumes delivered to the wholesale customers in the period, as well as price, would increase unbilled revenue.

Allowance for Uncollectible Accounts (Exelon, Generation, ComEd and PECO)

The allowance for uncollectible accounts reflects the Registrants' best estimates of losses on the accounts receivable balances. For Generation, the allowance is based on accounts receivable agings, historical experience and other currently available information. ComEd and PECO estimate the allowance for uncollectible accounts on customer receivables by applying internally developed loss rates to the outstanding receivable balance by risk segment. Risk segments represent a group of customers with similar credit quality indicators that are computed based on various attributes, including delinquency of their balances and payment history. Loss rates applied to the accounts receivable balances are based on historical average charge-offs as a percentage of accounts receivable in each risk segment. ComEd and PECO customers' accounts are generally considered delinquent if the amount billed is not received by the time the next bill is issued, which normally occurs on a monthly basis. ComEd and PECO customer accounts are written off consistent with approved regulatory requirements. ComEd's and PECO's provisions for uncollectible accounts will continue to be affected by changes in volume, prices and economic conditions as well as changes in ICC and PAPUC regulations, respectively. See Note 4 of the Combined Notes to Consolidated Financial Statements for additional information regarding accounts receivable.

Results of Operations by Business Segment

The comparisons of operating results and other statistical information for the years ended December 31, 2010, 2009 and 2008 set forth below include intercompany transactions, which are eliminated in Exelon's consolidated financial statements.

Net Income (Loss) from Continuing Operations by Business Segment

	2010	2009	Favorable (unfavorable) 2010 vs. 2009 variance	2008	Favorable (unfavorable) 2009 vs. 2008 variance
Generation	$1,972	$2,122	$ (150)	$2,258	$ (136)
ComEd	337	374	(37)	201	173
PECO	324	353	(29)	325	28
Other [(a)]	(70)	(142)	72	(67)	(75)
Total	$2,563	$2,707	$ (144)	$2,717	$ (10)

(a) Other primarily includes corporate operations, BSC and intersegment eliminations.

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Net Income (Loss) by Business Segment

	2010	2009	Favorable (unfavorable) 2010 vs. 2009 variance	2008	Favorable (unfavorable) 2009 vs. 2008 variance
Generation	$1,972	$2,122	$ (150)	$2,278	$ (156)
ComEd	337	374	(37)	201	173
PECO	324	353	(29)	325	28
Other [(a)]	(70)	(142)	72	(67)	(75)
Total	$2,563	$2,707	$ (144)	$2,737	$ (30)

(a) Other primarily includes corporate operations, BSC and intersegment eliminations.

Results of Operations—Generation

	2010	2009	Favorable (unfavorable) 2010 vs. 2009 variance	2008	Favorable (unfavorable) 2009 vs. 2008 variance
Operating revenues	$10,025	$9,703	$ 322	$10,754	$ (1,051)
Purchased power and fuel expense	3,463	2,932	(531)	3,572	640
Revenue net of purchased power and fuel expense [(a)]	6,562	6,771	(209)	7,182	(411)
Other operating expenses					
Operating and maintenance	2,812	2,938	126	2,717	(221)
Depreciation and amortization	474	333	(141)	274	(59)
Taxes other than income	230	205	(25)	197	(8)
Total other operating expenses	3,516	3,476	(40)	3,188	(288)
Operating income	3,046	3,295	(249)	3,994	(699)
Other income and deductions					
Interest expense	(153)	(113)	(40)	(136)	23
Loss in equity method investments	—	(3)	3	(1)	(2)
Other, net	257	376	(119)	(469)	845
Total other income and deductions	104	260	(156)	(606)	866
Income from continuing operations before income taxes	3,150	3,555	(405)	3,388	167
Income taxes	1,178	1,433	255	1,130	(303)
Income from continuing operations	1,972	2,122	(150)	2,258	(136)
Income from discontinued operations, net of income taxes	—	—	—	20	(20)
Net income	$ 1,972	$2,122	$ (150)	$ 2,278	$ (156)

(a) Generation evaluates its operating performance using the measure of revenue net of purchased power and fuel expense. Generation believes that revenue net of purchased power and fuel expense is a useful measurement because it provides information that can be used to evaluate its operational performance. Revenue net of purchased power and fuel expense is not a presentation defined under GAAP and may not be comparable to other companies' presentations or deemed more useful than the GAAP information provided elsewhere in this report.

Net Income

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009. Generation's 2010 results compared to 2009 were lower due to decreased revenue net of purchased power and fuel expense due to lower margins realized on market and affiliate power sales primarily due to unfavorable market conditions, lower mark-to-market gains on economic hedging activities and increased nuclear fuel costs; partially offset by higher capacity revenues, including RPM, and favorable settlements on the ComEd swap.

Generation's 2010 results compared to 2009 were further affected by lower operating and maintenance expenses. Lower operating and maintenance expenses were primarily due to the impact of a $223 million charge associated with the impairment of the Handley and Mountain Creek stations recorded in 2009. Lower operating and maintenance expenses were partially offset by higher expense due to the absence of ARO reductions that occurred in 2009; higher wages and benefits costs; and higher nuclear refueling outage costs in 2010. Additionally, Generation's earnings decreased due to lower unrealized gains in its NDTs of the Non-Regulatory Agreement Units in 2010 compared to 2009.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008. Generation's 2009 results compared to 2008 were lower due to decreased revenue net of purchased power and fuel expense due to lower realized margins on affiliate and market sales due to unfavorable market conditions, lower mark-to-market gains, reduced revenue from certain long options in Generation's proprietary trading book and increased nuclear fuel costs. These decreases were partially offset by additional volumes available for market and retail sales, favorable settlements under the ComEd swap and reduced customer credits issued to ComEd and Ameren.

Generation's 2009 results compared to 2008 were further affected by higher operating and maintenance expenses. Higher operating and maintenance expenses were primarily due to a $223 million charge associated with the impairment of the Handley and Mountain Creek stations and costs associated with the announced shut-down of three coal-fired and one dual fossil-fired generation unit in Pennsylvania. These actions were a direct result of current and future expected market conditions. Market conditions also contributed to lower than expected pension and postretirement plan asset returns in 2008, which resulted in higher pension and other postretirement benefits expense in 2009. Higher operating and maintenance expenses were partially offset by the favorable results of Exelon's company-wide cost savings initiative and lower nuclear refueling outage costs.

Additionally, due to a significant rebound in the financial markets, Generation experienced strong performance in its NDT funds in 2009. As a result, Generation's earnings improved as its NDTs of the Non-Regulatory Agreement Units had significant net realized and unrealized gains in 2009 compared to significant net realized and unrealized losses in 2008.

Revenue Net of Purchased Power and Fuel Expense

Generation has three reportable segments, the Mid-Atlantic, Midwest, and South and West regions representing the different geographical areas in which Generation's power marketing activities are conducted. Mid-Atlantic includes Generation's operations primarily in Pennsylvania, New Jersey and Maryland; Midwest includes the operations in Illinois, Indiana, Michigan and Minnesota; and the South and West includes operations primarily in Texas, Georgia, Oklahoma, Kansas, Missouri, Idaho and Oregon.

Generation evaluates the operating performance of its power marketing activities using the measure of revenue net of purchased power and fuel expense. Generation's operating revenues include all sales to third parties and affiliated sales to ComEd and PECO. Purchased power costs include all costs associated with the procurement and supply of electricity including capacity, energy

and ancillary services. Fuel expense includes the fuel costs for internally-generated energy and fuel costs associated with tolling agreements. Generation's retail gas, proprietary trading, other revenue and mark-to-market activities are not allocated to a region.

For the year ended December 31, 2010 compared to 2009 and 2009 compared to 2008, Generation's revenue net of purchased power and fuel expense by region were as follows:

			2010 vs. 2009			2009 vs. 2008	
	2010	2009	Variance	% Change	2008	Variance	% Change
Mid-Atlantic [(a)(b)]	$2,512	$2,578	$ (66)	(2.6)%	$2,721	$ (143)	(5.3)%
Midwest [(b)]	4,081	4,148	(67)	(1.6)%	4,100	48	1.2%
South and West	(131)	(117)	(14)	(12.0)%	(73)	(44)	(60.3)%
Total electric revenue net of purchased power and fuel expense	$6,462	$6,609	$ (147)	(2.2)%	$6,748	$ (139)	(2.1)%
Trading portfolio	27	1	26	n.m.	106	(105)	(99.1)%
Mark-to-market gains	86	181	(95)	(52.5)%	452	(271)	(60.0)%
Other [(c)(d)]	(13)	(20)	7	35.0%	(124)	104	83.9%
Total revenue net of purchased power and fuel expense	$6,562	$6,771	$ (209)	(3.1)%	$7,182	$ (411)	(5.7)%

(a) Included in the Mid-Atlantic are the results of generation in New England.
(b) Results of transactions with PECO and ComEd are included in the Mid-Atlantic and Midwest regions, respectively.
(c) Includes retail gas activities and other operating revenues, which includes amounts paid related to the Illinois Settlement Legislation, decommissioning revenues from PECO and fuel sales.
(d) In 2010, Other also includes the $57 million impairment charge for the ARP SO_2 allowances further described in Note 18 of the Combined Notes to Consolidated Financial Statements.

Generation's supply sources by region are summarized below:

			2010 vs. 2009			2009 vs. 2008	
Supply source (GWh)	2010	2009	Variance	% Change	2008	Variance	% Change
Nuclear generation							
Mid-Atlantic [(a)]	47,517	47,866	(349)	(0.7)%	47,748	118	0.2%
Midwest	92,493	91,804	689	0.8%	91,594	210	0.2%
Fossil and renewables							
Mid-Atlantic [(b)]	9,436	8,938	498	5.6%	9,804	(866)	(8.8)%
Midwest	68	4	64	n.m.	9	(5)	(55.6)%
South and West	1,213	1,247	(34)	(2.7)%	756	491	64.9%
Purchased power [(c)]							
Mid-Atlantic	1,918	1,747	171	9.8%	2,314	(567)	(24.5)%
Midwest	7,032	7,738	(706)	(9.1)%	8,628	(890)	(10.3)%
South and West	12,112	13,721	(1,609)	(11.7)%	15,321	(1,600)	(10.4)%
Total supply by region							
Mid-Atlantic	58,871	58,551	320	0.5%	59,866	(1,315)	(2.2)%
Midwest	99,593	99,546	47	0.0%	100,231	(685)	(0.7)%
South and West	13,325	14,968	(1,643)	(11.0)%	16,077	(1,109)	(6.9)%
Total supply	171,789	173,065	(1,276)	(0.7)%	176,174	(3,109)	(1.8)%

(a) Includes Generation's proportionate share of the output of its nuclear generating plants, including Salem Generating Station (Salem), which is operated by PSEG Nuclear, LLC
(b) Includes generation in New England.
(c) Includes non-PPA purchases of 4,681 GWh, 3,535 GWh and 7,384 GWh for the years ended December 31, 2010, 2009 and 2008, respectively.

Generation's sales are summarized below:

Sales (GWh) [(a)]	2010	2009	2010 vs. 2009 Variance	2010 vs. 2009 % Change	2008	2009 vs. 2008 Variance	2009 vs. 2008 % Change
ComEd [(b)]	5,323	16,830	(11,507)	(68.4)%	23,200	(6,370)	(27.5)%
PECO	42,003	39,897	2,106	5.3%	40,966	(1,069)	(2.6)%
Market and retail [(c)]	124,463	116,338	8,125	7.0%	112,008	4,330	3.9%
Total electric sales	171,789	173,065	(1,276)	(0.7)%	176,174	(3,109)	(1.8)%

(a) Excludes physical trading volumes of 3,625 GWh, 7,578 GWh and 8,891 GWh for the years ended December 31, 2010, 2009 and 2008, respectively.
(b) Represents sales under the 2006 ComEd auction.
(c) Includes sales under the ComEd RFP.

The following table presents electric revenue net of purchased power and fuel expense per MWh of electricity sold during the year ended December 31, 2010 as compared to the same period in 2009 and 2009 as compared to the same period in 2008.

$/MWh	2010	2009	2010 vs. 2009 % Change	2008	2009 vs. 2008 % Change
Mid-Atlantic [(a)]	$42.67	$44.03	(3.1)%	$45.45	(3.1)%
Midwest [(a)(b)]	$40.98	$41.67	(1.7)%	$40.91	1.9%
South and West	$ (9.83)	$ (7.82)	(25.7)%	$ (4.54)	(72.2)%
Electric revenue net of purchased power and fuel expense per MWh [(c)]	$37.62	$38.20	(1.5)%	$38.48	(0.7)%

(a) Results of transactions with PECO and ComEd are included in the Mid-Atlantic and Midwest regions, respectively.
(b) Includes sales to ComEd under its RFP of $288 million (8,218 GWh), $88 million (1,916 GWh) and $29 million (486 GWh) and settlements of the ComEd swap of $385 million, $292 million and $(2) million for the years ended December 31, 2010, 2009 and 2008, respectively.
(c) Excludes the mark-to-market impact of Generation's economic hedging activities, trading portfolio and other.

Mid-Atlantic

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009. The $66 million decrease in revenue net of purchased power and fuel expense in the Mid-Atlantic was primarily due to unfavorable pricing relating to Generation's PPA with PECO and increased fuel expense. Additionally, increased sales to PECO resulted in less volumes available for market sales.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008. The $143 million decrease in revenue net of purchased power and fuel expense in the Mid-Atlantic was primarily due to reduced volumes of sales and unfavorable pricing relating to Generation's PPA with PECO, lower realized margins on market sales as well as increased costs of nuclear and fossil fuels.

Midwest

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009. The $67 million decrease in revenue net of purchased power and fuel expense in the Midwest was primarily due to decreased realized margins on market sales in 2010 for the volumes previously sold under the 2006 ComEd auction contracts and for sales of the additional nuclear volumes at realized lower prices as a result of unfavorable market conditions and increases in the price of nuclear fuel. These decreases were partially offset by increased payments under PJM's RPM auction and an increase in settlements on the ComEd swap as a result of declining market prices in 2010.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008. The $48 million increase in revenue net of purchased power and fuel expense in the Midwest was primarily due to increased market and retail sales, including additional volumes sold under the ComEd RFP and increased settlements under the ComEd swap. These increases were partially offset by lower volumes sold under the ComEd auction contract due to the expiration of certain tranches and increased nuclear fuel costs.

South and West

In the South and West, there are certain long-term purchase power agreements that have fixed capacity payments based on unit availability. The extent to which these fixed payments are recovered is dependent on market conditions.

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009. The $14 million decrease in revenue net of purchased power and fuel expense in the South and West was primarily due to lower realized margins due to unfavorable market conditions and outage activity, partially offset by capacity revenues received on long-term sale agreements that began in 2010.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008. The $44 million decrease in revenue net of purchased power and fuel expense in the South and West was primarily due to lower realized margins due to unfavorable market conditions and higher fuel costs associated with owned generation.

Trading Portfolio

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009. The year ended December 31, 2010 includes revenue recorded from certain long options in the proprietary trading portfolio.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008. The trading portfolio revenues decreased due primarily to earnings in 2008 from certain long options in the proprietary trading portfolio.

Mark-to-market Gains and Losses

Generation is exposed to market risks associated with changes in commodity prices and enters into economic hedges to mitigate exposure to these fluctuations.

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009. Mark-to-market losses on power hedging activities were $3 million in 2010, including the impact of the changes in ineffectiveness, compared to gains of $94 million in 2009. Mark-to-market gains on fuel hedging activities were $89 million in 2010 compared to gains of $87 million in 2009. See Notes 8 and 9 of the Combined Notes to Consolidated Financial Statements for information on gains associated with mark-to-market derivatives.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008. Mark-to-market gains on power hedging activities were $94 million in 2009, including the impact of the changes in ineffectiveness, compared to gains of $414 million in 2008. Mark-to-market gains on fuel hedging activities were $87 million in 2009 compared to gains of $38 million in 2008. See Notes 8 and 9 of the Combined Notes to Consolidated Financial Statements for information on gains associated with mark-to-market derivatives.

Other

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009. The increase in other is due to the impacts of $77 million in reduced customer credits issued to ComEd and Ameren associated with the Illinois Settlement Legislation further described in Note 2 of the Combined Notes to Consolidated Financial Statements. This increase in other revenue net of purchased power and fuel expense was partially offset by the $57 million impairment charge for the ARP SO_2 allowances further described in Note 18 of the Combined Notes to Consolidated Financial Statements and $13 million in lower fuel sales.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008. The increase in other revenue net of purchased power and fuel expense was primarily due to the impacts of $123 million in reduced customer credits issued to ComEd and Ameren associated with the Illinois Settlement Legislation further described in Note 2 of the Combined Notes to Consolidated Financial Statements, partially offset by $24 million in lower fuel sales.

Nuclear Fleet Capacity Factor and Production Costs

The following table presents nuclear fleet operating data for 2010, as compared to 2009 and 2008, for the Exelon-operated plants. The nuclear fleet capacity factor presented in the table is defined as the ratio of the actual output of a plant over a period of time to its output if the plant had operated at full average annual mean capacity for that time period. Nuclear fleet production cost is defined as the costs to produce one MWh of energy, including fuel, materials, labor, contracting and other miscellaneous costs, but excludes depreciation and certain other non-production related overhead costs. Generation considers capacity factor and production costs useful measures to analyze the nuclear fleet performance between periods. Generation has included the analysis below as a complement to the financial information provided in accordance with GAAP. However, these measures are not a presentation defined under GAAP and may not be comparable to other companies' presentations or be more useful than the GAAP information provided elsewhere in this report.

	2010	2009	2008
Nuclear fleet capacity factor [(a)]	93.9%	93.6%	93.9%
Nuclear fleet production cost per MWh [(a)]	$17.31	$16.07	$15.87[(b)]

(a) Excludes Salem, which is operated by PSEG Nuclear, LLC.
(b) Excludes the $53 million reduction in fuel expense related to uranium supply agreement non-performance settlements.

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009. The nuclear fleet capacity factor, which excludes Salem, increased primarily due to a lower number of outage days. For 2010 and 2009, scheduled refueling outage days totaled 261 and 263, respectively, and non-refueling outage days totaled 57 and 78, respectively. Higher nuclear fuel costs and higher plant operating and maintenance costs, resulted in a higher production cost per MWh during 2010 as compared to 2009.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008. The nuclear fleet capacity factor decreased primarily due to a higher number of outage days. For 2009 and 2008, refueling outage days totaled 263 and 241, respectively, and non-refueling outage days totaled 78 and 59, respectively. Higher nuclear fuel costs, partially offset by lower plant operating and maintenance costs resulted in a higher production cost per MWh during 2009 as compared to 2008.

Operating and Maintenance Expense

The changes in operating and maintenance expense for 2010 compared to 2009, consisted of the following:

	Increase (Decrease)
Impairment of certain generating assets [a]	$ (223)
Announced plant shutdowns [b]	(21)
Nuclear insurance credits [c]	(20)
2009 restructuring plan severance charges	(11)
Asset retirement obligation reduction [d]	51
Wages and other benefits	33
Pension and non-pension postretirement benefits expense	21
Nuclear refueling outage costs, including the co-owned Salem Plant	20
Exelon Wind acquisition [e]	11
Other	13
Decrease in operating and maintenance expense	$ (126)

(a) Reflects the impairment of certain generating assets in 2009. See Note 5 of the Combined Notes to Consolidated Financial Statements for further information.
(b) Primarily reflects severance-related and inventory write-down costs incurred in 2009 associated with the announced plant shutdowns. See Note 14 of the Combined Notes to Consolidated Financial Statements for further information.
(c) Reflects the impact of the return of property and business interruption insurance premiums in 2010. No premiums were returned for 2009.
(d) Primarily reflects the reduction in the ARO in excess of the related ARC balances for the non-regulatory agreement units during 2009.
(e) See Note 3 of the Combined Notes to Consolidated Financial Statements for further information.

The changes in operating and maintenance expense for 2009 compared to 2008, consisted of the following:

	Increase (Decrease)
Impairment of certain generating assets [a]	$ 223
Pension and non-pension postretirement benefits expense	92
Nuclear insurance credits [b]	28
Announced plant shutdowns [c]	24
Nuclear refueling outage costs, including the co-owned Salem Plant [d]	(46)
Labor, other benefits, contracting and materials [e]	(35)
Asset retirement obligation reduction [f]	(26)
Accounts receivable reserve [g]	(22)
Other	(17)
Increase in operating and maintenance expense	$ 221

(a) Reflects the impairment of certain generating assets in 2009. See Note 5 of the Combined Notes to Consolidated Financial Statements for further information.
(b) Reflects the impact of the return of property and business interruption insurance premiums in 2008. No premiums were returned for 2009.
(c) Reflects severance-related and inventory write-down costs incurred in 2009 associated with the announced plant shutdowns. See Note 14 of the Combined Notes to Consolidated Financial Statements for further information.
(d) Primarily reflects the impact of decreased planned and unplanned nuclear outage days in 2009.
(e) Primarily reflects the impact of Exelon’s 2009 cost savings program.
(f) Primarily reflects an increased reduction in the ARO in excess of the related ARC balances for the Non-Regulatory Agreement Units during 2009 as compared to 2008.
(g) Reflects the impact of an increase in accounts receivable reserves recorded in 2008 as a result of Generation’s direct net exposure to Lehman Brothers Holdings Inc.

Depreciation and Amortization

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009. For 2010 as compared to 2009, the increase in depreciation and amortization expense was a result of a change in the estimated useful lives of the plants associated with the 2009 announced shutdowns further described in Note 14 of the Combined Notes to Consolidated Financial Statements, which resulted in a depreciation expense increase of $48 million. Additionally, Generation completed a depreciation rate study during the first quarter of 2010, which resulted in a change in depreciation rate. The change in depreciation rate resulted in an increase of $21 million. The remaining increase was primarily due to higher plant balances due to capital additions and upgrades to existing facilities (including material condition improvements during nuclear refueling outages).

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008. For 2009 as compared to 2008, the increase in depreciation and amortization expense was a result of a change in the estimated useful lives of the plants associated with the 2009 announced shutdowns, which resulted in $32 million of accelerated depreciation expense. Additionally, the change in the estimated useful life of a fossil-fired power plant in 2008 resulted in $18 million higher depreciation expense in 2009. The remaining increase was primarily due to higher plant balances due to capital additions and upgrades to existing facilities (including material condition improvements during nuclear refueling outages), partially offset by the impact of the reassessment of the useful lives of several other fossil-fired facilities in 2008 and reduced depreciation expense associated with the generating assets impaired in 2009.

Taxes Other Than Income

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009. For 2010 as compared to 2009, the increase was primarily due to increased property taxes related to Generation’s nuclear facilities.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008. For 2009 as compared to 2008, the increase was primarily due to a $9 million gross receipts tax adjustment in 2008.

Interest Expense

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009. For 2010 as compared to 2009, the increase in interest expense is primarily due to the debt issuances in 2010, further described in Note 10 of the Combined Notes to Consolidated Financial Statements. The increase in long-term debt resulted in higher interest expense of approximately $42 million.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008. For 2009 as compared to 2008, the decrease in interest expense reflects lower interest of $16 million on SNF obligations as a result of lower rates. Interest on the spent fuel obligation accrues at the 13-week Treasury Rate and is recalculated on a quarterly basis. See Note 18 of the Combined Notes to Consolidated Financial Statements for further information. Additionally, the decrease in interest expense reflects a $16 million increase in capitalized interest during 2009 as compared to 2008. These decreases in interest expense were partially offset by a $9 million increase in interest expense related to uncertain tax positions.

Other, Net

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009. For 2010 as compared to 2009, the decrease primarily reflects lower net unrealized gains on the NDT funds of its Non-Regulatory Agreement Units. See the table below for additional information. Additionally, the

decrease reflects the contractual elimination of $96 million of income tax expense associated with the NDT funds of the Regulatory Agreement Units in 2010 compared to the contractual elimination of $181 million of income tax expense in 2009. These decreases are partially offset by the impacts of $71 million of expense related to long-term debt extinguished in the third and fourth quarter of 2009 further described in Note 10 of the Combined Notes to Consolidated Financial Statements.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008. For 2009 as compared to 2008, the increase reflects net unrealized gains in 2009 on the NDT funds of its Non-Regulatory Agreement Units as compared to net unrealized losses in 2008. See the table below for additional information. Additionally, the increase reflects the contractual elimination of $181 million of income tax expense associated with the NDT funds of the Regulatory Agreement Units in 2009 compared to the contractual elimination of $202 million of income tax benefit in 2008. These increases are partially offset by the impacts of income in 2008 related to the termination of a gas supply guarantee and $71 million of expense related to long-term debt extinguished in the third and fourth quarters of 2009.

The following table provides unrealized and realized gains (losses) on the NDT funds of the Non-Regulatory Agreement Units recognized in Other, net for 2010, 2009 and 2008:

	2010	2009	2008
Net unrealized gains (losses) on decommissioning trust funds—Non-Regulatory Agreement Units	$104	$227	$(324)
Net realized gains (losses) on sale of decommissioning trust funds—Non-Regulatory Agreement Units	$ 2	$ (19)	$ (39)

Effective Income Tax Rate.

Generation’s effective income tax rates for the years ended December 31, 2010, 2009 and 2008 were 37.4%, 40.3% and 33.4%, respectively. See Note 11 of the Combined Notes to Consolidated Financial Statements for additional information regarding the components of the effective income tax rates.

Results of Operations—ComEd

	2010	2009	Favorable (unfavorable) 2010 vs. 2009 variance	2008	Favorable (unfavorable) 2009 vs. 2008 variance
Operating revenues	$6,204	$5,774	$ 430	$6,136	$ (362)
Purchased power expense	3,307	3,065	(242)	3,582	517
Revenue net of purchased power expense [(a)]	2,897	2,709	188	2,554	155
Other operating expenses					
Operating and maintenance	975	1,028	53	1,097	69
Operating and maintenance for regulatory required programs	94	63	(31)	28	(35)
Depreciation and amortization	516	494	(22)	464	(30)
Taxes other than income	256	281	25	298	17
Total other operating expenses	1,841	1,866	25	1,887	21
Operating income	1,056	843	213	667	176
Other income and deductions					
Interest expense, net	(386)	(319)	(67)	(348)	29
Loss in equity method investments	—	—	—	(8)	8
Other, net	24	79	(55)	18	61
Total other income and deductions	(362)	(240)	(122)	(338)	98
Income before income taxes	694	603	91	329	274
Income taxes	357	229	(128)	128	(101)
Net income	$ 337	$ 374	$ (37)	$ 201	$ 173

(a) ComEd evaluates its operating performance using the measure of revenue net of purchased power expense. ComEd believes that revenue net of purchased power expense is a useful measurement because it provides information that can be used to evaluate its operational performance. In general, ComEd only earns margin based on the delivery and transmission of electricity. ComEd has included its discussion of revenue net of purchased power expense below as a complement to the financial information provided in accordance with GAAP. However, revenue net of purchased power expense is not a presentation defined under GAAP and may not be comparable to other companies' presentations or deemed more useful than the GAAP information provided elsewhere in this report.

Net Income

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009. The decrease in ComEd's net income is primarily due to the remeasurement of uncertain income tax positions in 2009 and 2010 related to the 1999 sale of ComEd's fossil generating assets. These remeasurements resulted in increased interest expense and income tax expense recorded in 2010, and increased interest income recorded in 2009. Net income was also reduced by higher incremental storm costs, higher depreciation and amortization expense reflecting higher plant balances, and the impact of Federal health care legislation signed into law in March 2010. These reductions to net income were partially offset by higher revenue net of purchased power expense primarily due to favorable weather conditions, a net reduction in operating and maintenance expense, and the accrual of estimated future refunds of the Illinois utility distribution tax for the 2008 and 2009 tax years.

The reduction in operating and maintenance expenses reflects the February 2010 approval by the ICC of ComEd's uncollectible accounts expense rider mechanism, the reduction of ComEd's ARO reserve in 2010, and a charge in 2009 for severance expense incurred as a cost to achieve savings under Exelon's 2009 company-wide cost savings initiative.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008. The increase in ComEd's net income was driven primarily by higher revenue net of purchased power expense, reflecting increased distribution rates effective September 16, 2008 due to an ICC rate order, partially offset by a decline in electric deliveries, primarily resulting from unfavorable weather conditions and reduced load in 2009. In addition, ComEd's increase in net income reflected lower operating and maintenance expenses, lower interest expense, and higher interest income related to the 2009 remeasurement of uncertain income tax positions.

The reduction in operating and maintenance expenses reflected Exelon's 2009 company-wide cost savings initiative. The initiative included job reductions, for which ComEd recorded a charge for severance expense as a cost to achieve these savings. ComEd also benefited from decreased storm expenses. Operation and maintenance expenses reflected increased pension and other postretirement benefits expenses due to lower than expected pension and postretirement plan asset returns in 2008. In the September 2008 rate case ruling, the ICC mandated fixed asset disallowances while allowing certain regulatory assets, which were recorded as a net one-time charge in 2008.

Depreciation and amortization expenses increased due to higher plant balances and new depreciation rates which became effective January 1, 2009. ComEd experienced a decrease in interest expense primarily due to lower outstanding debt in 2009.

Operating Revenues Net of Purchased Power Expense

There are certain drivers to revenue that are fully offset by their impact on purchased power expense, such as commodity procurement costs and customer choice programs. ComEd is permitted to recover its electricity procurement costs from retail customers without mark-up. Therefore, fluctuations in electricity procurement costs have no impact on electric revenue net of purchased power expense. See Note 2 of the Combined Notes to Consolidated Financial Statements for information on ComEd's electricity procurement process.

Electric revenues and purchased power expense are affected by fluctuations in customers' purchases from competitive electric generation suppliers. All ComEd customers have the ability to purchase electricity from an alternative electric generation supplier. The customer choice of electric generation supplier does not impact the volume of deliveries, but affects revenue collected from customers related to supplied electricity. The number of retail customers purchasing electricity from competitive electric generation suppliers was 66,200 and 53,400 at December 31, 2010 and 2009, respectively, representing 52% of ComEd's annual retail kWh sales.

The changes in ComEd's electric revenue net of purchased power expense for 2010 compared to 2009 consisted of the following:

	Increase (Decrease)
Weather—delivery	$ 89
Uncollectible Accounts Recovery	59
Energy Efficiency and Demand Response Programs	26
Rider SMP Revenues	11
Rate Relief Programs	7
2007 City of Chicago Settlement	5
Volume—delivery	(3)
Revenues Subject to Refund (2007 Rate Case)	(17)
Other	11
Total increase	$ 188

Weather—Delivery

Revenues net of purchased power expense were higher in 2010 compared to 2009 due to favorable weather conditions. The demand for electricity is affected by weather conditions. Very warm weather in summer months and very cold weather in other months are referred to as "favorable weather conditions" because these weather conditions result in increased customer usage and delivery of electricity. Conversely, mild weather reduces demand.

Heating and cooling degree days are quantitative indices that reflect the demand for energy needed to heat or cool a home or business. Normal weather is determined based on historical average heating and cooling degree days for a 30-year period in ComEd's service territory. The changes in heating and cooling degree days in ComEd's service territory consisted of the following:

Heating and Cooling Degree-Days	2010	2009	Normal	% Change From 2009	% Change From Normal
Twelve Months Ended December 31,					
Heating Degree-Days	5,991	6,429	6,362	(6.8)%	(5.8)%
Cooling Degree-Days	1,181	589	855	100.5%	38.1%

Uncollectible Accounts Recovery

In 2009, comprehensive legislation was enacted into law in Illinois providing public utility companies with the ability to recover from or refund to customers the difference between the utility's annual uncollectible accounts expense and amounts collected in rates annually through a rider mechanism, starting with 2008 and prospectively. Recovery began in April 2010. During 2010, ComEd recognized recovery of $59 million associated with this rider mechanism. This amount was offset by an equal amount of amortization of regulatory assets reflected in operating and maintenance expense.

Energy Efficiency and Demand Response Programs

As a result of the Illinois Settlement Legislation, utilities are required to provide energy efficiency and demand response programs and other programs, and are allowed recovery of the costs of these programs from customers on a full and current basis through a reconcilable automatic adjustment clause. During 2010, ComEd recognized $85 million of revenue associated with these programs, compared to $59 million in 2009. These amounts were offset by equal amounts in operating and maintenance expense for regulatory required programs. See Note 2 of the Combined Notes to Consolidated Financial Statements for additional information.

Rider SMP Revenues

In October 2009, the ICC approved ComEd's proposed AMI pilot program, with minor modifications, and recovery of substantially all program costs from customers via Rider SMP. During 2010, ComEd recognized $11 million of revenue associated with this program. This amount was offset by operating and maintenance expense and depreciation expense of $11 million, which included a $4 million write off of the associated regulatory asset as a result of the September 30, 2010 ruling by the Illinois Appellate Court which denied future recover of ComEd's AMI pilot program costs. See Note 2 of the Combined Notes to Consolidated Financial Statements for additional information on the Illinois Appellate Court ruling.

Rate Relief Programs

ComEd funded less rate relief credits to customers in 2010 compared to 2009. Credits provided to customers are recorded as a reduction to operating revenues; therefore, the reduction in credits resulted in an increase in revenues net of purchased power expense for 2010 compared to 2009. See Note 2 of the Combined Notes to Consolidated Financial Statements for additional information.

2007 City of Chicago Settlement

ComEd paid $3 million and $8 million in 2010 and 2009, respectively, under the terms of its 2007 settlement agreement with the City of Chicago. Payments were recorded as a reduction to revenues; therefore, the lower payment in 2010 resulted in a net increase in revenues net of purchased power expense for 2010 compared to 2009.

Volume—Delivery

Revenues net of purchased power expense, exclusive of the effects of weather, decreased primarily as a result of lower delivery volume to residential customers in 2010 as compared to 2009.

Revenues Subject to Refund (2007 Rate Case)

ComEd recorded an estimated refund obligation of $17 million in 2010 as a result of the September 30, 2010 Illinois Appellate Court ruling regarding the treatment of post-test year accumulated depreciation in the 2007 Rate Case. See Note 2 of the Combined Notes to Consolidated Financial Statements for additional information.

Other

Other revenues were higher in 2010 compared to 2009. Other revenues include revenues related to late payment charges, rental revenue, franchise fees, transmission revenues and recoveries of environmental remediation costs associated with MGP sites.

The changes in ComEd's electric revenue net of purchased power expense for 2009 compared to 2008 consisted of the following:

	Increase (Decrease)
Distribution Pricing	$ 214
Energy Efficiency and Demand Response Programs	34
2007 City of Chicago Settlement	10
Transmission	(26)
Volume—delivery	(40)
Weather—delivery	(45)
Other	8
Total increase	$ 155

Distribution Pricing

The increase in retail electric revenues net of purchased power expense as a result of distribution pricing in 2009 compared to the same period in 2008, reflected the impact of the 2007 Rate Case. The ICC issued an order in the 2007 Rate Case approving a $274 million increase in ComEd's annual revenue requirement. The order became effective September 16, 2008 resulting in increased distribution revenues in 2009 compared to 2008. See Note 2 of the Combined Notes to Consolidated Financial Statements for additional information.

Energy Efficiency and Demand Response Programs

As a result of the Illinois Settlement Legislation, utilities are required to provide energy efficiency and demand response programs beginning June 1, 2008 and are allowed recovery of the costs of

these programs from customers on a full and current basis through a reconcilable automatic adjustment clause. In 2009, ComEd recognized $59 million of revenue associated with these programs, compared to $25 million in 2008. These amounts were offset by equal amounts in operating and maintenance expense for regulatory required programs. See Note 2 of the Combined Notes to Consolidated Financial Statements for additional information.

2007 City of Chicago Settlement

ComEd paid $8 million and $18 million in 2009 and 2008, respectively, under the terms of its 2007 settlement agreement with the City of Chicago. Payments were recorded as a reduction to revenues; therefore, the lower payment in 2009 resulted in a net increase in revenues net of purchased power expense for 2009 compared to 2008.

Transmission

Transmission revenues net of purchased power expense decreased primarily due to a FERC order issued in 2008, which approved incentive recovery treatment of ComEd's largest transmission project. The cumulative recognition in 2008 of the 2007 effects of this order resulted in higher revenues in 2008 compared to 2009. This was partially offset by the impact of higher transmission rates effective June 1, 2008 and June 1, 2009, resulting from ComEd's FERC approved formula rate. See Note 2 of the Combined Notes to Consolidated Financial Statements for more information.

Volume—delivery

The decrease in revenues net of purchased power expense as a result of lower delivery volume, exclusive of the effects of weather, in 2009 as compared to 2008, reflected decreased average usage per customer and fewer customers in the ComEd service territory.

Weather—delivery

Revenues net of purchased power expense were lower due to unfavorable weather conditions in 2009 compared to 2008. The changes in heating and cooling degree days in ComEd's service territory consisted of the following:

Heating and Cooling Degree-Days [a]	2009	2008	Normal	% Change From 2008	% Change From Normal
Twelve Months Ended December 31,					
Heating Degree-Days	6,429	6,680	6,362	(3.8)%	1.1 %
Cooling Degree-Days	589	828	855	(28.9)%	(31.1)%

(a) Reflects the impact of the leap year day in 2008.

Other

Other revenues were higher in 2009 compared to 2008. Other revenues include revenues related to late payment charges, assistance provided to other utilities through mutual assistance programs and recoveries of environmental remediation costs associated with MGP sites.

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Operating and Maintenance Expense

The changes in operating and maintenance expense for 2010 compared to 2009, consisted of the following:

	Increase (Decrease)
Uncollectible accounts expense [(a)]:	
Amortization [(b)]	$ 59
One-time impact of 2010 ICC Order [(c)]	(60)
Provision [(d)]	(37)
(Under) over-recovered	(3)
	(41)
Storm-related costs	20
Pension and non-pension postretirement benefits expense	7
Injuries and damages	6
Fringe benefits	5
Rider SMP regulatory asset write off [(e)]	4
Contracting	(6)
Wages and other benefits	(7)
Corporate allocations	(8)
ARO adjustment	(10)
2009 restructuring plan severance charges	(19)
Other	(4)
Decrease in operating and maintenance expense	$ (53)

(a) On February 2, 2010, the ICC issued an order adopting ComEd's proposed tariffs filed in accordance with Illinois legislation providing public utilities the ability to recover from or refund to customers the difference between the utility's annual uncollectible accounts expense and amounts collected in rates annually through a rider mechanism starting with 2008 and prospectively.

(b) In 2010, ComEd recovered $59 million of operating revenues through its uncollectible accounts expense rider mechanism. An equal amount of amortization of regulatory assets was recorded in operating and maintenance expense. See Note 2 of the Combined Notes to Consolidated Financial Statements for additional information.

(c) As a result of the February 2010 ICC order, ComEd recorded a regulatory asset of $70 million and an offsetting reduction in operating and maintenance expense for the cumulative under-collections in 2008 and 2009. In addition, ComEd recorded a one time contribution of $10 million associated with this legislation.

(d) Uncollectible accounts expense decreased in 2010 compared to 2009 as a result of ComEd's increased collection activities.

(e) In 2010, ComEd recorded a write off to operation and maintenance expense of the regulatory asset associated with the AMI pilot program of $4 million as a result of the September 30, 2010 Illinois Appellate Court ruling. In addition, ComEd recorded $5 million of operation and maintenance for regulatory required programs, and $2 million of depreciation expense associated with the AMI pilot program. In 2010, ComEd recorded $11 million of operating revenues associated with the AMI pilot program recovered under Rider SMP. See Note 2 of the Combined Notes to Consolidated Financial Statements for additional information on the Illinois Appellate Court ruling.

The changes in operating and maintenance expense for 2009 compared to 2008, consisted of the following:

	Increase (Decrease)
Pension and non-pension postretirement benefits expense	$ 51
Severance	19
Provision for uncollectible accounts [(a)]	14
Injuries and damages	(1)
Rate Relief Programs	(6)
Corporate allocations	(7)
Fringe benefits	(7)
Wages and salaries	(26)
Contracting and materials	(32)
2007 Rate Case disallowances [(b)]	(22)
Storm-related costs	(40)
Other	(12)
Decrease in operating and maintenance expense	$ (69)

(a) Uncollectable accounts expense increased in part as a result of the current overall negative economic conditions, partially mitigated by ComEd's increased collection activities in 2009.
(b) In September 2008, as a result of the 2007 Rate Case order, ComEd recorded $37 million of fixed asset disallowances; $35 million was recorded as operating and maintenance expense and $2 million was recorded as depreciation expense. In addition, ComEd established regulatory assets of $13 million associated with reversing previously incurred expenses.

Operating and maintenance expense for regulatory required programs

Operating and maintenance expenses for regulatory required programs are costs for various legislative and/or regulatory programs that are recoverable from customers on a full and current basis through a reconcilable automatic adjustment clause. An equal and offsetting amount has been reflected in operating revenues during the period.

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009. In 2010, expenses related to energy efficiency and demand response programs and purchased power administration costs consisted of $85 million and $4 million, respectively, compared to $59 million and $4 million, respectively, for 2009. In 2010, expenses related to ComEd's AMI pilot program were $5 million. Such amount excludes a write off to operation and maintenance expense of the regulatory asset associated with the AMI pilot program of $4 million as a result of the September 30, 2010 Illinois Appellate Court ruling and $2 million of depreciation expense. See Note 2 of the Combined Notes to Consolidated Financial Statements for additional information.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008. In 2009, expenses related to energy efficiency and demand response programs and purchased power administration costs consisted of $59 million and $4 million, respectively, compared to $25 million and $3 million, respectively, for 2008. See Note 2 of the Combined Notes to Consolidated Financial Statements for additional information.

Depreciation and Amortization Expense

The changes in depreciation and amortization expense for 2010 compared to 2009 and 2009 compared to 2008, consisted of the following:

	Increase (Decrease) 2010 vs. 2009	Increase (Decrease) 2009 vs. 2008
Depreciation expense associated with higher plant balances	$ 16[(a)]	$ 25[(b)]
2007 Rate Case asset disallowances	—	(2)
Other amortization expense	6	7
Increase in depreciation and amortization expense	$ 22	$ 30

(a) Depreciation and amortization expense increased in 2010 compared to 2009 due to higher plant balances.
(b) Depreciation and amortization expense increased in 2009 compared to 2008 due to higher plant balances and changes to useful lives of assets based on a depreciation rate study, which became effective January 1, 2009.

Taxes Other Than Income

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009. Taxes other than income taxes decreased in 2010 compared to 2009 reflecting the accrual of estimated future refunds of Illinois utility distribution tax recorded in 2010 for the 2008 and 2009 tax years. Historically, ComEd has recorded refunds of the Illinois utility distribution tax when received. ComEd believes it now has sufficient, reliable evidence to record and support an estimated receivable associated with the anticipated refund for the 2008 and 2009 tax years.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008. Taxes other than income decreased for 2009 compared to 2008 primarily as a result of $9 million of property tax settlements recorded in 2009. These settlements will result in lower rates prospectively.

Interest Expense, Net

The changes in interest expense for 2010 compared to 2009 and 2009 compared to 2008 consisted of the following:

	Increase (Decrease) 2010 vs. 2009	Increase (Decrease) 2009 vs. 2008
Uncertain income tax positions remeasurement [(a)(f)]	$ 65	$ (6)
Interest expense on debt (including financing trusts) [(b)(c)]	5	(20)
Interest expense related to uncertain tax positions [(d)]	(4)	6
Other [(e)]	1	(9)
Increase (decrease) in interest expense, net	$ 67	$ (29)

(a) During 2009, ComEd recorded $66 million of interest benefit associated with the remeasurement of income tax positions, specifically related to the 1999 Sale of Fossil Generating Assets, of which, $6 million was recorded as a reversal of interest expense with the remainder recorded in Other, net. See Note 11 of the Combined Notes to Consolidated Financial Statements for more information.
(b) In 2008, interest expense included a $7 million charge to reverse previously recognized AFUDC resulting from the January 18, 2008 FERC order granting incentive treatment on ComEd's largest transmission project.
(c) ComEd Financing II and ComEd Transitional Funding Trust were dissolved in 2008.
(d) During 2008, ComEd recorded an increase in interest expense of $6 million related to a settlement with the IRS of a research and development claim.
(e) Primarily reflects the decrease in interest for short term borrowings in 2009 compared to 2008.
(f) During 2010, ComEd recorded $59 million of interest expense associated with the remeasurement of uncertain income tax positions related to the 1999 sale of Fossil Generating Assets.

Other, Net

The changes in Other, net for 2010 compared to 2009 and 2009 compared to 2008 consisted of the following:

	Increase (Decrease) 2010 vs. 2009	Increase (Decrease) 2009 vs. 2008
Interest income related to uncertain tax positions (a)	$ (59)	$ 59
Gain on disposal of assets and investments	(5)	5
Other-than-temporary impairment of investments	7	(7)
Other	2	4
(Decrease) increase in Other, net	$ (55)	$ 61

(a) During 2009, ComEd recorded $66 million of interest benefit associated with the remeasurement of income tax positions, specifically related to the 1999 Sale of Fossil Generating Assets, of which, $6 million was recorded as a reversal of interest expense with the remainder recorded in Other, net. See Note 11 of the Combined Notes to Consolidated Financial Statements for more information.

Effective Income Tax Rate

ComEd's effective income tax rate for the years ended December 31, 2010, 2009 and 2008 was 51.4%, 38.0% and 38.9%, respectively. See Note 11 of the Combined Notes to Consolidated Financial Statements for additional information regarding the components of the effective income tax rates.

ComEd Electric Operating Statistics and Revenue Detail

Retail Deliveries to customers (in GWhs)	2010	2009	% Change 2010 vs 2009	Weather-Normal % Change	2008	% Change 2009 vs 2008	Weather-Normal % Change
Retail Delivery and Sales (a)							
Residential	29,171	26,621	9.6%	(1.2)%	28,389	(6.2)%	(1.4)%
Small commercial & industrial	32,904	32,234	2.1%	(0.6)%	33,487	(3.7)%	(2.2)%
Large commercial & industrial	27,717	26,668	3.9%	2.6%	28,809	(7.4)%	(6.7)%
Public authorities & electric railroads	1,273	1,237	2.9%	2.4%	1,214	1.9%	2.0%
Total Retail	91,065	86,760	5.0%	0.2%	91,899	(5.6)%	(3.3)%

	As of December 31,		
Number of Electric Customers	2010	2009	2008
Residential	3,438,677	3,425,570	3,438,065
Small commercial & industrial	363,393	360,779	359,026
Large commercial & industrial	2,005	1,985	2,072
Public authorities & electric railroads	5,078	5,008	5,075
Total	3,809,153	3,793,342	3,804,238

Electric Revenue	2010	2009	% Change 2010 vs 2009	2008	% Change 2009 vs 2008
Retail Delivery and Sales [(a)]					
Residential	$3,549	$3,115	13.9%	$3,284	(5.1)%
Small commercial & industrial	1,639	1,660	(1.3)%	1,831	(9.3)%
Large commercial & industrial	397	387	2.6%	385	0.5%
Public authorities & electric railroads	62	57	8.8%	59	(3.4)%
Total Retail	5,647	5,219	8.2%	5,559	(6.1)%
Other Revenue [(b)]	557	555	0.4%	577	(3.8)%
Total Electric Revenues	$6,204	$5,774	7.4%	$6,136	(5.9)%

(a) Reflects delivery revenues and volumes from customers purchasing electricity directly from ComEd and customers purchasing electricity from a competitive electric generation supplier as all customers are assessed delivery charges. For customers purchasing electricity from ComEd, revenue also reflects the cost of energy.
(b) Other revenue primarily includes transmission revenue from PJM.

Results of Operations—PECO

	2010	2009	Favorable (unfavorable) 2010 vs. 2009 variance	2008	Favorable (unfavorable) 2009 vs. 2008 variance
Operating revenues	$5,519	$5,311	$ 208	$5,567	$ (256)
Purchased power and fuel	2,762	2,746	(16)	3,018	272
Revenue net of purchased power and fuel [(a)]	2,757	2,565	192	2,549	16
Other operating expenses					
Operating and maintenance	680	640	(40)	731	91
Operating and maintenance for regulatory required programs	53	—	(53)	—	—
Depreciation and amortization	1,060	952	(108)	854	(98)
Taxes other than income	303	276	(27)	265	(11)
Total other operating expenses	2,096	1,868	(228)	1,850	(18)
Operating income	661	697	(36)	699	(2)
Other income and deductions					
Interest expense, net	(193)	(187)	(6)	(226)	39
Loss in equity method investments	—	(24)	24	(16)	(8)
Other, net	8	13	(5)	18	(5)
Total other income and deductions	(185)	(198)	13	(224)	26
Income before income taxes	476	499	(23)	475	24
Income taxes	152	146	(6)	150	4
Net income	324	353	(29)	325	28
Preferred security dividends	4	4	—	4	—
Net income on common stock	$ 320	$ 349	$ (29)	$ 321	$ 28

(a) PECO evaluates its operating performance using the measures of revenue net of purchased power expense for electric sales and revenue net of fuel expense for gas sales. PECO believes revenue net of purchased power expense and revenue net of fuel expense are useful measurements of its performance because they provide information that can be used to evaluate its net revenue from operations. PECO has included the analysis below as a complement to the financial information provided in accordance with GAAP. However, revenue net of purchased power expense and revenue net of fuel expense figures are not a presentation defined under GAAP and may not be comparable to other companies' presentations or more useful than the GAAP information provided elsewhere in this report.

Net Income

Year ended December 31, 2010 Compared to Year Ended December 31, 2009. The decrease in net income was primarily driven by increased operating expenses partially offset by increased electric revenues net of purchased power expense. The increase in operating expenses reflected higher storm costs and increased scheduled CTC amortization expense. Electric revenues net of purchase power expense increased as a result of favorable weather conditions and increased CTC recoveries.

Year ended December 31, 2009 Compared to Year Ended December 31, 2008. The increase in net income was driven primarily by increased operating revenue net of purchased power and fuel expense and decreased interest expense, which was partially offset by increased operating expenses. The increase in revenue net of purchased power and fuel expense was primarily related to increased gas distribution rates effective January 1, 2009, which were partially offset by reduced electric load.

PECO's operating expenses increased as a result of increased scheduled CTC amortization expense and pension and other postretirement benefits expense due to lower than expected pension and postretirement plan asset returns in 2008. The increased operating expenses were partially offset by decreased allowance for uncollectible accounts expense.

Operating Revenues Net of Purchased Power and Fuel Expense

There are certain drivers to operating revenue that are offset by their impact on purchased power expense and fuel expense, such as commodity procurement costs and customer choice programs. Gas revenues and fuel expense are affected by fluctuations in natural gas procurement costs. PECO's purchased natural gas cost rates charged to customers are subject to quarterly adjustments designed to recover or refund the difference between the actual cost of purchased natural gas and the amount included in rates in accordance with the PAPUC's PGC. Therefore, fluctuations in natural gas procurement costs have no impact on gas revenue net of fuel expense. The average purchased gas cost rate per mmcf was $7.66, $8.80 and $11.31 for the years ended December 31, 2010, 2009 and 2008, respectively. PECO's electric generation rates charged to customers were capped until December 31, 2010 in accordance with the 1998 restructuring settlement. Under PECO's full requirements PPA with Generation, which expired on December 31, 2010, purchased power costs were based on the energy component of the rates charged to customers. Electric revenues and purchased power expense fluctuate in relation to customer class usage as each customer class was charged a different capped electric generation rate; however, there is no impact on electric revenue net of purchased power expense.

Electric revenues and purchased power expense are also affected by fluctuations in customer choice program participation. All PECO customers have the choice to purchase energy from a competitive electric generation supplier. This choice does not impact the volume of deliveries, but affects revenue collected from customers related to supplied energy. The number of retail customers purchasing energy from a competitive electric generation supplier was 36,600, 21,700 and 24,800 at December 31, 2010, 2009 and 2008, respectively, representing 2%, 1% and 2% of total retail customers, respectively. Due to PECO's transition to market-based procurement of electric supply on January 1, 2011, the number of customers that choose to purchase generation service from a competitive electric generation supplier is expected to increase in the first quarter of 2011 and beyond.

The changes in PECO's operating revenues net of purchased power and fuel expense for the year ended December 31, 2010 compared to the same period in 2009 consisted of the following:

	Increase (Decrease)		
	Electric	Gas	Total
Weather	$ 81	$ (2)	$ 79
CTC recoveries	66	—	66
Regulatory required programs cost recovery	59	—	59
Pricing	6	—	6
Other	(17)	(1)	(18)
Total increase (decrease)	$ 195	$ (3)	$192

Weather

The demand for electricity and gas is affected by weather conditions. With respect to the electric business, very warm weather in summer months and, with respect to the electric and gas businesses, very cold weather in winter months are referred to as "favorable weather conditions" because these weather conditions result in increased deliveries of electricity and gas. Conversely, mild weather reduces demand. Electric revenues net of purchased power expense were higher due to favorable weather conditions during the summer months of 2010 in PECO's service territory. The increase was partially offset by the lower gas revenues net of fuel expense primarily as a result of unfavorable weather conditions in the winter months of 2010 compared to 2009.

Heating and cooling degree days are quantitative indices that reflect the demand for energy needed to heat or cool a home or business. Normal weather is determined based on historical average heating and cooling degree days for a 30-year period in PECO's service territory. The changes in heating and cooling degree days in PECO's service territory for the year ended December 31, 2010 compared to the same period in 2009 and normal weather consisted of the following:

				% Change	
Heating and Cooling Degree-Days	2010	2009	Normal	From 2009	From Normal
Twelve Months Ended December 31,					
Heating Degree-Days	4,396	4,534	4,638	(3.0)%	(5.2)%
Cooling Degree-Days	1,817	1,246	1,292	45.8%	40.6%

CTC Recoveries

The increase in electric revenues net of purchased power expense as a result of CTC recoveries reflected a scheduled increase to the CTC component of the capped generation rates charged to customers, which resulted in a decrease to the energy component and reduced purchase power expense under the PPA. Due to the lower than expected sales volume in 2009, the CTC increase was necessary to ensure full recovery of stranded costs during the final year of the transition period that expired on December 31, 2010.

Regulatory Required Programs Cost Recovery

The increase in electric revenues relating to regulatory required programs was due to the recovery of $56 million and $3 million in costs associated with the energy efficiency program and the consumer education program, respectively, which included $6 million related to gross receipts taxes. The costs of these programs are recoverable from customers on a full and current basis through approved regulated rates and have been reflected in operating and maintenance expense for regulatory required

programs during the period. The gross receipts tax revenues are offset by the corresponding gross receipts tax expense included in taxes other than income during the period.

Pricing

The increase in electric revenues net of purchased power expense as a result of pricing reflected an increase in the average price charged to commercial and industrial customers due to decreased usage per customer. The rates charged to customers decrease when usage exceeds a certain threshold.

Other

The decrease in other electric revenues net of purchased power expense primarily reflected decreased transmission revenue earned by PECO as a transmission owner for the use of PECO's transmission facilities in PJM.

The decrease in other gas revenues net of fuel expense primarily reflected lower late payment revenues in 2010 compared to 2009.

The changes in PECO's electric revenue net of purchased power expense and gas revenue net of fuel expense for the year ended December 31, 2009 compared to the same period in 2008 consisted of the following:

	Increase (Decrease)		
	Electric	Gas	Total
Weather	$ (15)	$ 3	$(12)
CTC recoveries	(42)		(42)
Gas distribution rate increase	—	77	77
Volume	(41)	(2)	(43)
Pricing	43	—	43
Other	(3)	(4)	(7)
Total increase (decrease)	$ (58)	$ 74	$ 16

Weather

Electric revenues net of purchased power expense were lower due to the impact of unfavorable 2009 weather conditions in PECO's service territory and gas revenues net of fuel expense were higher due to the impact of unfavorable weather conditions in PECO's service territory in the winter months of 2008. The changes in heating and cooling degree days for the twelve months ended 2009 and 2008, consisted of the following:

Heating and Cooling Degree-Days (a) Twelve Months Ended December 31,	2009	2008	Normal	% Change From 2008	% Change From Normal
Heating Degree-Days	4,534	4,403	4,638	3.0%	(2.2)%
Cooling Degree-Days	1,246	1,354	1,292	(8.0)%	(3.6)%

(a) Reflects the impact of the leap year day in 2008

CTC Recoveries

The decrease in electric revenues net of purchased power expense related to CTC recoveries was a result of lower delivery volumes due to unfavorable weather conditions and decreased usage across all customer classes.

Gas distribution rate increase

The increase in gas revenues net of fuel expense reflected increased distribution rates effective January 1, 2009 resulting from the settlement of the 2008 gas distribution rate case.

Volume

The decrease in revenues net of purchased power and fuel expense as a result of lower delivery volume, exclusive of the effects of weather, reflected decreased electric usage per customer across all customer classes as well as decreased gas usage across the small commercial and industrial customer class.

Pricing

The increase in electric revenues net of purchased power expense as a result of pricing reflected lower PECO electric distribution rates in 2008 due to the refund of the 2007 PURTA settlement to customers. The rate change had no impact on operating income because it was offset by the amortization of the regulatory liability related to the 2007 PURTA settlement reflected in taxes other than income.

Other

The increase in other electric revenues net of purchased power expense reflected an increase in revenues associated with volume shifts among customer classes, which resulted in a different profile of rates as different customer classes are charged different rates.

Operating and Maintenance Expense

The increase in operating and maintenance expense for 2010 compared to 2009 consisted of the following:

	Increase (Decrease)
Storm-related costs	$ 22
Salaries and other benefits	20
Uncollectible accounts expense	(3)
Severance	(3)
Other	4
Increase in operating and maintenance expense	$ 40

The decrease in operating and maintenance expense for 2009 compared to 2008 consisted of the following:

	Increase (Decrease)
Allowance for uncollectible accounts expense	$ (97)
Storm-related costs	(9)
Materials and supplies	(3)
Pension and OPEB expense	11
Wages and salaries	5
Severance	3
Other	(1)
Decrease in operating and maintenance expense	$ (91)

Operating and Maintenance for Regulatory Required Programs

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009. Operating and maintenance expense related to regulatory required programs for the year ended December 31, 2010 consisted of costs that are recoverable from customers on a full and current basis through approved regulated rates. An equal and offsetting amount has been reflected in operating revenues during the current period. These expenses consisted of $50 million and $3 million related to energy efficiency and consumer education programs, which began in 2010.

Depreciation and Amortization Expense

The increase in depreciation and amortization expense for 2010 compared to 2009 and 2009 compared to 2008 consisted of the following:

	Increase (Decrease) 2010 vs. 2009	Increase (Decrease) 2009 vs. 2008
CTC amortization [(a)]	$ 98	$ 90
Other	10	8
Increase in depreciation and amortization expense	$ 108	$ 98

(a) The increase in PECO's scheduled CTC amortization recorded was in accordance with its 1998 restructuring settlement and was fully amortized as of December 31, 2010.

Taxes Other Than Income

The increase in taxes other than income for 2010 compared to 2009 and in 2009 compared to 2008 consisted of the following:

	Increase (Decrease) 2010 vs. 2009	Increase (Decrease) 2009 vs. 2008
PURTA amortization [(a)]	$ 2	$ 34
Taxes on utility revenues [(b)]	22	(22)
Other	3	(1)
Increase in taxes other than income	$ 27	$ 11

(a) The increase in taxes other than income related to PURTA amortization reflects the impact of regulatory liability amortization recorded in 2009 and 2008 that offset the distribution rate reduction made to refund the 2007 PURTA settlement to customers.

(b) The increase in tax expense for 2010 compared to 2009 reflected increased gross receipts tax as a result of higher revenue. The decrease in tax expense for 2009 compared to 2008 was due to a gross receipts tax rate reduction that became effective on January 1, 2009.

Interest Expense, Net

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009. The increase in interest expense, net for 2010 compared to 2009 was primarily due to a change in measurement of uncertain tax positions in accordance with accounting guidance. See Note 11 of the Combined Notes to Consolidated Financial Statements for additional information. This increase was partially offset by a decrease in interest expense resulting from the retirement of the PETT transition bonds on September 1, 2010. See Note 1 of the Combined Notes to Consolidated Financial Statements for further information.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008. The decrease in interest expense, net for 2009 compared to 2008 was primarily due to a decrease in the outstanding debt balance owed to PETT, partially offset by an increase in interest expense associated with a higher amount of outstanding long-term first and refunding mortgage bonds.

Loss in Equity Method Investments

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009. The decrease in the loss in equity method investments for 2010 compared to 2009 was due to the consolidation of PETT in accordance with authoritative guidance for the consolidation of variable interest entities effective January 1, 2010. PETT was dissolved on September 20, 2010. See Note 1 of the Combined Notes to Consolidated Financial Statements for further information.

Other, Net

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009. The decrease in Other, net for 2010 compared to 2009 was primarily due to decreased investment income and a decrease in interest income related to a change in measurement of uncertain income tax positions in 2010. See Note 11 of the Combined Notes to Consolidated Financial Statements for further information.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008. The decrease in Other, net for 2009 compared to 2008 was primarily due to the impact of interest income recorded in 2009 related to the SSCM settlement. See Note 19 of the Combined Notes to Consolidated Financial Statements for additional details of the components of Other, net.

Effective Income Tax Rate

PECO’s effective income tax rates for the years ended December 31, 2010, 2009 and 2008 were 31.9%, 29.3% and 31.6%, respectively. See Note 11 of the Combined Notes to Consolidated Financial Statements for additional information regarding the components of the effective income tax rates.

PECO Electric Operating Statistics and Revenue Detail

Retail Deliveries to customers (in GWhs)	2010	2009	% Change 2010 vs. 2009	Weather-Normal % Change	2008	% Change 2009 vs. 2008	Weather-Normal % Change
Retail Delivery and Sales [(a)]							
Residential	13,913	12,893	7.9%	0.5%	13,317	(3.2)%	(2.3)%
Small commercial & industrial	8,503	8,397	1.3%	(1.9)%	8,680	(3.3)%	(2.4)%
Large commercial & industrial	16,372	15,848	3.3%	0.8%	16,477	(3.8)%	(3.1)%
Public authorities & electric railroads	925	930	(0.5)%	(0.3)%	909	2.3%	2.3%
Total Electric Retail	39,713	38,068	4.3%	0.1%	39,383	(3.3)%	(2.6)%

Number of Electric Customers	As of December 31, 2010	2009	2008
Residential	1,411,643	1,404,416	1,405,532
Small commercial & industrial	156,865	156,305	156,309
Large commercial & industrial	3,071	3,094	3,088
Public authorities & electric railroads	1,102	1,085	1,085
Total	1,572,681	1,564,900	1,566,014

Electric Revenue	2010	2009	% Change 2010 vs. 2009	2008	% Change 2009 vs. 2008
Retail Delivery and Sales [(a)]					
Residential	$2,069	$1,859	11.3%	$1,918	(3.1)%
Small commercial & industrial	1,060	1,034	2.5%	1,053	(1.8)%
Large commercial & industrial	1,362	1,307	4.2%	1,406	(7.0)%
Public authorities & electric railroads	89	90	(1.1)%	87	3.4%
Total Retail	4,580	4,290	6.8%	4,464	(3.9)%
Other Revenue [(b)]	255	259	(1.5)%	282	(8.2)%
Total Electric Revenues	$4,835	$4,549	6.3%	$4,746	(4.2)%

(a) Reflects delivery revenues and volumes from customers purchasing electricity directly from PECO and customers purchasing electricity from a competitive electric generation supplier as all customers are assessed delivery charges and a CTC. For customers purchasing electricity from PECO, revenue also reflects the cost of energy.
(b) Other revenue includes transmission revenue from PJM and other wholesale revenue.

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PECO Gas Operating Statistics and Revenue Detail

Deliveries to customers (in mmcf)	2010	2009	% Change 2010 vs. 2009	Weather-Normal % Change	2008	% Change 2009 vs. 2008	Weather-Normal % Change
Retail sales	56,833	57,103	(0.5)%	0.9%	56,110	1.8%	(1.4)%
Transportation and other	30,911	27,206	13.6%	10.8%	27,624	(1.5)%	(1.2)%
Total Gas Deliveries	87,744	84,309	4.1%	4.1%	83,734	0.7%	(1.4)%

Number of Gas Customers	As of December 31, 2010	2009	2008
Residential	448,391	444,923	441,790
Commercial & industrial	41,303	40,991	40,830
Total Retail	489,694	485,914	482,620
Transportation	838	778	646
Total	490,532	486,692	483,266

Gas revenue	2010	2009	% Change 2010 vs. 2009	2008	% Change 2009 vs. 2008
Retail Delivery and Sales					
Retail sales	656	732	(10.4)%	795	(7.9)%
Transportation and other	28	30	(6.7)%	26	15.4%
Total Gas Deliveries	684	762	(10.2)%	821	(7.2)%

Liquidity and Capital Resources

The Registrants’ operating and capital expenditures requirements are provided by internally generated cash flows from operations as well as funds from external sources in the capital markets and through bank borrowings. The Registrants’ businesses are capital intensive and require considerable capital resources. Each Registrant’s access to external financing on reasonable terms depends on its credit ratings and current overall capital market business conditions, including that of the utility industry in general. If these conditions deteriorate to the extent that the Registrants no longer have access to the capital markets at reasonable terms, Exelon, Generation, ComEd and PECO have access to unsecured revolving credit facilities with aggregate bank commitments of $957 million, $4.8 billion, $1 billion and $574 million, respectively. The Registrants’ credit facilities largely extend through October 2012 for Exelon, Generation and PECO. Exelon anticipates refinancing these credit facilities in the first half of 2011. The ComEd credit facility extends through March 2013. The Registrants utilize their credit facilities to support their commercial paper programs, provide for other short-term borrowings and to issue letters of credit. See Note 10 of the Combined Notes to Consolidated Financial Statements for further discussion of the Registrants’ debt and credit agreements. The Registrants expect cash flows to be sufficient to meet operating expenses and capital expenditure requirements.

The Registrants primarily use their capital resources, including cash, to fund capital requirements, including construction expenditures, retire debt, pay dividends, fund pension obligations and invest in new and existing ventures. The Registrants spend a significant amount of cash on capital improvements and construction projects that have a long-term return on investment. Additionally, ComEd and PECO operate in rate-regulated environments in which the amount of new investment recovery may be limited and where such recovery takes place over an extended period of time.

Cash Flows from Operating Activities

General

Generation's cash flows from operating activities primarily result from the sale of electric energy to wholesale customers. Generation's future cash flows from operating activities may be affected by future demand for and market prices of energy and its ability to continue to produce and supply power at competitive costs as well as to obtain collections from customers. ComEd's and PECO's cash flows from operating activities primarily result from the transmission and distribution of electricity and, in the case of PECO, gas distribution services to an established and diverse base of retail customers. ComEd's and PECO's future cash flows may be affected by the economy, weather conditions, future legislative initiatives, future regulatory proceedings with respect to their rates or operations, and their ability to achieve operating cost reductions. See Notes 2 and 18 of the Combined Notes to Consolidated Financial Statements for further discussion of regulatory and legal proceedings and proposed legislation.

Pension and Other Postretirement Benefits

Management considers various factors when making pension funding decisions, including actuarially determined minimum contribution requirements under ERISA, contributions required to avoid benefit restrictions and at-risk status as defined by the Pension Protection Act of 2006, management of the pension obligation and regulatory implications. Exelon contributed $2.1 billion to its pension plans in January 2011, representing all currently planned 2011 qualified pension plan contributions, of which Generation, ComEd and PECO contributed $952 million, $871 million and $110 million, respectively. Exelon contributed $766 million and $441 million to its pension plans in 2010 and 2009, respectively. See Note 13 of the Combined Notes to Consolidated Financial Statements for the Registrants' 2010 and 2009 pension contributions.

Exelon's planned funding of the $2.1 billion in contributions includes $500 million from cash from operations, $750 million from the tax benefits of making the pension contributions and $850 million with the accelerated cash tax benefits from the 100% bonus depreciation provision enacted as part of the Tax Relief Act of 2010. These cash tax benefits will be realized over the course of 2011. As a result, the Registrants used other short-term liquidity sources and ComEd's January 2011 $600 million debt issuance, to fund a portion of the contribution on a short-term, interim basis until these cash tax benefits are realized.

Unlike the qualified pension plans, Exelon's other postretirement plans are not subject to regulatory minimum contribution requirements. Management considers several factors in determining the level of contributions to Exelon's other postretirement benefit plans, including levels of benefit claims paid and regulatory implications. Exelon expects to contribute $185 million to its other postretirement benefit plans in 2011, of which Generation, ComEd and PECO expect to contribute $85 million, $58 million and $29 million, respectively. Exelon contributed $203 million and $157 million in 2010 and 2009, respectively. These amounts do not reflect Federal prescription drug subsidy payments received of $10 million and $10 million in 2010 and 2009, respectively. See Note 13 of the Combined Notes to Consolidated Financial Statements for the Registrants' 2010 and 2009 other postretirement benefit contributions.

See the "Contractual Obligations and Off-Balance Sheet Arrangements" section below for management's estimated future pension contributions.

Tax Matters

The Registrants' future cash flows from operating activities may be affected by the following tax matters:

- In the third quarter of 2010, Exelon and IRS Appeals reached a nonbinding, preliminary agreement to settle Exelon's involuntary conversion and CTC positions. Under the terms of the preliminary agreement, Exelon estimates that the IRS will assess tax and interest of approximately $300 million in 2011, and that Exelon will receive additional tax refunds of approximately $270 million between 2011 and 2014. In order to stop additional interest from accruing on the IRS expected assessment, Exelon made a payment in December 2010 to the IRS of $302 million. During 2010, Exelon and IRS Appeals failed to reach a settlement with respect to the like-kind exchange position and the related substantial understatement penalty. See Note 11 of the Combined Notes to Consolidated Financial Statements for additional information regarding potential cash flows impacts of a fully successful IRS challenge to Exelon's like-kind exchange position.
- The IRS anticipates issuing guidance in the first half of 2011 on the appropriate tax treatment of repair costs for electric transmission and distribution assets. Upon issuance of this guidance, ComEd and PECO will assess its impact, and if it results in a cash benefit to Exelon, ComEd and PECO will file a request for change in method of tax accounting for repair costs. PECO's approved 2010 electric and natural gas distribution rate case settlements stipulate that the expected cash benefit resulting from the application of the new methodology to prior tax years must be refunded to customers over a seven-year period. The prospective tax benefit claimed as a result of the new methodology should be reflected in tax expense in the year in which it is claimed on the tax return and will be reflected in the determination of revenue requirements in the next electric and natural gas distribution base rate cases.
- The Tax Relief Act of 2010, enacted into law on December 17, 2010, includes provisions accelerating the depreciation of certain property for tax purposes. Qualifying property placed into service after September 8, 2010, and before January 1, 2012, is eligible for 100% bonus depreciation. Additionally, qualifying property placed into service during 2012 is eligible for 50% bonus depreciation. These provisions will generate approximately $1 billion of cash for Exelon (approximately $850 million in 2011 and approximately $170 million in 2012). The cash generated is an acceleration of tax benefits that Exelon would have otherwise received over 20 years. Additionally, while the capital additions at ComEd and PECO generally increase future revenue requirements, the bonus depreciation associated with these capital additions will partially mitigate any future rate increases through the ratemaking process. See further details regarding the use of the cash generated in the "Pension and Other Postretirement Benefits" section above.
- Given the current economic environment, state and local governments are facing increasing financial challenges, which may increase the risk of additional income tax levies, property taxes, and other taxes.

The following table provides a summary of the major items affecting Exelon's cash flows from operations for the years ended December 31, 2010, 2009 and 2008:

	2010	2009	2010 vs. 2009 Variance	2008	2009 vs. 2008 Variance
Net income	$2,563	$2,707	$ (144)	$2,737	$ (30)
Add (subtract):					
Non-cash operating activities (a)	4,340	3,930	410	3,400	530
Pension and non-pension postretirement benefit contributions	(959)	(588)	(371)	(230)	(358)
Income taxes	(543)	(29)	(514)	(38)	9
Changes in working capital and other noncurrent assets and liabilities (b)	122	(82)	204	(221)	139
Option premiums paid, net	(124)	(40)	(84)	(124)	84
Counterparty collateral received (posted), net	(155)	196	(351)	1,027	(831)
Net cash flows provided by operations	$5,244	$6,094	$ (850)	$6,551	$ (457)

(a) Represents depreciation, amortization and accretion, net mark-to-market gains on derivative transactions, deferred income taxes, provision for uncollectible accounts, pension and non-pension postretirement benefit expense, equity in earnings and losses of unconsolidated affiliates and investments, decommissioning-related items, stock compensation expense, impairment of long-lived assets, and other non-cash charges.
(b) Changes in working capital and other noncurrent assets and liabilities exclude the changes in commercial paper, income taxes and the current portion of long-term debt.

Cash flows provided by operations for 2010, 2009 and 2008 by Registrant were as follows:

	2010	2009	2008
Exelon	$5,244	$6,094	$6,551
Generation	3,032	3,930	4,445
ComEd	1,077	1,020	1,079
PECO	1,150	1,166	969

Changes in Exelon's, Generation's, ComEd's and PECO's cash flows from operations were generally consistent with changes in each Registrant's respective results of operations, as adjusted by changes in working capital in the normal course of business. In addition, significant operating cash flow impacts for the Registrants for 2010, 2009 and 2008 were as follows:

Generation

- During 2010, 2009 and 2008, Generation had net (postings) collections of counterparty collateral of $(1) million, $195 million and $1,029 million, respectively. Net collateral activity is primarily the result of changes in market conditions. Depending upon whether Generation is in a net mark-to-market liability or asset position, collateral may be required to be posted or collected from its counterparties. This collateral may be in various forms, such as cash, which may be obtained through the issuance of commercial paper, or letters of credit.
- During 2007, Generation, along with ComEd and other generators and utilities, reached an agreement with various representatives from the State of Illinois to address concerns about higher electric bills in Illinois. Generation committed to contributing approximately $747 million over four years. As part of the agreement, Generation contributed cash of approximately $23 million in 2010, $118 million in 2009 and $274 million in 2008. As of December 31, 2010, Generation had fulfilled its commitments under the Illinois Settlement Legislation.

- During 2010, 2009 and 2008, Generation's accounts receivable from ComEd (decreased) increased by $(65) million, $(28) million and $134 million, respectively, primarily due to changes in receivables for energy purchases related to its SFC, ICC-approved RFP contracts and financial swap contract.
- During 2010, 2009 and 2008, Generation's accounts receivable from PECO primarily due to the PPA increased by $74 million, $48 million and $5 million, respectively.
- During 2010, 2009 and 2008, Generation had net payments of approximately $124 million, $40 million and $124 million, respectively, related to purchases and sales of options. The level of option activity in a given year may vary due to several factors, including changes in market conditions as well as changes in hedging strategy.

ComEd

- During 2010, 2009 and 2008, ComEd's payables to Generation (decreased) increased by $(65) million, $(28) million and $134 million, respectively, primarily due to changes in payables for energy purchases related to its SFC, ICC-approved RFP contracts and financial swap contract.
- During 2010, 2009 and 2008, ComEd's payables to other energy suppliers for energy purchases increased (decreased) by $58 million, $(68) million and $141 million, respectively.
- During 2010, ComEd posted $153 million of cash collateral to PJM. Prior to the second quarter of 2010, ComEd used letters of credit to cover all PJM collateral requirements.

PECO

- During 2010, 2009 and 2008, PECO's payables to Generation primarily due to the PPA increased by $74 million, $48 million and $5 million, respectively.
- During 2010, 2009 and 2008, PECO's payables to other energy suppliers for energy purchases increased (decreased) by $1 million, $(43) million and $(12) million, respectively. The 2009 decrease in payables to other energy suppliers is primarily due to an agreement executed in February 2009 between PECO, Generation and PJM that changed the way that PECO and Generation administer their PPA for default service.

Cash Flows used in Investing Activities

Cash flows used in investing activities for 2010, 2009 and 2008 by Registrant were as follows:

	2010	2009	2008
Exelon [(a)(b)]	$(3,894)	$(3,458)	$(3,378)
Generation [(a)]	(2,896)	(2,220)	(1,967)
ComEd	(939)	(821)	(958)
PECO [(b)]	(120)	(377)	(377)

Capital expenditures by Registrant for 2010, 2009 and 2008 and projected amounts for 2011 are as follows:

	Projected 2011	2010	2009	2008
Generation [(c)]	$ 2,562	$1,883	$1,977	$1,699
ComEd	1,015	962	854	953
PECO	448	545	388	392
Other [(d)]	18	(64)	54	73
Total Exelon capital expenditures	$ 4,043	$3,326	$3,273	$3,117

(a) Includes $893 million in 2010, related to the acquisition of Exelon Wind. See Note 3 of the Combined Notes to Consolidated Financial Statements for additional information regarding Exelon Wind.
(b) Includes a cash inflow of $413 million as a result of the consolidation of PETT on January 1, 2010. See Note 1 of the Combined Notes to Consolidated Financial Statements for additional information.
(c) Includes nuclear fuel.
(d) Other primarily consists of corporate operations and BSC. The negative capital expenditures for Other in 2010 primarily relate to the transfer of information technology hardware and software assets from BSC to Generation, ComEd and PECO.

Projected capital expenditures and other investments are subject to periodic review and revision to reflect changes in economic conditions and other factors.

Generation. Approximately 40% of the projected 2011 capital expenditures at Generation are for the acquisition of nuclear fuel, with the remaining amounts reflecting additions and upgrades to existing facilities (including material condition improvements during nuclear refueling outages). Included in the projected 2011 capital expenditures are a series of planned power uprates across the company's nuclear fleet. See "EXELON CORPORATION—Executive Overview," for more information on nuclear uprates.

ComEd and PECO. Approximately 81% and 88% of the projected 2011 capital expenditures at ComEd and PECO, respectively, are for continuing projects to maintain and improve company operations, including enhancing reliability and adding capacity to the transmission and distribution systems such as PECO's transmission system reliability upgrades required by PJM related to Generation's plant retirements. The remaining amounts are for capital additions to support new business and customer growth, which for PECO includes capital expenditures related to its smart meter program and SGIG project, net of DOE expected reimbursements. See Notes 2 and 5 of the Combined Notes to Consolidated Financial Statements for additional information. ComEd and PECO are each continuing to evaluate their total capital spending requirements. ComEd and PECO anticipate that they will fund their capital expenditures with internally generated funds and borrowings.

Cash Flows from Financing Activities

Cash flows used in financing activities for 2010, 2009 and 2008 by Registrant were as follows:

	2010	2009	2008
Exelon	$(1,748)	$(1,897)	$(2,213)
Generation	(779)	(1,746)	(1,470)
ComEd	(179)	(155)	(161)
PECO	(811)	(525)	(587)

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Debt. Debt activity for 2010, 2009 and 2008 by Registrant was as follows:

Company	Issuances of long-term debt in 2010	Use of proceeds
Generation	$900 million of Senior Notes, consisting of $550 million Senior Notes, 4.00% due October 1, 2020 and $350 million Senior Notes, 5.75% due October 1, 2041	Used to finance the acquisition of Exelon Wind and for general corporate purposes.
ComEd	$500 million of First Mortgage Bonds at 4.00% due August 1, 2020	Used to refinance First Mortgage Bonds, Series 102, which matured on August 15, 2010 and for other general corporate purposes.

Company	Issuances of long-term debt in 2009	Use of proceeds
Generation	$46 million of 3-year term rate Pollution Control Notes at 5.00% with a final maturity of December 1, 2042	Used to refinance $46 million of unenhanced tax-exempt variable rate debt that was repurchased on February 23, 2009. (a)
Generation	$1.5 billion of Senior Notes, consisting of $600 million of Senior Notes at 5.20% due October 1, 2019 and $900 million Senior Notes at 6.25% due October 1, 2039	Used to finance the purchase and optional redemption of Generation's 6.95% bonds due in 2011 and for general corporate purposes, including a distribution to Exelon to fund the purchase and optional redemption of Exelon's 6.75% Notes due in 2011 and to fund Generation's September 2009 repurchase of variable-rate long-term tax-exempt debt.
ComEd	$50 million of tax-exempt variable-rate First Mortgage Bonds, Series 2008 D due March 1, 2020 (b)	Used to repay credit facility borrowings incurred to repurchase bonds. (c)
ComEd	$50 million of tax-exempt variable-rate First Mortgage Bonds, Series 2008 E due March 21, 2021 (b)	Used to repay credit facility borrowings incurred to repurchase bonds. (c)
ComEd	$91 million of tax-exempt variable-rate First Mortgage Bonds, Series 2008 F due May 1, 2017 (b)	Used to repay credit facility borrowings incurred to repurchase bonds. (c)
PECO	$250 million of First and Refunding Mortgage Bonds at 5.00% due October 1, 2014	Used to refinance short-term debt and for other general corporate purposes.

(a) Repurchase required due to failed remarketing.
(b) Remarketed in May 2009 with letter of credit issued under credit facility.
(c) Repurchase required due to expiration of existing letter of credit.

Company	Issuances of long-term debt in 2008	Use of proceeds
ComEd	$50 million of tax-exempt variable-rate First Mortgage Bonds, Series 2008 D due March 1, 2020 (a)	Used to refinance $50 million tax-exempt variable auction-rate pollution control bonds secured by First Mortgage Bonds Series 2003 C, due March 1, 2020.
ComEd	$50 million of tax-exempt variable-rate First Mortgage Bonds, Series 2008 E due March 21, 2021 (a)	Used to refinance a portion of the outstanding tax-exempt variable auction-rate pollution control bonds secured by First Mortgage Bonds, Series 2003, 2003 B and 2003 D, due May 15, 2017, November 1, 2019 and January 15, 2014.
ComEd	$91 million of tax-exempt variable-rate First Mortgage Bonds, Series 2008 F due May 1, 2017 (a)	Used to refinance $91 million tax-exempt variable auction-rate pollution control bonds secured by First Mortgage Bonds Series 2005, due March 1, 2017.
ComEd	$450 million of First Mortgage 6.45% Bonds, Series 107, due January 15, 2038	Used to retire $295 million of First Mortgage Bonds, Series 99, to call and refinance $155 million of trust preferred securities and for other general corporate purposes.
ComEd	$700 million of First Mortgage 5.80% Bonds, Series 108, due March 15, 2018	Used to repay a portion of borrowings under ComEd's revolving credit facility, to provide for the retirement at scheduled maturity in May 2008 of $120 million of First Mortgage Bonds, Series 83 and for other general corporate purposes.
PECO	$150 million of First and Refunding Mortgage Bonds, 4.00% due December 1, 2012 (b)	Used to refinance First and Refunding Mortgage Bonds, variable rate due December 1, 2012.
PECO	$300 million of First and Refunding Mortgage Bonds, 5.60% due October 15, 2013	Used to refinance short-term debt.
PECO	$500 million of First and Refunding Mortgage Bonds, 5.35% due March 1, 2018	Used to refinance commercial paper and for other general corporate purposes.

(a) First Mortgage Bonds issued under the ComEd mortgage indenture to secure variable weekly-rate tax-exempt pollution control bonds that were issued to refinance variable auction-rate tax-exempt pollution control bonds.
(b) First and Refunding Mortgage Bonds issued under the PECO mortgage indenture to secure tax-exempt pollution control bonds and notes that were issued to refinance auction-rate tax-exempt pollution control bonds.

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Company	Retirement of long-term debt in 2010
Exelon Corporate	$400 million of 4.45% 2005 Senior Notes due June 15, 2010
Generation	$1 million scheduled payments of 7.83% Kennett Square capital lease until September 20, 2020
Generation	$13 million of Montgomery County Series 1994 B Tax Exempt Bonds with variable interest rates due June 1, 2029
Generation	$17 million of Indiana County Series 2003 A Tax Exempt Bonds with variable interest rates due June 1, 2027
Generation	$19 million of York County Series 1993 A Tax Exempt Bonds with variable interest rates due August 1, 2016
Generation	$23 million of Salem County 1993 Series A Tax Exempt Bonds with variable interest rates due March 1, 2025
Generation	$24 million of Delaware County Series 1993 A Tax Exempt Bonds with variable interest rates due August 1, 2016
Generation	$34 million of Montgomery County Series 1996 A Tax Exempt Bonds with variable interest rates due March 1, 2034
Generation	$83 million of Montgomery County Series 1994 A Tax Exempt Bonds with variable interest rates due June 1, 2029
ComEd	$1 million of 4.75% sinking fund debentures due December 1, 2011
ComEd	$212 million of 4.74% First Mortgage Bonds due August 15, 2010
PECO	$806 million of 6.52% PETT Transition Bonds due September 1, 2010

Company	Retirement of long-term debt in 2009
Exelon Corporate	$500 million of 6.75% Senior Notes due May 1, 2011
Generation	$700 million of 6.95% Senior Notes due June 15, 2011
Generation	$46 million of Pollution Control Notes with variable interest rates, due December 1, 2042 [(a)]
Generation	$51 million of Pollution Control Notes with variable interest rates, due April 1, 2021
Generation	$39 million of Pollution Control Notes with variable interest rates, due April 1, 2021
Generation	$30 million of Pollution Control Notes with variable interest rates, due December 1, 2029
Generation	$92 million of Pollution Control Notes with variable interest rates, due October 1, 2030
Generation	$69 million of Pollution Control Notes with variable interest rates, due October 1, 2030
Generation	$14 million of Pollution Control Notes with variable interest rates, due October 1, 2034
Generation	$13 million of Pollution Control Notes with variable interest rates, due October 1, 2034
Generation	$10 million of 6.33% notes payable, due August 8, 2009
Generation	$1 million scheduled payments of 7.83% Kennett Square capital lease until September 20, 2020

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Company	Retirement of long-term debt in 2009
ComEd	$91 million tax-exempt variable-rate First Mortgage Bonds, Series 2008 F, due March 1, 2017 (b)
ComEd	$50 million tax-exempt variable-rate First Mortgage Bonds, Series 2008 D, due March 1, 2020 (b)
ComEd	$50 million tax-exempt variable-rate First Mortgage Bonds, Series 2008 E, due May 21, 2021 (b)
ComEd	$16 million of 5.70% First Mortgage Bonds, Series 1994 B, due January 15, 2009
ComEd	$1 million of 4.625-4.75% sinking fund debentures, due at various dates
PECO	$319 million of 7.65% PETT Transition Bonds, due September 1, 2009
PECO	$390 million of 6.52% PETT Transition Bonds, due September 1, 2010

(a) Repurchased due to a failed remarketing and remarketed in February 2009.
(b) First Mortgage Bonds issued under the ComEd mortgage indenture to secure variable weekly-rate tax-exempt pollution controls bonds. Repurchased due to expiration of existing letter of credit and remarketed in May 2009.

Company	Retirement of long-term debt in 2008
Exelon Corporate	$21 million of 6.00-8.00% notes payable for investments in synthetic fuel-producing facilities due at various dates
Generation	$3 million scheduled payments of 7.83% Kennett Square capital lease until September 20, 2020
Generation	$10 million scheduled payments of 6.33% notes payable until August 8, 2009
ComEd	$2 million of 3.875-4.75% sinking fund debentures due at various dates
ComEd	$20 million of tax-exempt variable auction-rate First Mortgage Bonds, Series 2003 D, due January 15, 2014 (a)
ComEd	$40 million of tax-exempt variable auction-rate First Mortgage Bonds, Series 2003, due May 15, 2017 (a)
ComEd	$42 million of tax-exempt variable auction-rate First Mortgage Bonds, Series 2003 B, due November 1, 2019 (a)
ComEd	$50 million of tax-exempt variable auction-rate First Mortgage Bonds, Series 2003 C, due March 1, 2020 (a)
ComEd	$91 million of tax-exempt variable auction-rate First Mortgage Bonds, Series 2005, due March 1, 2017 (a)
ComEd	$100 million of tax-exempt variable auction-rate First Mortgage Bonds, Series 2002, due April 15, 2013 (a)
ComEd	$120 million of 8.00% First Mortgage Bonds, Series 83, due May 15, 2008
ComEd	$155 million of 8.50% Subordinated Debentures of ComEd Financing II, due January 15, 2027
ComEd	$274 million of 5.74% ComEd Transitional Funding Trust, due December 25, 2008
ComEd	$295 million of 3.70% First Mortgage Bonds, Series 99, due February 1, 2008
PECO	$33 million of 7.65% PETT Transition Bonds, due September 1, 2009
PECO	$154 million of First and Refunding Mortgage Bonds, variable rate due December 1, 2012 (b)
PECO	$207 million of 6.13% PETT Transition Bonds, due September 1, 2008
PECO	$369 million of 7.625% PETT Transition Bonds, due March 1, 2009
PECO	$450 million of 3.5% First and Refunding Mortgage Bonds, due May 1, 2008

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(a) First Mortgage Bonds issued under the ComEd mortgage indenture to secure variable auction-rate tax-exempt pollution control bonds.
(b) First and Refunding Mortgage Bonds issued under the PECO mortgage indenture to secure tax-exempt pollution control bonds and notes that were issued to refinance auction-rate tax-exempt control bonds.

From time to time and as market conditions warrant, the Registrants may engage in long-term debt retirements via tender offers, open market repurchases or other viable options to reduced debt on their respective balance sheets.

Dividends. Cash dividend payments and distributions during 2010, 2009 and 2008 by Registrant were as follows:

	2010	2009	2008
Exelon	$1,389	$1,385	$1,335
Generation	1,508	2,276	1,545
ComEd [(a)]	310	240	—
PECO	228	316	484

(a) During 2008, ComEd did not pay a dividend to manage cash flows and its capital structure.

On January 25, 2011, the Exelon Board of Directors declared a quarterly dividend of $0.525 per share on Exelon's common stock, which is payable on March 10, 2011 to shareholders of record at the end of the day on February 15, 2011.

Share Repurchases. During 2008, Exelon purchased $500 million of common stock under Exelon's accelerated share repurchase program, including the impact of the settlement of a forward contract indexed to Exelon's own common stock.

Short-Term Borrowings. Short-term borrowings incurred (repaid) during 2010, 2009 and 2008 by Registrant were as follows:

	2010	2009	2008
ComEd	$(155)	$ 95	$(310)
PECO	—	(95)	(151)
Other [(a)]	—	(56)	56
Exelon	(155)	(56)	(405)

(a) Other primarily consists of corporate operations and BSC.

Retirement of Long-Term Debt to Financing Affiliates. Retirement of long-term debt to financing affiliates during 2010, 2009 and 2008 by Registrant were as follows:

	2010	2009	2008
Exelon	$—	$709	$1,038
ComEd	—	—	429
PECO	—	709	609

Contributions from Parent/Member. Contributions from Parent/Member (Exelon) during 2010, 2009 and 2008 by Registrant were as follows:

	2010	2009	2008
Generation	$ 62	$ 57	$ 86
ComEd	2	8	14
PECO [(a)]	223	347	320

(a) $180 million, $320 million and $284 million for the years ended December 31, 2010, 2009 and 2008, respectively, reflect payments received to reduce the receivable from parent, which was completely repaid as of December 31, 2010.

Other. Other significant financing activities for Exelon for 2010, 2009 and 2008 were as follows:

- Exelon received proceeds from employee stock plans of $48 million, $42 million and $130 million during 2010, 2009 and 2008, respectively.
- Exelon's other financing activities during 2010, 2009 and 2008 include $3 million, $5 million and $60 million, respectively, of excess tax benefits related to compensation cost recognized for stock options exercised.

Credit Matters

Market Conditions

The Registrants fund liquidity needs for capital investment, working capital, energy hedging and other financial commitments through cash flows from continuing operations, public debt offerings, commercial paper markets and large diversified credit facilities. The credit facilities include $7.4 billion in aggregate total commitments of which $6.9 billion was available as of December 31, 2010, and of which no financial institution has more than 10% of the aggregate commitments for Exelon, Generation, ComEd. Generation also had additional letter of credit facilities that expired in the second quarter of 2010, which were used to enhance variable rate long-term tax-exempt debt totaling $213 million. Generation repurchased the $213 million of tax-exempt bonds during 2010 and has permanently extinguished $24 million of these tax-exempt bonds. Generation has the ability to remarket the remaining bonds whenever it determines it to be economically advantageous. Exelon, Generation, PECO and ComEd had access to the commercial paper market during 2010 to fund their short-term liquidity needs, when necessary. Due to an upgrade in ComEd's commercial paper rating in 2010 and improvements in the commercial paper market, ComEd has been able to rely on the commercial paper market as a source of liquidity. ComEd also utilized its credit facility in 2010 to fund its short-term liquidity needs and provide credit enhancement for $191 million of variable rate tax-exempt bonds. The Registrants routinely review the sufficiency of their liquidity position, including appropriate sizing of credit facility commitments, by performing various stress test scenarios, such as commodity price movements, increases in margin-related transactions, changes in hedging levels, and the impacts of hypothetical credit downgrades. The Registrants have continued to closely monitor events in the financial markets and the financial institutions associated with the credit facilities, including monitoring credit ratings and outlooks, credit default swap levels, capital raising and merger activity. See PART I. ITEM 1A Risk Factors for further information regarding the effects of uncertainty in the capital and credit markets.

The Registrants believe their cash flow from operations, access to credit markets and their credit facilities provide sufficient liquidity. If Generation lost its investment grade credit rating as of December 31, 2010, it would have been required to provide incremental collateral of approximately $1,156 million, which is well within its current available credit facility capacities of approximately $4.6 billion. The $1,156 million includes $944 million of collateral obligations for derivatives, non-derivatives, normal purchase normal sales contracts and applicable payable and receivables, net of the contractual right of offset under master netting agreements and $212 million of financial assurances that Generation would be required to provide NEIL related to annual retrospective premium obligations. If ComEd lost its investment grade credit rating as of December 31, 2010, it would have been required to provide incremental collateral of approximately $233 million, which is well within its current available credit facility capacity of approximately $804 million. If PECO lost its investment grade credit rating as of December 31, 2010, it would have been required to provide collateral of $5 million pursuant to PJM's credit policy and could have been required to provide collateral of approximately $68 million related to its natural gas procurement contracts, which are well within PECO's current available credit facility capacity of $573 million.

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Exelon Credit Facilities

See Note 10 of the Combined Notes to Consolidated Financial Statements for discussion of the Registrants' credit facilities and short term borrowing activity.

Other Credit Matters

Capital Structure

At December 31, 2010, the capital structures of the Registrants consisted of the following:

	Exelon Consolidated	Generation	ComEd	PECO
Long-term debt	46%	34%	41%	40%
Long-term debt to affiliates [(a)]	2	—	2	3
Common equity	51	—	57	51
Member's equity	—	66	—	—
Preferred securities	—	—	—	2
Commercial paper and notes payable	1	—	—	4

(a) Includes approximately $390 million, $206 million and $184 million owed to unconsolidated affiliates of Exelon, ComEd and PECO, respectively, that qualify as special purpose entities under the applicable authoritative guidance. These special purpose entities were created for the sole purposes of issuing mandatorily redeemable trust preferred securities of ComEd and PECO. See Note 1 of the Combined Notes to Consolidated Financial Statements for additional information regarding the authoritative guidance for VIEs.

Intercompany Money Pool

To provide an additional short-term borrowing option that will generally be more favorable to the borrowing participants than the cost of external financing, Exelon operates an intercompany money pool. As of January 10, 2006, ComEd voluntarily suspended its participation in the money pool. Generation, PECO, and BSC may participate in the intercompany money pool as lenders and borrowers, and Exelon may participate as a lender. Funding of, and borrowings from, the intercompany money pool are predicated on whether the contributions and borrowings result in economic benefits. Interest on borrowings is based on short-term market rates of interest or, if from an external source, specific borrowing rates. Maximum amounts contributed to and borrowed from the intercompany money pool by participant during 2010 are described in the following table in addition to the net contribution or borrowing as of December 31, 2010:

	Maximum Contributed	Maximum Borrowed	December 31, 2010 Contributed (Borrowed)
PECO	$ 31	$ —	$ —
BSC	—	67	(20)
Exelon Corporate	67	N/A	20

Shelf Registrations

The Registrants filed automatic shelf registration statements that are not required to specify the amount of securities to be offered thereon. As of December 31, 2010, the Registrants each had current shelf registration statements for the sale of unspecified amounts of securities that were effective with the SEC. The ability of each Registrant to sell securities off its shelf registration statement or to access the private placement markets will depend on a number of factors at the time of the proposed sale, including other required regulatory approvals, as applicable, the current financial condition of the Registrant, its securities ratings and market conditions.

Regulatory Authorizations

The issuance by ComEd and PECO of long-term debt or equity securities requires the prior authorization of the ICC and PAPUC, respectively. ComEd and PECO normally obtain the required approvals on a periodic basis to cover their anticipated financing needs for a period of time or in connection with a specific financing. As of December 31, 2010, ComEd had $577 million in long-term debt refinancing authority from the ICC and $1.1 billion in new money long-term debt financing authority. After ComEd issued $600 million of First Mortgage Bonds, Series 110, on January 18, 2011, its new money long-term debt financing authority with the ICC was reduced to $520 million. As of December 31, 2010, PECO had $1.9 billion in long-term debt financing authority from the PAPUC.

FERC has financing jurisdiction over ComEd's and PECO's short-term financings and all of Generation's financings. As of December 31, 2010, ComEd and PECO had short-term financing authority from FERC that expires on December 31, 2011 of $2.5 billion and $1.5 billion, respectively. Generation currently has blanket financing authority that it received from FERC in connection with its market-based rate authority. See Note 2 of the Combined Notes to Consolidated Financial Statements for additional information.

Exelon's ability to pay dividends on its common stock depends on the payment to it of dividends by its operating subsidiaries. The payments of dividends to Exelon by its subsidiaries in turn depend on their results of operations and cash flows and other items affecting retained earnings. The Federal Power Act declares it to be unlawful for any officer or director of any public utility "to participate in the making or paying of any dividends of such public utility from any funds properly included in capital account." In addition, under Illinois law, ComEd may not pay any dividend on its stock, unless, among other things, its earnings and earned surplus are sufficient to declare and pay a dividend after provision is made for reasonable and proper reserves, or unless ComEd has specific authorization from the ICC. At December 31, 2010, Exelon had retained earnings of $9,304 million, including Generation's undistributed earnings of $2,633 million, ComEd's retained earnings of $331 million consisting of retained earnings appropriated for future dividends of $1,970 million partially offset by $1,639 million of unappropriated retained deficit, and PECO's retained earnings of $522 million. See Note 18 of the Combined Notes to Consolidated Financial Statements for additional information regarding fund transfer restrictions.

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Contractual Obligations and Off-Balance Sheet Arrangements

The following tables summarize the Registrants' future estimated cash payments as of December 31, 2010 under existing contractual obligations, including payments due by period. See Note 18 of the Combined Notes to Consolidated Financial Statements for information regarding the Registrants' commercial commitments, representing commitments potentially triggered by future events.

Exelon

		Payment due within				
	Total	2011	2012-2013	2014-2015	Due 2016 and beyond	All Other
Long-term debt [(a)]	$12,588	$ 597	$1,377	$1,827	$ 8,787	$ —
Interest payments on long-term debt [(b)]	8,849	688	1,230	1,056	5,875	—
Liability and interest for uncertain tax positions [(c)]	204	—	—	—	—	204
Capital leases	36	2	6	7	21	—
Operating leases [(d)]	700	70	131	99	400	—
Purchase power obligations [(e)]	2,021	351	442	288	940	—
Fuel purchase agreements [(f)]	10,041	1,439	2,331	2,223	4,048	—
Electric supply procurement [(f)]	1,869	1,252	578	39	—	—
REC and AEC purchase commitments [(f)]	28	8	6	4	10	—
Long-term renewable energy and associated REC commitments [(g)]	1,692	—	106	150	1,436	—
Other purchase obligations [(h)]	738	366	314	53	5	—
City of Chicago agreement—2003 [(i)]	12	6	6	—	—	—
Spent nuclear fuel obligation	1,018	—	—	—	1,018	—
Pension minimum funding requirement [(j)]	1,412	807	243	330	32	—
Total contractual obligations	$41,208	$5,586	$6,770	$6,076	$ 22,572	$ 204

(a) Includes $390 million due after 2016 to ComEd and PECO financing trusts.

(b) Interest payments are estimated based on final maturity dates of debt securities outstanding at December 31, 2010 and do not reflect anticipated future refinancing, early redemptions or debt issuances. Variable rate interest obligations are estimated based on rates as of December 31, 2010. Includes estimated interest payments due to ComEd and PECO financing trusts.

(c) As of December 31, 2010, Exelon's liability for uncertain tax positions and related net interest payable were $204 million and $22 million, respectively. Exelon was unable to reasonably estimate the timing of liability and interest payments in individual years beyond 12 months due to uncertainties in the timing of the effective settlement of tax positions. Exelon has other unrecognized tax positions that were not recorded on the Consolidated Balance Sheet in accordance with authoritative guidance. See Note 11 of the Combined Notes to Consolidated Financial Statements for further information regarding unrecognized tax positions.

(d) Excludes PPAs and other capacity contracts that are accounted for as operating leases. These amounts are included within purchase power obligations. Includes estimated cash payments for service fees related to PECO's meter reading operating lease.

(e) Purchase power obligations include PPAs and other capacity contracts that are accounted for as operating leases. Amounts presented represent Generation's expected payments under these arrangements at December 31, 2010. Expected payments include certain capacity charges that are contingent on plant availability. Expected payments exclude renewable PPA contracts that are contingent in nature. These obligations do not include ComEd's SFCs as these contracts do not require purchases of fixed or minimum quantities. See Notes 2 and 18 of the Combined Notes to Consolidated Financial Statements.

(f) Represents commitments to purchase natural gas and related transportation and storage capacity and services, procure electric supply, and purchase AECs. See Note 18 of the Combined Notes to Consolidated Financial Statements for electric and gas purchase commitments.

(g) On December 17, 2010, ComEd entered into 20-year contracts with several unaffiliated suppliers regarding the procurement of long-term renewable energy and associated RECs. See Note 2 of Combined Notes to Consolidated Financial Statements for additional information.

(h) Commitments for services, materials and information technology.

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(i) In 2003, ComEd entered separate agreements with the City of Chicago and with Midwest Generation. Under the terms of the agreements, ComEd will pay the City of Chicago $60 million over ten years to be relieved of a requirement, originally transferred to Midwest Generation upon the sale of ComEd's fossil stations in 1999, to build a 500-MW generation facility.

(j) These amounts represent Exelon's estimated minimum pension contributions to its qualified plans required under ERISA and the Pension Protection Act of 2006, as well as contributions necessary to avoid benefit restrictions and at-risk status. These amounts represent estimates that are based on assumptions that are subject to change. The minimum required contributions for years after 2016 are currently not reliably estimable. Exelon made an incremental contribution in January 2011, which was contemplated in determining the future years' minimum contributions, and may choose to make further additional contributions in future years. See Note 13 of the Combined Notes to Consolidated Financial Statements for further information regarding the January 2011 pension contribution.

Generation

		Payment due within				
(in millions)	Total	2011	2012-2013	2014-2015	Due 2016 and beyond	All Other
Long-term debt	$ 3,648	$ —	$ —	$ 500	$ 3,148	$ —
Interest payments on long-term debt [(a)]	3,204	202	404	352	2,246	—
Liability and interest for uncertain tax benefits [(b)]	147	—	—	—	—	147
Capital leases	36	2	6	7	21	—
Operating leases [(c)]	426	28	52	50	296	—
Purchase power obligations [(d)]	2,021	351	442	288	940	—
Fuel purchase agreements [(e)]	9,470	1,281	2,155	2,099	3,935	—
Other purchase obligations [(f)]	409	170	204	32	3	—
Spent nuclear fuel obligation	1,018	—	—	—	1,018	—
Total contractual obligations	$ 20,379	$ 2,034	$ 3,263	$ 3,328	$ 11,607	$ 147

(a) Interest payments are estimated based on final maturity dates of debt securities outstanding at December 31, 2010 and do not reflect anticipated future refinancing, early redemptions or debt issuances. Variable rate interest obligations are estimated based on rates as of December 31, 2010.

(b) As of December 31, 2010, Generation's liability for uncertain tax positions and related net interest payable were $125 million and $22 million, respectively. Generation was unable to reasonably estimate the timing of liability and interest payments in individual years beyond 12 months due to uncertainties in the timing of the effective settlement of tax positions.

(c) Excludes PPAs and other capacity contracts that are accounted for as operating leases. These amounts are included within purchase power obligations.

(d) Purchase power obligations include PPAs and other capacity contracts that are accounted for as operating leases. Amounts presented represent Generation's expected payments under these arrangements at December 31, 2010. Expected payments include certain capacity charges that are contingent on plant availability. Expected payments exclude renewable PPA contracts that are contingent in nature. See Note 18 of the Combined Notes to Consolidated Financial Statements.

(e) See Note 18 of the Combined Notes to Consolidated Financial Statements for further information regarding fuel purchase agreements.

(f) Commitments for services, materials and information technology.

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ComEd

	Total	Payment due within 2011	2012-2013	2014-2015	Due 2016 and beyond	All Other
Long-term debt [a]	$ 5,231	$347	$ 702	$277	$ 3,905	$—
Interest payments on long-term debt [b]	3,394	294	490	447	2,163	—
Liability and interest for uncertain tax positions [c]	73	—	—	—	—	73
Operating leases	133	16	28	21	68	—
2003 City of Chicago agreement [d]	12	6	6	—	—	—
Electric supply procurement	252	237	15	—	—	—
REC purchase commitments	4	4	—	—	—	—
Long-term renewable energy and associated REC commitments [e]	1,692	—	106	150	1,436	—
Other purchase obligations [f]	80	70	9	1	—	—
Total contractual obligations	$10,871	$974	$1,356	$896	$ 7,572	$ 73

(a) Includes $206 million due after 2016 to a ComEd financing trust.
(b) Interest payments are estimated based on final maturity dates of debt securities outstanding at December 31, 2010 and do not reflect anticipated future refinancing, early redemptions or debt issuances. Variable rate interest obligations are estimated based on rates as of December 31, 2010. Includes estimated interest payments due to the ComEd financing trust.
(c) As of December 31, 2010, ComEd's liability for uncertain tax positions was $73 million. ComEd was unable to reasonably estimate the timing of liability and interest payments in individual years beyond 12 months due to uncertainties in the timing of the effective settlement of tax positions.
(d) In 2003, ComEd entered into separate agreements with the City of Chicago and with Midwest Generation. Under the terms of the agreements, ComEd will pay the City of Chicago $60 million over ten years to be relieved of a requirement, originally transferred to Midwest Generation upon the sale of ComEd's fossil stations in 1999, to build a 500-MW generation facility.
(e) On December 17, 2010, ComEd entered into 20-year contracts with several unaffiliated suppliers regarding the procurement of long-term renewable energy and associated RECs. See Note 2 of Combined Notes to Consolidated Financial Statements for additional information.
(f) Other purchase commitments include commitments for services, materials and information technology.

PECO

	Total	Payment due within 2011	2012-2013	2014-2015	Due 2016 and beyond	All Other
Long-term debt [a]	$2,409	$ 250	$ 675	$250	$ 1,234	$—
Interest payments on long-term debt [b]	1,402	129	211	151	911	—
Liability and interest for uncertain tax positions [c]	1	—	—	—	—	1
Operating leases [d]	80	20	40	20	—	—
Fuel purchase agreements [e]	571	158	176	124	113	—
Electric supply procurement [e]	2,746	1,726	971	49	—	—
AEC purchase commitments [e]	49	13	18	8	10	—
Other purchase obligations [f]	134	73	39	19	3	—
Total contractual obligations	$7,392	$2,369	$2,130	$621	$ 2,271	$ 1

(a) Includes $184 million due after 2016 to PECO financing trusts.
(b) Interest payments are estimated based on final maturity dates of debt securities outstanding at December 31, 2010 and do not reflect anticipated future refinancing, early redemptions or debt issuances.
(c) As of December 31, 2010, PECO's liability for uncertain tax positions was $1 million. PECO was unable to reasonably estimate the timing of certain liability payments in individual years beyond 12 months due to uncertainties in the timing of the effective settlement of tax positions.
(d) Includes estimated cash payments for service fees related to PECO's meter reading operating lease.
(e) Represents commitments to purchase natural gas and related transportation and storage capacity and services, procure electric supply, and purchase AECs. See Note 18 of the Combined Notes to Consolidated Financial Statements for electric and gas purchase commitments.
(f) Commitments for services, materials and information technology.

See Note 18 of the Combined Notes to Consolidated Financial Statements for discussion of the Registrants' other commitments potentially triggered by future events.

For additional information regarding:

- commercial paper, see Note 10 of the Combined Notes to Consolidated Financial Statements.
- long-term debt, see Note 10 of the Combined Notes to Consolidated Financial Statements.
- liabilities related to uncertain tax positions, see Note 11 of the Combined Notes to Consolidated Financial Statements.
- capital lease obligations, see Note 10 of the Combined Notes to Consolidated Financial Statements.
- operating leases, energy commitments, fuel purchase agreements, construction commitments and rate relief commitments, see Note 18 of the Combined Notes to Consolidated Financial Statements.
- the nuclear decommissioning and SNF obligations, see Notes 12 and 18 of the Combined Notes to Consolidated Financial Statements.
- regulatory commitments, see Note 2 of the Combined Notes to Consolidated Financial Statements.
- variable interest entities, see Note 1 of the Combined Notes to Consolidated Financial Statements.
- nuclear insurance, see Note 18 of the Combined Notes to Consolidated Financial Statements.
- new accounting pronouncements, see Note 1 of the Combined Notes to Consolidated Financial Statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The Registrants are exposed to market risks associated with adverse changes in commodity prices, counterparty credit, interest rates and equity prices. Exelon's RMC approves risk management policies and objectives for risk assessment, control and valuation, counterparty credit approval, and the monitoring and reporting of risk exposures. The RMC is chaired by the chief risk officer and includes the chief financial officer, general counsel, treasurer, vice president of strategy, vice president of audit services and officers representing Exelon's business units. The RMC reports to the Exelon Board of Directors on the scope of the risk management activities.

Commodity Price Risk (Exelon, Generation, ComEd and PECO)

Commodity price risk is associated with price movements resulting from changes in supply and demand, fuel costs, market liquidity, weather conditions, governmental regulatory and environmental policies, and other factors. To the extent the amount of energy Exelon generates differs from the amount of energy it has contracted to sell, Exelon has price risk from commodity price movements. Exelon seeks to mitigate its commodity price risk through the purchase and sale of electricity, fossil fuel, and other commodities.

Generation

Normal Operations and Hedging Activities. Electricity available from Generation's owned or contracted generation supply in excess of Generation's obligations to customers, including ComEd's and PECO's retail load, is sold into the wholesale markets. To reduce price risk caused by market

fluctuations, Generation enters into physical contracts as well as financial derivative contracts, including forwards, futures, swaps, and options, with approved counterparties to hedge anticipated exposures. Generation believes these instruments represent economic hedges that mitigate exposure to fluctuations in commodity prices. Generation expects the settlement of the majority of its economic hedges, including the ComEd financial swap contract, will occur during 2011 through 2013. Generation's energy contracts are accounted for under the accounting guidance for derivatives as further discussed in Note 9 of the Combined Notes to Consolidated Financial Statements.

In general, increases and decreases in forward market prices have a positive and negative impact, respectively, on Generation's owned and contracted generation positions which have not been hedged. Generation hedges commodity risk on a ratable basis over the three years leading to the spot market. As of December 31, 2010, the percentage of expected generation hedged was 90%-93%, 67%-70% and 32%-35% for 2011, 2012 and 2013, respectively. The percentage of expected generation hedged is the amount of equivalent sales divided by the expected generation. Expected generation represents the amount of energy estimated to be generated or purchased through owned or contracted capacity. Equivalent sales represent all hedging products, which include cash flow hedges, other derivatives and certain non-derivative contracts including sales to ComEd and PECO to serve their retail load.

A portion of Generation's hedging strategy may be accomplished with fuel products based on assumed correlations between power and fuel prices, which routinely change in the market. Market price risk exposure is the risk of a change in the value of unhedged positions. The forecasted market price risk exposure for Generation's non-trading portfolio associated with a $5 reduction in the annual average Ni-Hub and PJM-West around-the-clock energy price based on December 31, 2010 market conditions and hedged position would be a decrease in pre-tax net income of approximately $33 million, $275 million and $531 million, respectively, for 2011, 2012 and 2013. Power prices sensitivities are derived by adjusting power price assumptions while keeping all other price inputs constant. Generation expects to actively manage its portfolio to mitigate market price risk exposure for its unhedged position. Actual results could differ depending on the specific timing of, and markets affected by, price changes, as well as future changes in Generation's portfolio.

Proprietary Trading Activities. Generation also enters into certain energy-related derivatives for proprietary trading purposes. Proprietary trading includes all contracts entered into purely to profit from market price changes as opposed to hedging an exposure and is subject to limits established by Exelon's RMC. The trading portfolio is subject to a risk management policy that includes stringent risk management limits, including volume, stop loss and Value-at-Risk (VaR) limits to manage exposure to market risk. Additionally, the Exelon risk management group and Exelon's RMC monitor the financial risks of the proprietary trading activities. The proprietary trading activities, which included physical volumes of 3,625 GWh, 7,578 GWh and 8,891 GWh for the years ended December 31, 2010, 2009, and 2008 respectively, are a complement to Generation's energy marketing portfolio but represent a small portion of Generation's overall revenue from energy marketing activities. Trading portfolio activity for the year ended December 31, 2010 resulted in pre-tax gains of $27 million due to net mark-to-market gains of $2 million and realized gains of $25 million. Generation uses a 95% confidence interval, one day holding period, one-tailed statistical measure in calculating its VaR. The daily VaR on proprietary trading activity averaged $140,000 of exposure over the last 18 months. Because of the relative size of the proprietary trading portfolio in comparison to Generation's total gross margin from continuing operations for the year ended December 31, 2010 of $6,562 million, Generation has not segregated proprietary trading activity in the following tables.

***Fuel Procurement*.** Generation procures coal and natural gas through long-term and short-term contracts, and spot-market purchases. Nuclear fuel assemblies are obtained primarily through long-term contracts for uranium concentrates, and long-term contracts for conversion services, enrichment services and fuel fabrication services. The supply markets for coal, natural gas, uranium concentrates and certain

nuclear fuel services are subject to price fluctuations and availability restrictions. Supply market conditions may make Generation's procurement contracts subject to credit risk related to the potential non-performance of counterparties to deliver the contracted commodity or service at the contracted prices. Approximately 57% of Generation's uranium concentrate requirements from 2011 through 2015 are supplied by three producers. In the event of non-performance by these or other suppliers, Generation believes that replacement uranium concentrates can be obtained, although at prices that may be unfavorable when compared to the prices under the current supply agreements. Non-performance by these counterparties could have a material impact on Exelon's and Generation's results of operations, cash flows and financial positions. See Note 18 of the Combined Notes to Consolidated Financial Statements for additional information regarding uranium and coal supply agreement matters.

ComEd

The financial swap contract between Generation and ComEd was deemed prudent by the Illinois Settlement Legislation, thereby ensuring that ComEd will be entitled to receive full cost recovery in rates. The change in fair value each period is recorded by ComEd with an offset to a regulatory asset or liability.

The contracts that ComEd has entered into as part of the initial ComEd auction and the RFP contracts are deemed to be derivatives that qualify for the normal purchases and normal sales exception under derivative accounting guidance. ComEd does not enter into derivatives for speculative or trading purposes.

On December 17, 2010, ComEd entered into several 20-year floating-to-fixed energy swap contracts with unaffiliated suppliers regarding the procurement of long-term renewable energy and associated RECs. Delivery under these contracts begins in June 2012. Because ComEd receives full cost recovery for energy procurement and related costs from retail customers, the change in fair value each period is recorded by ComEd as a regulatory asset or liability. See Note 9 of the Combined Notes to Consolidated Financial Statements for additional information regarding derivatives.

PECO

Prior to January 1, 2011, PECO had transferred substantially all of its commodity price risk related to its procurement of electric supply to Generation through a PPA that expired on December 31, 2010. The PPA was not considered a derivative under current authoritative derivative guidance. Pursuant to PECO's PAPUC-approved DSP Program, PECO began to procure electric supply for default service customers in June 2009 for the post-transition period beginning on January 1, 2011 through block contracts and full requirements contracts. PECO's full requirements contracts and block contracts that are considered derivatives qualify for the normal purchases and normal sales exception under current authoritative derivative guidance. Under the DSP Program, PECO is permitted to recover its electricity procurement costs from retail customers without mark-up.

PECO has also entered into derivative natural gas contracts, which qualify for the normal purchases and normal sales exception, to hedge its long-term price risk in the natural gas market. PECO's hedging program for natural gas procurement has no direct impact on its financial position or results of operations as natural gas costs are fully recovered from customers under the PGC.

PECO does not enter into derivatives for speculative or proprietary trading purposes. For additional information on these contracts, see Note 9 of the Combined Notes to Consolidated Financial Statements.

Trading and Non-Trading Marketing Activities. The following detailed presentation of Exelon's, Generation's, ComEd's and PECO's trading and non-trading marketing activities is included to address the recommended disclosures by the energy industry's Committee of Chief Risk Officers (CCRO).

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The following table provides detail on changes in Exelon's, Generation's, ComEd's and PECO's mark-to-market net asset or liability balance sheet position from January 1, 2009 to December 31, 2010. It indicates the drivers behind changes in the balance sheet amounts. This table incorporates the mark-to-market activities that are immediately recorded in earnings as well as the settlements from OCI to earnings and changes in fair value for the hedging activities that are recorded in accumulated OCI on the Consolidated Balance Sheets. This table excludes all normal purchase and normal sales contracts. For additional information on the cash flow hedge gains and losses included within accumulated OCI and the balance sheet classification of the mark-to-market energy contract net assets (liabilities) recorded as of December 31, 2010 and December 31, 2009 refer to Note 9 of the Combined Notes to Consolidated Financial Statements.

	Generation	ComEd	PECO	Intercompany Eliminations (g)	Exelon
Total mark-to-market energy contract net assets (liabilities) at January 1, 2009 (a)	$ 1,363	$ (456)	$—	$ —	$ 907
Total change in fair value during 2009 of contracts recorded in result of operations	137	—	—	—	137
Reclassification to realized at settlement of contracts recorded in results of operations	(24)	—	—	—	(24)
Ineffective portion recognized in income (b)	(15)	—	—	—	(15)
Reclassification to realized at settlement from accumulated OCI (c)	(1,559)	—	—	267	(1,292)
Effective portion of changes in fair value—recorded in OCI (d)	2,052	—	—	(784)	1,268
Changes in fair value—energy derivatives (e)	—	(515)	(4)	517	(2)
Changes in collateral	(194)	—	—	—	(194)
Changes in net option premium paid/(received)	40	—	—	—	40
Other income statement reclassifications (f)	(46)	—	—	—	(46)
Other balance sheet reclassifications	15	—	—	—	15
Total mark-to-market energy contract net assets (liabilities) at December 31, 2009 (a)	$ 1,769	$ (971)	$ (4)	$ —	$ 794
Total change in fair value during 2010 of contracts recorded in result of operations	415	—	—	—	415
Reclassification to realized at settlement of contracts recorded in results of operations	(328)	—	—	—	(328)
Ineffective portion recognized in income (b)	1	—	—	—	1
Reclassification to realized at settlement from accumulated OCI (c)	(1,125)	—	—	371	(754)
Effective portion of changes in fair value—recorded in OCI (d)	883	—	—	(378)	505
Changes in fair value—energy derivatives (e)	—	—	(5)	7	2
Changes in collateral	(4)	—	—	—	(4)
Changes in net option premium paid/(received)	124	—	—	—	124
Other income statement reclassifications (f)	73	—	—	—	73
Other balance sheet reclassifications	(5)	—	—	—	(5)
Total mark-to-market energy contract net assets (liabilities) at December 31, 2010 (a)	$ 1,803	$ (971)	$ (9)	$ —	$ 823

(a) Amounts are shown net of collateral paid to and received from counterparties.
(b) For Generation, includes $1 million and $15 million of changes in cash flow hedge ineffectiveness, of which none was related to Generation's financial swap contract with ComEd or Generation's block contracts with PECO for the years ended December 31, 2010 and 2009, respectively.

(c) For Generation, includes $371 million and $267 million of losses from reclassifications from accumulated OCI to recognize gains in net income related to settlements of the five-year financial swap contract with ComEd for the years ended December 31, 2010 and 2009, respectively.

(d) For Generation, includes $375 million and $782 million of gains related to the changes in fair value of the five-year financial swap with ComEd for the years ended December 31, 2010 and 2009, respectively, and $3 million and $2 million of gains related to the changes in fair value of the block contracts with PECO for the years ended December 31, 2010 and 2009, respectively. The PECO block contracts were designated as normal as of May 31, 2010. As such, there were no effective changes in fair value of PECO's block contracts for the remainder of 2010 as the mark-to-market balances previously recorded will be amortized over the term of the contract.

(e) For ComEd and PECO, the changes in fair value are recorded as a change in regulatory assets or liabilities. As of December 31, 2010 and 2009, ComEd recorded a regulatory asset of $971 million, related to its mark-to-market derivative liabilities. During 2010 and 2009, this includes $375 million and $782 million of increases related to changes in fair value, respectively, and $371 million and $267 million of decreases, respectively, for reclassifications from regulatory asset to recognize cost in purchased power expense due to settlements of ComEd's five-year financial swap with Generation. During 2010 ComEd also recorded a $4 million increase in fair value associated with floating-to-fixed energy swap contracts with unaffiliated suppliers. As of December 31, 2010 and 2009, PECO recorded a regulatory asset of $9 million and $4 million, respectively, related to its mark-to-market derivative liabilities. During December 31, 2010 and 2009, PECO's change in fair value includes $3 million and $2 million related to changes in fair value, respectively, associated with the fair value of PECO's block contracts with Generation. PECO's block contracts were designated as normal sales as of May 31, 2010. As such, there were no changes in fair value of PECO's block contracts with Generation for the remainder of 2010 and the mark-to-market balances previously recorded will be amortized over the term of the contract beginning January 2011.

(f) Includes $73 million and $46 million of amounts reclassified to realized at settlement of contracts recorded to results of operations related to option premiums due to the settlement of the underlying transactions for the years ended December 31, 2010 and 2009, respectively.

(g) Amounts related to the five-year financial swap between Generation and ComEd and the block contracts between Generation and PECO are eliminated in consolidation.

Fair Values

The following tables present maturity and source of fair value of the Registrants mark-to-market energy contract net assets (liabilities). The tables provide two fundamental pieces of information. First, the tables provide the source of fair value used in determining the carrying amount of the Registrants' total mark-to-market net assets (liabilities). Second, the tables show the maturity, by year, of the Registrants' energy contract net assets (liabilities), giving an indication of when these mark-to-market amounts will settle and either generate or require cash. See Note 8 of the Combined Notes to Consolidated Financial Statements for additional information regarding fair value measurements and the fair value hierarchy.

Exelon

	Maturities Within						
	2011	2012	2013	2014	2015	2016 and Beyond	Total Fair Value
Normal Operations, qualifying cash flow hedge contracts [(a)(c)] :							
Prices provided by external sources	$311	$ 98	$ 33	$ 3	$—	$ —	$ 445
Prices based on model or other valuation methods	4	3	3	1	—	—	11
Total	$315	$101	$ 36	$ 4	$—	$ —	$ 456
Normal Operations, other derivative contracts [(b)(c)]:							
Actively quoted prices	$ (1)	$ (1)	$—	$—	$—	$ —	$ (2)
Prices provided by external sources	111	125	60	34	—	—	330
Prices based on model or other valuation methods [(d)]	25	(11)	(1)	(6)	(7)	39	39
Total	$135	$113	$ 59	$ 28	$ (7)	$ 39	$ 367

(a) Mark-to-market gains and losses on contracts that qualify as cash flow hedges are recorded in OCI.
(b) Mark-to-market gains and losses on other non-trading hedge and trading derivative contracts that do not qualify as cash flow hedges are recorded in results of operations.
(c) Amounts are shown net of collateral paid to and received from counterparties and offset against mark-to-market assets and liabilities of $951 million at December 31, 2010.
(d) Includes ComEd's net assets (liabilities) associated with the floating-to-fixed energy swap contracts with unaffiliated suppliers. The floating-to-fixed energy swap contracts are recorded in Other deferred debits and other assets on ComEd's Consolidated Balance Sheets.

Generation

	Maturities Within						
	2011	2012	2013	2014	2015	2016 and Beyond	Total Fair Value
Normal Operations, qualifying cash flow hedge contracts [(a)(c)]*:*							
Prices provided by external sources	$311	$ 98	$ 33	$ 3	$—	$ —	$ 445
Prices based on model or other valuation methods	459	392	139	1	—	—	991
Total	$770	$490	$172	$ 4	$—	$ —	$ 1,436
Normal Operations, other derivative contracts [(b)(c)]*:*							
Actively quoted prices	$ (1)	$ (1)	$—	$—	$—	$ —	$ (2)
Prices provided by external sources	111	125	60	34	—	—	330
Prices based on model or other valuation methods	29	(4)	10	3	1	—	39
Total	$139	$120	$ 70	$ 37	$ 1	$ —	$ 367

(a) Mark-to-market gains and losses on contracts that qualify as cash flow hedges are recorded in OCI. Amounts include a $975 million gain associated with the five-year financial swap with ComEd and $5 million gain related to the fair value of the PECO block contracts.
(b) Mark-to-market gains and losses on other non-trading hedge and trading derivative contracts that do not qualify as cash flow hedges are recorded in results of operations.
(c) Amounts are shown net of collateral paid to and received from counterparties and offset against mark-to-market assets and liabilities of $951 million at December 31, 2010.

ComEd

	Maturities Within						
	2011	2012	2013	2014	2015	2016 and Beyond	Fair Value
Prices based on model or other valuation methods [(a)]	$(450)	$(396)	$(147)	$ (9)	$ (8)	$ 39	$(971)

(a) Represents ComEd's net assets (liabilities) associated with the five-year financial swap with Generation and the floating-to-fixed energy swap contracts with unaffiliated suppliers. The floating-to-fixed energy swap contracts are recorded in Other deferred debits and other assets on ComEd's Consolidated Balance Sheets.

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PECO

	Maturities Within						
	2011	2012	2013	2014	2015	2016 and Beyond	Total Fair Value
Prices based on model or other valuation methods (a)	$ (9)	$—	$—	$—	$—	$ —	$ (9)

(a) Represents PECO's liabilities associated with its block contracts executed under its DSP Program. Includes $5 million related to the fair value of PECO's block contracts with Generation.

Credit Risk, Collateral, and Contingent Related Features (Exelon, Generation, ComEd and PECO)

The Registrants are exposed to credit-related losses in the event of non-performance by counterparties with whom they enter into derivative instruments. The credit exposure of derivative contracts, before collateral and netting, is represented by the fair value of contracts at the reporting date. See Note 9 of the Combined Notes to Consolidated Financial Statements for a detail discussion of credit risk, collateral, and contingent related features.

Generation

The following tables provide information on Generation's credit exposure for all derivative instruments, normal purchase normal sales agreements, and applicable payables and receivables, net of collateral and instruments that are subject to master netting agreements, as of December 31, 2010. The tables further delineate that exposure by credit rating of the counterparties and provide guidance on the concentration of credit risk to individual counterparties and an indication of the duration of a company's credit risk by credit rating of the counterparties. The figures in the tables below do not include credit risk exposure from uranium procurement contracts or exposure through RTOs, ISOs and NYMEX and ICE commodity exchanges, which are discussed below. Additionally, the figures in the tables below do not include exposures with affiliates, including net receivables with ComEd and PECO of $58 million and $248 million, respectively. See Note 21 of the Combined Notes to Consolidated Financial Statements for further information.

Rating as of December 31, 2010	Total Exposure Before Credit Collateral	Credit Collateral	Net Exposure	Number of Counterparties Greater than 10% of Net Exposure	Net Exposure of Counterparties Greater than 10% of Net Exposure
Investment grade	$ 1,495	$ 563	$ 932	1	$ 102
Non-investment grade	9	3	6	—	—
No external ratings					
Internally rated—investment grade	42	5	37	—	—
Internally rated—non-investment grade	1	1	—	—	—
Total	$ 1,547	$ 572	$ 975	1	$ 102

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Rating as of December 31, 2010	Maturity of Credit Risk Exposure: Less than 2 Years	2-5 Years	Exposure Greater than 5 Years	Total Exposure Before Credit Collateral
Investment grade	$ 1,238	$203	$ 54	$ 1,495
Non-investment grade	9	—	—	9
No external ratings				
Internally rated—investment grade	29	11	2	42
Internally rated—non-investment grade	1	—	—	1
Total	$ 1,277	$214	$ 56	$ 1,547

Net Credit Exposure by Type of Counterparty	As of December 31, 2010
Financial institutions	$ 280
Investor-owned utilities, marketers and power producers	515
Other	180
Total	$ 975

ComEd

Credit risk for ComEd is managed by credit and collection policies, which are consistent with state regulatory requirements. ComEd is currently obligated to provide service to all electric customers within its franchised territory. ComEd records a provision for uncollectible accounts, based upon historical experience, to provide for the potential loss from nonpayment by these customers. ComEd will monitor nonpayment from customers and will make any necessary adjustments to the provision for uncollectible accounts. In February 2010, the ICC approved ComEd's tariffs to adjust rates annually through a rider mechanism to reflect increases or decreases in annual uncollectible accounts expense. The Illinois Settlement Legislation prohibits utilities, including ComEd, from terminating electric service to a residential electric space heat customer due to nonpayment between December 1 of any year through March 1 of the following year. ComEd's ability to disconnect non space-heating residential customers is also impacted by certain weather restrictions, at any time of year, under the Illinois Public Utilities Act. ComEd will monitor the impact of its disconnection practices and will make any necessary adjustments to the provision for uncollectible accounts. ComEd did not have any customers representing over 10% of its revenues as of December 31, 2010. See Note 2 of the Combined Notes to Consolidated Financial Statements for additional information regarding ComEd's recently approved tariffs to adjust rates annually through a rider mechanism to reflect increases or decreases in annual uncollectible accounts expense.

ComEd's power procurement contracts provide suppliers with a certain amount of unsecured credit. The credit position is based on forward market prices compared to the benchmark prices. The benchmark prices are the forward prices of energy projected through the contract term and are set at the point of supplier bid submittals. If the forward market price of energy exceeds the benchmark price, the suppliers are required to post collateral for the secured credit portion. The unsecured credit used by the suppliers represents ComEd's credit exposure. As of December 31, 2010, ComEd's credit exposure to energy suppliers was immaterial.

PECO

Credit risk for PECO is managed by credit and collection policies, which are consistent with state regulatory requirements. PECO is currently obligated to provide service to all retail electric customers within its franchised territory. PECO records a provision for uncollectible accounts, primarily based

upon historical experience, to provide for the potential loss from nonpayment by these customers. In accordance with PAPUC regulations, after November 30 and before April 1, an electric distribution utility or natural gas distribution utility shall not terminate service to customers with household incomes at or below 250% of the Federal poverty level. PECO's provision for uncollectible accounts will continue to be affected by changes in prices as well as changes in PAPUC regulations. PECO did not have any customers representing over 10% of its revenues as of December 31, 2010.

PECO's supplier master agreements that govern the terms of its DSP Program contracts, which define a supplier's performance assurance requirements, allow a supplier to meet its credit requirements with a certain amount of unsecured credit. The amount of unsecured credit is determined based on the supplier's lowest credit rating from S&P, Fitch or Moody's and the supplier's tangible net worth. The credit position is based on the initial market price, which is the forward price of energy on the day a transaction is executed, compared to the current forward price curve for energy. If the forward price curve for energy exceeds the initial market price, the supplier is required to post collateral to the extent the credit exposure is greater than the supplier's unsecured credit limit. As of December 31, 2010, PECO's credit exposure to suppliers under its electric procurement contracts was immaterial.

PECO does not obtain collateral from suppliers under its natural gas supply and management agreements. As of December 31, 2010, PECO had credit exposure of $10 million under its natural gas supply and management contracts.

Collateral (Generation, ComEd and PECO)

Generation

As part of the normal course of business, Generation routinely enters into physical or financial contracts for the purchase and sale of electricity, fossil fuel and other commodities. These contracts either contain express provisions or otherwise permit Generation and its counterparties to demand adequate assurance of future performance when there are reasonable grounds for doing so. In accordance with the contracts and applicable law, if Generation is downgraded by a credit rating agency, especially if such downgrade is to a level below investment grade, it is possible that a counterparty would attempt to rely on such a downgrade as a basis for making a demand for adequate assurance of future performance. Depending on Generation's net position with a counterparty, the demand could be for the posting of collateral. In the absence of expressly agreed-to provisions that specify the collateral that must be provided, the obligation to supply the collateral requested will be a function of the facts and circumstances of the situation at the time of the demand. If Generation can reasonably claim that it is willing and financially able to perform its obligations, it may be possible to successfully argue that no collateral should be posted or that only an amount equal to two or three months of future payments should be sufficient. See Note 9 of the Combined Notes to Consolidated Financial Statements for information regarding collateral requirements.

Generation sells output through bilateral contracts. The bilateral contracts are subject to credit risk, which relates to the ability of counterparties to meet their contractual payment obligations. Any failure to collect these payments from counterparties could have a material impact on Exelon's and Generation's results of operations, cash flows and financial position. As market prices rise above contracted price levels, Generation is required to post collateral with purchasers; as market prices fall below contracted price levels, counterparties are required to post collateral with Generation. In order to post collateral, Exelon depends on access to bank credit facilities which serve as liquidity sources to fund collateral requirements. Since the banking industry issues started to surface in mid-2007, credit markets have tightened. Exelon will be required to renew most of its credit facilities in the 2011-2012 timeframe. The cost and availability to renew may be substantially different than when Exelon originally negotiated the existing liquidity facilities.

As of December 31, 2010, Generation was holding $955 million of cash collateral deposits received from counterparties and Generation had sent $3 million of cash collateral to counterparties. Net cash collateral deposits received of $951 million were offset against mark-to-market assets and liabilities. As of December 31, 2010, $1 million of cash collateral received was not offset against net derivative positions because it was not associated with energy-related derivatives. As of December 31, 2009, Generation was holding $965 million of cash collateral deposits received from counterparties and Generation had sent $12 million of cash collateral to counterparties. Net cash collateral deposits received of $947 million were offset mark-to-market assets and liabilities. As of December 31, 2009, $6 million of cash collateral received was not offset against net mark-to-market assets and liabilities. See Note 18 of the Combined Notes to Consolidated Financial Statements for information regarding the letters of credit supporting the cash collateral.

ComEd

As of December 31, 2010, ComEd did not hold any cash or letters of credit for the purpose of collateral from any of the suppliers in association with energy procurement contracts and held approximately $20 million in the form of cash and letters of credit for both annual and long-term renewable energy contracts. See Notes 2 and 9 of the Combined Notes to Consolidated Financial Statements for further information.

PECO

As of December 31, 2010, PECO was not required to post collateral under its energy and natural gas procurement contracts. See Note 9 of the Combined Notes to Consolidated Financial Statements for further information.

RTOs and ISOs (Generation, ComEd and PECO)

Generation, ComEd and PECO participate in all, or some, of the established, real-time energy markets that are administered by PJM, ISO-NE, New York ISO, MISO, Southwest Power Pool, Inc. and the Electric Reliability Council of Texas. In these areas, power is traded through bilateral agreements between buyers and sellers and on the spot markets that are operated by the RTOs or ISOs, as applicable. In areas where there is no spot market, electricity is purchased and sold solely through bilateral agreements. For sales into the spot markets administered by an RTO or ISO, the RTO or ISO maintains financial assurance policies that are established and enforced by those administrators. The credit policies of the RTOs and ISOs may under certain circumstances require that losses arising from the default of one member on spot market transactions be shared by the remaining participants. Non-performance or non-payment by a major counterparty could result in a material adverse impact on the Registrants' results of operations, cash flows and financial positions.

Exchange Traded Transactions (Generation)

Generation enters into commodity transactions on NYMEX and ICE. The NYMEX and ICE clearinghouse act as the counterparty to each trade. Transactions on the NYMEX and ICE must adhere to comprehensive collateral and margining requirements. As a result, transactions on NYMEX and ICE are significantly collateralized and have limited counterparty credit risk.

Long-Term Leases (Exelon)

Exelon's consolidated balance sheets, as of December 31, 2010, included a $629 million net investment in coal-fired plants in Georgia and Texas subject to long-term leases. This investment represents the estimated residual value of leased assets at the end of the respective lease terms of

approximately $1.5 billion, less unearned income of $863 million. The lease agreements provide the lessees with fixed purchase options at the end of the lease terms which are set at prices above the then expected fair market value of the plants. If the lessees do not exercise the fixed purchase options the lessees return the leasehold interests to Exelon and Exelon has the ability to require the lessees to arrange a service contract with a third party for a period following the lease term. In any event, Exelon is subject to residual value risk to the extent the fair value of the assets are less than the residual value. This risk is mitigated by the fair value of the fixed payments under the service contract. The term of the service contract, however, is less than the expected remaining useful life of the plants and, therefore, Exelon's exposure to residual value risk will not be mitigated by payments under the service contract in this remaining period. Lessee performance under the lease agreements is supported by collateral and credit enhancement measures including letters of credit, surety bonds and credit swaps. Management regularly evaluates the creditworthiness of Exelon's counterparties to these long-term leases. Since 2008, the entity providing the credit enhancement for one of the lessees did not meet the credit rating requirements of the lease. Consequently, Exelon has indefinitely extended a waiver and reduction of the rating requirement, which Exelon may terminate by giving 90 days notice to the lessee. Exelon monitors the continuing credit quality of the credit enhancement party.

Exelon performed annual assessments as of July 31, 2010 and 2009 of the estimated fair value of long-term lease investments and concluded that the estimated fair values at the end of the lease terms exceeded the residual values established at the lease dates and recorded as investments on Exelon's balance sheet. Through December 31, 2010, no events have occurred or circumstances have changed that would require any formal reassessment subsequent to the July 2010 review.

Interest-Rate Risk (Exelon, Generation and ComEd)

The Registrants use a combination of fixed-rate and variable-rate debt to manage interest-rate exposure. The Registrants may also use interest rate swaps when deemed appropriate to adjust exposure based upon market conditions. Additionally, the Registrants may use forward-starting interest rate swaps and treasury rate locks to lock in interest-rate levels in anticipation of future financings. These strategies are employed to achieve a lower cost of capital. At December 31, 2010, Exelon had $100 million of notional amounts of fair value hedges outstanding. A hypothetical 10% increase in the interest rates associated with variable-rate debt would result in less than a $1 million decrease in Exelon's, Generation's and ComEd's pre-tax earnings for the year ended December 31, 2010. This calculation holds all other variables constant and assumes only the discussed changes in interest rates.

Equity Price Risk (Exelon and Generation)

Exelon and Generation maintain trust funds, as required by the NRC, to fund certain costs of decommissioning Generation's nuclear plants. As of December 31, 2010, Generation's decommissioning trust funds are reflected at fair value on its Consolidated Balance Sheets. The mix of securities in the trust funds is designed to provide returns to be used to fund decommissioning and to compensate Generation for inflationary increases in decommissioning costs; however, the equity securities in the trust funds are exposed to price fluctuations in equity markets, and the value of fixed-rate, fixed-income securities are exposed to changes in interest rates. Generation actively monitors the investment performance of the trust funds and periodically reviews asset allocation in accordance with Generation's NDT fund investment policy. A hypothetical 10% increase in interest rates and decrease in equity prices would result in a $410 million reduction in the fair value of the trust assets. This calculation holds all other variables constant and assumes only the discussed changes in interest rates and equity prices. See Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, for further discussion of equity price risk as a result of the current capital and credit market conditions.

Generation

General

Generation operates in three segments: Mid-Atlantic, Midwest, and South and West. The operation of all three segments consist of owned and contracted electric generating facilities, wholesale energy marketing operations and competitive retail sales operations. These segments are discussed in further detail in "EXELON CORPORATION—General" of this Form 10-K.

Executive Overview

A discussion of items pertinent to Generation's executive overview is set forth under "EXELON CORPORATION—Executive Overview" of this Form 10-K.

Results of Operations

Year Ended December 31, 2010 Compared To Year Ended December 31, 2009 and Year Ended December 31, 2009 Compared to Year Ended December 31, 2008

A discussion of Generation's results of operations for 2010 compared to 2009 and 2009 compared to 2008 is set forth under "Results of Operations—Generation" in "EXELON CORPORATION—Results of Operations" of this Form 10-K.

Liquidity and Capital Resources

Generation's business is capital intensive and requires considerable capital resources. Generation's capital resources are primarily provided by internally generated cash flows from operations and, to the extent necessary, external financing, including the issuance of long-term debt, commercial paper, participation in the intercompany money pool or capital contributions from Exelon. Generation's access to external financing at reasonable terms is dependent on its credit ratings and general business conditions, as well as that of the utility industry in general. If these conditions deteriorate to where Generation no longer has access to the capital markets at reasonable terms, Generation has access to revolving credit facilities of $4.8 billion that Generation currently utilizes to support its commercial paper program and to issue letters of credit. Generation anticipates refinancing this facility during the first half of 2011.

See the "EXELON CORPORATION—Liquidity and Capital Resources" and Note 10 of the Combined Notes to Consolidated Financial Statements of this Form 10-K for further discussion.

Capital resources are used primarily to fund Generation's capital requirements, including construction, retirement of debt, the payment of distributions to Exelon, contributions to Exelon's pension plans and investments in new and existing ventures. Future acquisitions could require external financing or borrowings or capital contributions from Exelon.

Cash Flows from Operating Activities

A discussion of items pertinent to Generation's cash flows from operating activities is set forth under "Cash Flows from Operating Activities" in "EXELON CORPORATION—Liquidity and Capital Resources" of this Form 10-K.

Cash Flows from Investing Activities

A discussion of items pertinent to Generation's cash flows from investing activities is set forth under "Cash Flows from Investing Activities" in "EXELON CORPORATION—Liquidity and Capital Resources" of this Form 10-K.

Cash Flows from Financing Activities

A discussion of items pertinent to Generation's cash flows from financing activities is set forth under "Cash Flows from Financing Activities" in "EXELON CORPORATION—Liquidity and Capital Resources" of this Form 10-K.

Credit Matters

A discussion of credit matters pertinent to Generation is set forth under "Credit Matters" in "EXELON CORPORATION—Liquidity and Capital Resources" of this Form 10-K.

Contractual Obligations and Off-Balance Sheet Arrangements

A discussion of Generation's contractual obligations, commercial commitments and off-balance sheet arrangements is set forth under "Contractual Obligations and Off-Balance Sheet Arrangements" in "EXELON CORPORATION—Liquidity and Capital Resources" of this Form 10-K.

Critical Accounting Policies and Estimates

See Exelon, Generation, ComEd and PECO—Critical Accounting Policies and Estimates above for a discussion of Generation's critical accounting policies and estimates.

New Accounting Pronouncements

See Note 1 of the Combined Notes to Consolidated Financial Statements for information regarding new accounting pronouncements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Generation

Generation is exposed to market risks associated with commodity price, credit, interest rates and equity price. These risks are described above under "Quantitative and Qualitative Disclosures about Market Risk—Exelon."

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

ComEd

General

ComEd operates in a single business segment and its operations consist of the purchase and regulated retail sale of electricity and the provision of distribution and transmission services to retail customers in northern Illinois, including the City of Chicago.

Executive Overview

A discussion of items pertinent to ComEd's executive overview is set forth under "EXELON CORPORATION—Executive Overview" of this Form 10-K.

Results of Operations

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009 and Year Ended December 31, 2009 Compared to Year Ended December 31, 2008

A discussion of ComEd's results of operations for 2010 compared to 2009 and for 2009 compared to 2008 is set forth under "Results of Operations—ComEd" in "EXELON CORPORATION—Results of Operations" of this Form 10-K.

Liquidity and Capital Resources

ComEd's business is capital intensive and requires considerable capital resources. ComEd's capital resources are primarily provided by internally generated cash flows from operations and, to the extent necessary, external financing, including the issuance of long-term debt, commercial paper or credit facility borrowings. ComEd's access to external financing at reasonable terms is dependent on its credit ratings and general business conditions, as well as that of the utility industry in general. At December 31, 2010, ComEd had access to a revolving credit facility with aggregate bank commitments of $1 billion. See the "Credit Matters" section of "Liquidity and Capital Resources" for additional discussion.

See the "EXELON CORPORATION—Liquidity and Capital Resources" and Note 10 of the Combined Notes to Consolidated Financial Statements of this Form 10-K for further discussion.

Capital resources are used primarily to fund ComEd's capital requirements, including construction, retirement of debt, and contributions to Exelon's pension plans. Additionally, ComEd operates in rate-regulated environments in which the amount of new investment recovery may be limited and where such recovery takes place over an extended period of time.

Cash Flows from Operating Activities

A discussion of items pertinent to ComEd's cash flows from operating activities is set forth under "Cash Flows from Operating Activities" in "EXELON CORPORATION—Liquidity and Capital Resources" of this Form 10-K.

Cash Flows from Investing Activities

A discussion of items pertinent to ComEd's cash flows from investing activities is set forth under "Cash Flows from Investing Activities" in "EXELON CORPORATION—Liquidity and Capital Resources" of this Form 10-K.

Cash Flows from Financing Activities

A discussion of items pertinent to ComEd's cash flows from financing activities is set forth under "Cash Flows from Financing Activities" in "EXELON CORPORATION—Liquidity and Capital Resources" of this Form 10-K.

Credit Matters

A discussion of credit matters pertinent to ComEd is set forth under "Credit Matters" in "EXELON CORPORATION—Liquidity and Capital Resources" of this Form 10-K.

Contractual Obligations and Off-Balance Sheet Arrangements

A discussion of ComEd's contractual obligations, commercial commitments and off-balance sheet arrangements is set forth under "Contractual Obligations and Off-Balance Sheet Arrangements" in "EXELON CORPORATION—Liquidity and Capital Resources" of this Form 10-K.

Critical Accounting Policies and Estimates

See Exelon, Generation, ComEd and PECO—Critical Accounting Policies and Estimates above for a discussion of ComEd's critical accounting policies and estimates.

New Accounting Pronouncements

See Note 1 of the Combined Notes to Consolidated Financial Statements for information regarding new accounting pronouncements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

ComEd

ComEd is exposed to market risks associated with commodity price, credit and interest rates. These risks are described above under "Quantitative and Qualitative Disclosures about Market Risk— Exelon."

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

PECO

General

PECO operates in two business segments that are aggregated into one reportable segment, and its operations consist of the purchase and regulated retail sale of electricity and the provision of distribution and transmission services in southeastern Pennsylvania including the City of Philadelphia, and the purchase and regulated retail sale of natural gas and the provision of distribution service in Pennsylvania in the counties surrounding the City of Philadelphia.

Executive Overview

A discussion of items pertinent to PECO's executive overview is set forth under "EXELON CORPORATION—Executive Overview" of this Form 10-K.

Results of Operations

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009 and Year Ended December 31, 2009 Compared to Year Ended December 31, 2008

A discussion of PECO's results of operations for 2010 compared to 2009 and for 2009 compared to 2008 is set forth under "Results of Operations—PECO" in "EXELON CORPORATION—Results of Operations" of this Form 10-K.

Liquidity and Capital Resources

PECO's business is capital intensive and requires considerable capital resources. PECO's capital resources are primarily provided by internally generated cash flows from operations and, to the extent necessary, external financing, including the issuance of long-term debt, commercial paper or participation in the intercompany money pool. PECO's access to external financing at reasonable terms is dependent on its credit ratings and general business conditions, as well as that of the utility industry in general. If these conditions deteriorate to where PECO no longer has access to the capital markets at reasonable terms, PECO has access to a revolving credit facility. At December 31, 2010, PECO had access to a revolving credit facility with aggregate bank commitments of $574 million. PECO anticipates refinancing this facility during the first half of 2011. See the "Credit Matters" section of "Liquidity and Capital Resources" for additional discussion.

Capital resources are used primarily to fund PECO's capital requirements, including construction, retirement of debt, the payment of dividends and contributions to Exelon's pension plans. Additionally, PECO operates in a rate-regulated environment in which the amount of new investment recovery may be limited and where such recovery takes place over an extended period of time.

Cash Flows from Operating Activities

A discussion of items pertinent to PECO's cash flows from operating activities is set forth under "Cash Flows from Operating Activities" in "EXELON CORPORATION—Liquidity and Capital Resources" of this Form 10-K.

Cash Flows from Investing Activities

A discussion of items pertinent to PECO's cash flows from investing activities is set forth under "Cash Flows from Investing Activities" in "EXELON CORPORATION—Liquidity and Capital Resources" of this Form 10-K.

Cash Flows from Financing Activities

A discussion of items pertinent to PECO's cash flows from financing activities is set forth under "Cash Flows from Financing Activities" in "EXELON CORPORATION—Liquidity and Capital Resources" of this Form 10-K.

Credit Matters

A discussion of credit matters pertinent to PECO is set forth under "Credit Matters" in "EXELON CORPORATION—Liquidity and Capital Resources" of this Form 10-K.

Contractual Obligations and Off-Balance Sheet Arrangements

A discussion of PECO's contractual obligations, commercial commitments and off-balance sheet arrangements is set forth under "Contractual Obligations and Off-Balance Sheet Arrangements" in "EXELON CORPORATION—Liquidity and Capital Resources" of this Form 10-K.

Critical Accounting Policies and Estimates

See Exelon, Generation, ComEd and PECO—Critical Accounting Policies and Estimates above for a discussion of PECO's critical accounting policies and estimates.

New Accounting Pronouncements

See Note 1 of the Combined Notes to Consolidated Financial Statements for information regarding new accounting pronouncements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

PECO

PECO is exposed to market risks associated with credit and interest rates. These risks are described above under "Quantitative and Qualitative Disclosures about Market Risk—Exelon."

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Management's Report on Internal Control Over Financial Reporting

The management of Exelon Corporation (Exelon) is responsible for establishing and maintaining adequate internal control over financial reporting. Exelon's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Exelon's management conducted an assessment of the effectiveness of Exelon's internal control over financial reporting as of December 31, 2010. In making this assessment, management used the criteria in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, Exelon's management concluded that, as of December 31, 2010, Exelon's internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2010, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

February 10, 2011

Management's Report on Internal Control Over Financial Reporting

The management of Exelon Generation Company, LLC (Generation) is responsible for establishing and maintaining adequate internal control over financial reporting. Generation's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Generation's management conducted an assessment of the effectiveness of Generation's internal control over financial reporting as of December 31, 2010. In making this assessment, management used the criteria in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, Generation's management concluded that, as of December 31, 2010, Generation's internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2010, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

February 10, 2011

Management's Report on Internal Control Over Financial Reporting

The management of Commonwealth Edison Company (ComEd) is responsible for establishing and maintaining adequate internal control over financial reporting. ComEd's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ComEd's management conducted an assessment of the effectiveness of ComEd's internal control over financial reporting as of December 31, 2010. In making this assessment, management used the criteria in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, ComEd's management concluded that, as of December 31, 2010, ComEd's internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2010, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

February 10, 2011

Management's Report on Internal Control Over Financial Reporting

The management of PECO Energy Company (PECO) is responsible for establishing and maintaining adequate internal control over financial reporting. PECO's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PECO's management conducted an assessment of the effectiveness of PECO's internal control over financial reporting as of December 31, 2010. In making this assessment, management used the criteria in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, PECO's management concluded that, as of December 31, 2010, PECO's internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2010, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

February 10, 2011

Report of Independent Registered Public Accounting Firm

To The Shareholders and the Board of Directors of Exelon Corporation:

In our opinion, the consolidated financial statements listed in the accompanying index appearing under Item 15(a)(1)(i) present fairly, in all material respects, the financial position of Exelon Corporation and its subsidiaries at December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the accompanying index appearing under item 15(a)(1)(ii) present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedules, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express opinions on these financial statements, on the financial statement schedules, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included 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. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP
Chicago, Illinois
February 10, 2011

Report of Independent Registered Public Accounting Firm

To the Member and the Board of Directors of Exelon Generation Company, LLC:

In our opinion, the consolidated financial statements listed in the accompanying index appearing under Item 15(a)(2)(i) present fairly, in all material respects, the financial position of Exelon Generation Company, LLC and its subsidiaries (Generation) at December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010 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 accompanying index appearing under item 15(a)(2)(ii) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included 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. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP
Chicago, Illinois
February 10, 2011

Report of Independent Registered Public Accounting Firm

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

In our opinion, the consolidated financial statements listed in the accompanying index appearing under Item 15(a)(3)(i) present fairly, in all material respects, the financial position of Commonwealth Edison Company and its subsidiaries (ComEd) at December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010 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 accompanying index appearing under item 15(a)(3)(ii) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included 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. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP
Chicago, Illinois
February 10, 2011

Report of Independent Registered Public Accounting Firm

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

In our opinion, the consolidated financial statements listed in the accompanying index appearing under Item 15(a)(4)(i) present fairly, in all material respects, the financial position of PECO Energy Company and its subsidiaries (PECO) at December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010 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 accompanying index appearing under item 15(a)(4)(ii) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included 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. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP
Chicago, Illinois
February 10, 2011

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Exelon Corporation and Subsidiary Companies

Consolidated Statements of Operations and Comprehensive Income

(In millions, except per share data)	For the Years Ended December 31, 2010	2009	2008
Operating revenues	$18,644	$17,318	$18,859
Operating expenses			
Purchased power	4,425	3,215	4,270
Fuel	2,010	2,066	2,312
Operating and maintenance	4,453	4,612	4,538
Operating and maintenance for regulatory required programs	147	63	28
Depreciation and amortization	2,075	1,834	1,634
Taxes other than income	808	778	778
Total operating expenses	13,918	12,568	13,560
Operating income	4,726	4,750	5,299
Other income and deductions			
Interest expense, net	(792)	(654)	(699)
Interest expense to affiliates, net	(25)	(77)	(133)
Loss in equity method investments	—	(27)	(26)
Other, net	312	427	(407)
Total other income and deductions	(505)	(331)	(1,265)
Income from continuing operations before income taxes	4,221	4,419	4,034
Income taxes	1,658	1,712	1,317
Income from continuing operations	2,563	2,707	2,717
Discontinued operations			
Loss from discontinued operations, net of taxes of $0, $0 and $1, respectively	—	—	(1)
Gain on disposal of discontinued operations, net of taxes of $0, $0 and $14, respectively	—	—	21
Income from discontinued operations, net	—	—	20
Net income	2,563	2,707	2,737
Other comprehensive income (loss)			
Pension and non-pension postretirement benefit plans:			
Prior service benefit reclassified to periodic costs, net of taxes of $(7), $(6) and $(6). respectively	(11)	(13)	(9)
Actuarial loss reclassified to periodic cost, net of taxes of $79, $74 and $52, respectively	114	93	60
Transition obligation reclassified to periodic cost, net of taxes of $2, $2 and $2, respectively	3	3	3
Pension and non-pension postretirement benefit plan valuation adjustment, net of taxes of $(188), $47 and $(959), respectively	(288)	86	(1,459)
Change in unrealized gain (loss) on cash flow hedges, net of taxes of $(107), $(2) and $563, respectively	(151)	(12)	855
Change in unrealized gain (loss) on marketable securities, net of taxes of $0, $3 and $(6), respectively	(1)	5	(7)
Other comprehensive income (loss)	(334)	162	(557)
Comprehensive income	$ 2,229	$ 2,869	$ 2,180
Average shares of common stock outstanding:			
Basic	661	659	658
Diluted	663	662	662
Earnings per average common share—basic:			
Income from continuing operations	$ 3.88	$ 4.10	$ 4.13
Income from discontinued operations	—	—	0.03
Net income	$ 3.88	$ 4.10	$ 4.16
Earnings per average common share—diluted:			
Income from continuing operations	$ 3.87	$ 4.09	$ 4.10
Income from discontinued operations	—	—	0.03
Net income	$ 3.87	$ 4.09	$ 4.13
Dividends per common share	$ 2.10	$ 2.10	$ 2.03

See the Combined Notes to Consolidated Financial Statements

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Exelon Corporation and Subsidiary Companies
Consolidated Statements of Cash Flows

(In millions)	For the Years Ended December 31, 2010	2009	2008
Cash flows from operating activities			
Net income	$ 2,563	$ 2,707	$ 2,737
Adjustments to reconcile net income to net cash flows provided by operating activities:			
Depreciation, amortization and accretion, including nuclear fuel amortization	2,943	2,601	2,308
Impairment of long-lived assets	—	223	—
Deferred income taxes and amortization of investment tax credits	981	756	374
Net fair value changes related to derivatives	(88)	(95)	(515)
Net realized and unrealized (gains) losses on nuclear decommissioning trust fund investments	(105)	(207)	363
Other non-cash operating activities	609	652	870
Changes in assets and liabilities:			
Accounts receivable	(232)	234	67
Inventories	(62)	51	(109)
Accounts payable, accrued expenses and other current liabilities	472	(254)	(44)
Option premiums paid, net	(124)	(40)	(124)
Counterparty collateral received (posted), net	(155)	196	1,027
Income taxes	(543)	(29)	(38)
Pension and non-pension postretirement benefit contributions	(959)	(588)	(230)
Other assets and liabilities	(56)	(113)	(135)
Net cash flows provided by operating activities	5,244	6,094	6,551
Cash flows from investing activities			
Capital expenditures	(3,326)	(3,273)	(3,117)
Proceeds from nuclear decommissioning trust fund sales	3,764	4,292	10,657
Investment in nuclear decommissioning trust funds	(3,907)	(4,531)	(10,942)
Acquisition of Exelon Wind	(893)	—	—
Proceeds from sales of investments	28	41	—
Purchases of investments	(22)	(28)	—
Change in restricted cash	423	35	29
Other investing activities	39	6	(5)
Net cash flows used in investing activities	(3,894)	(3,458)	(3,378)
Cash flows from financing activities			
Changes in short-term debt	(155)	(56)	(405)
Issuance of long-term debt	1,398	1,987	2,265
Retirement of long-term debt	(828)	(1,773)	(1,398)
Retirement of long-term debt of variable interest entity	(806)	—	—
Retirement of long-term debt to financing affiliates	—	(709)	(1,038)
Dividends paid on common stock	(1,389)	(1,385)	(1,335)
Proceeds from employee stock plans	48	42	130
Purchase of treasury stock	—	—	(436)
Purchase of forward contract in relation to certain treasury stock	—	—	(64)
Other financing activities	(16)	(3)	68
Net cash flows used in financing activities	(1,748)	(1,897)	(2,213)
Increase (decrease) in cash and cash equivalents	(398)	739	960
Cash and cash equivalents at beginning of period	2,010	1,271	311
Cash and cash equivalents at end of period	$ 1,612	$ 2,010	$ 1,271

See the Combined Notes to Consolidated Financial Statements

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Exelon Corporation and Subsidiary Companies
Consolidated Balance Sheets

(In millions)	December 31, 2010	December 31, 2009
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,612	$ 2,010
Restricted cash and investments	30	40
Accounts receivable, net		
Customer ($346 gross accounts receivable pledged as collateral as of December 31, 2010)	1,932	1,563
Other	1,196	486
Mark-to-market derivative assets	487	376
Inventories, net		
Fossil fuel	216	198
Materials and supplies	590	559
Other	335	209
Total current assets	6,398	5,441
Property, plant and equipment, net	29,941	27,341
Deferred debits and other assets		
Regulatory assets	4,140	4,872
Nuclear decommissioning trust funds	6,408	6,669
Investments	717	704
Investments in affiliates	15	20
Goodwill	2,625	2,625
Mark-to-market derivative assets	409	649
Pledged assets for Zion Station decommissioning	824	—
Other	763	859
Total deferred debits and other assets	15,901	16,398
Total assets	$52,240	$49,180

See the Combined Notes to Consolidated Financial Statements

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Exelon Corporation and Subsidiary Companies
Consolidated Balance Sheets

(In millions)	December 31, 2010	December 31, 2009
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term borrowings	$ —	$ 155
Short-term notes payable—accounts receivable agreement	225	—
Long-term debt due within one year	599	639
Long-term debt to PECO Energy Transition Trust due within one year	—	415
Accounts payable	1,373	1,345
Mark-to-market derivative liabilities	38	198
Accrued expenses	1,040	923
Deferred income taxes	85	152
Other	880	411
Total current liabilities	4,240	4,238
Long-term debt	11,614	10,995
Long-term debt to other financing trusts	390	390
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	6,621	5,750
Asset retirement obligations	3,494	3,434
Pension obligations	3,658	3,625
Non-pension postretirement benefit obligations	2,218	2,180
Spent nuclear fuel obligation	1,018	1,017
Regulatory liabilities	3,555	3,492
Mark-to-market derivative liabilities	21	23
Payable for Zion Station decommissioning	659	—
Other	1,102	1,309
Total deferred credits and other liabilities	22,346	20,830
Total liabilities	38,590	36,453
Commitments and contingencies		
Preferred securities of subsidiary	87	87
Shareholders' equity		
Common stock (No par value, 2,000 shares authorized, 662 and 660 shares outstanding at December 31, 2010 and December 31, 2009, respectively)	9,006	8,923
Treasury stock, at cost (35 shares held at December 31, 2010 and December 31, 2009, respectively)	(2,327)	(2,328)
Retained earnings	9,304	8,134
Accumulated other comprehensive loss, net	(2,423)	(2,089)
Total shareholders' equity	13,560	12,640
Noncontrolling interest	3	—
Total equity	13,563	12,640
Total liabilities and shareholders' equity	$52,240	$49,180

See the Combined Notes to Consolidated Financial Statements

Exelon Corporation and Subsidiary Companies

Consolidated Statements of Changes in Shareholders' Equity

(In millions, shares in thousands)	Issued Shares	Common Stock	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Shareholders' Equity
Balance, December 31, 2007	689,183	$ 8,579	$(1,838)	$ 4,930	$ (1,534)	$ —	$ 10,137
Net income	—	—	—	2,737	—	—	2,737
Long-term incentive plan activity	3,452	217	—	—	—	—	217
Employee stock purchase plan issuances	318	19	—	—	—	—	19
Common stock purchases	—	1	(500)	—	—	—	(499)
Common stock dividends	—	—	—	(1,007)	—	—	(1,007)
Adoption of the fair value option for financial assets and liabilities, net of income taxes of $286	—	—	—	160	(160)	—	—
Other comprehensive loss, net of income taxes of $(290)	—	—	—	—	(557)	—	(557)
Balance, December 31, 2008	692,953	$ 8,816	$(2,338)	$ 6,820	$ (2,251)	$ —	$ 11,047
Net income	—	—	—	2,707	—	—	2,707
Long-term incentive plan activity	1,088	85	10	(5)	—	—	90
Employee stock purchase plan issuances	524	22	—	—	—	—	22
Common stock dividends	—	—	—	(1,388)	—	—	(1,388)
Other comprehensive income, net of income taxes of $119	—	—	—	—	162	—	162
Balance, December 31, 2009	694,565	$ 8,923	$(2,328)	$ 8,134	$ (2,089)	$ —	$ 12,640
Net income	—	—	—	2,563	—	—	2,563
Long-term incentive plan activity	1,380	60	1	(1)	—	—	60
Employee stock purchase plan issuances	644	23	—	—	—	—	23
Common stock dividends	—	—	—	(1,392)	—	—	(1,392)
Acquisition of Exelon Wind	—	—	—	—	—	3	3
Other comprehensive loss, net of income taxes of $(221)	—	—	—	—	(334)	—	(334)
Balance, December 31, 2010	696,589	$ 9,006	$(2,327)	$ 9,304	$ (2,423)	$ 3	$ 13,563

See the Combined Notes to Consolidated Financial Statements

Exelon Generation Company, LLC and Subsidiary Companies
Consolidated Statements of Operations and Comprehensive Income

(In millions)	For the Years Ended December 31, 2010	2009	2008
Operating revenues			
Operating revenues	$ 6,923	$6,231	$ 7,168
Operating revenues from affiliates	3,102	3,472	3,586
Total operating revenues	10,025	9,703	10,754
Operating expenses			
Purchased power	1,853	1,338	1,867
Fuel	1,610	1,594	1,705
Operating and maintenance	2,521	2,632	2,432
Operating and maintenance from affiliates	291	306	285
Depreciation and amortization	474	333	274
Taxes other than income	230	205	197
Total operating expenses	6,979	6,408	6,760
Operating income	3,046	3,295	3,994
Other income and deductions			
Interest expense	(153)	(113)	(136)
Loss in equity method investments	—	(3)	(1)
Other, net	257	376	(469)
Total other income and deductions	104	260	(606)
Income from continuing operations before income taxes	3,150	3,555	3,388
Income taxes	1,178	1,433	1,130
Income from continuing operations	1,972	2,122	2,258
Discontinued operations			
Gain on disposal of discontinued operations, net of income taxes of $0, $0 and $15, respectively	—	—	20
Income from discontinued operations, net	—	—	20
Net income	1,972	2,122	2,278
Other comprehensive income (loss)			
Pension and non-pension postretirement benefit plans:			
Pension and non-pension postretirement benefit plan valuation adjustment, net of income taxes of $0, $0 and $(18), respectively	—	—	(27)
Change in unrealized gain (loss) on cash flow hedges, net of income taxes of $(102), $199 and $926, respectively	(144)	302	1,403
Other comprehensive income (loss)	(144)	302	1,376
Comprehensive income	$ 1,828	$2,424	$ 3,654

See the Combined Notes to Consolidated Financial Statements

Exelon Generation Company, LLC and Subsidiary Companies

Consolidated Statements of Cash Flows

(In millions)	For the Years Ended December 31, 2010	2009	2008
Cash flows from operating activities			
Net income	$ 1,972	$ 2,122	$ 2,278
Adjustments to reconcile net income to net cash flows provided by operating activities:			
Depreciation, amortization and accretion, including nuclear fuel amortization	1,341	1,098	947
Impairment of long-lived assets	—	223	—
Deferred income taxes and amortization of investment tax credits	741	671	327
Net fair value changes related to derivatives	(88)	(95)	(515)
Net realized and unrealized (gains) losses on nuclear decommissioning trust fund investments	(105)	(207)	363
Other non-cash operating activities	182	104	332
Changes in assets and liabilities:			
Accounts receivable	—	172	79
Receivables from and payables to affiliates, net	(5)	(54)	(51)
Inventories	(70)	(29)	(60)
Accounts payable, accrued expenses and other current liabilities	(18)	(43)	(91)
Option premiums paid, net	(124)	(40)	(124)
Counterparty collateral (posted) received, net	(1)	195	1,029
Income taxes	(303)	79	115
Pension and non-pension postretirement benefit contributions	(445)	(265)	(103)
Other assets and liabilities	(45)	(1)	(81)
Net cash flows provided by operating activities	3,032	3,930	4,445
Cash flows from investing activities			
Capital expenditures	(1,883)	(1,977)	(1,699)
Proceeds from nuclear decommissioning trust fund sales	3,764	4,292	10,657
Investment in nuclear decommissioning trust funds	(3,907)	(4,531)	(10,942)
Acquisition of Exelon Wind	(893)	—	—
Change in restricted cash	4	17	25
Other investing activities	19	(21)	(8)
Net cash flows used in investing activities	(2,896)	(2,220)	(1,967)
Cash flows from financing activities			
Issuance of long-term debt	898	1,546	—
Retirement of long-term debt	(215)	(1,065)	(13)
Distribution to member	(1,508)	(2,276)	(1,545)
Contribution from member	62	57	86
Other financing activities	(16)	(8)	2
Net cash flows used in financing activities	(779)	(1,746)	(1,470)
Increase (decrease) in cash and cash equivalents	(643)	(36)	1,008
Cash and cash equivalents at beginning of period	1,099	1,135	127
Cash and cash equivalents at end of period	$ 456	$ 1,099	$ 1,135

See the Combined Notes to Consolidated Financial Statements

Exelon Generation Company, LLC and Subsidiary Companies
Consolidated Balance Sheets

(In millions)	December 31, 2010	December 31, 2009
ASSETS		
Current assets		
Cash and cash equivalents	$ 456	$ 1,099
Restricted cash and cash equivalents	1	5
Accounts receivable, net		
Customer	469	495
Other	161	112
Mark-to-market derivative assets	487	376
Mark-to-market derivative assets with affiliate	455	302
Receivables from affiliates	306	297
Inventories, net		
Fossil fuel	129	102
Materials and supplies	500	470
Other	123	102
Total current assets	3,087	3,360
Property, plant and equipment, net	11,662	9,809
Deferred debits and other assets		
Nuclear decommissioning trust funds	6,408	6,669
Investments	35	46
Receivable from affiliate	1	1
Mark-to-market derivative assets	391	639
Mark-to-market derivative assets with affiliate	525	671
Prepaid pension asset	1,236	1,027
Pledged assets for Zion Station decommissioning	824	—
Other	365	184
Total deferred debits and other assets	9,785	9,237
Total assets	$24,534	$22,406

See the Combined Notes to Consolidated Financial Statements

Exelon Generation Company, LLC and Subsidiary Companies
Consolidated Balance Sheets

(In millions)	December 31, 2010	December 31, 2009
LIABILITIES AND EQUITY		
Current liabilities		
Long-term debt due within one year	$ 3	$ 26
Accounts payable	749	826
Accrued expenses	391	670
Payables to affiliates	47	80
Deferred income taxes	427	399
Mark-to-market derivative liabilities	34	198
Other	192	63
Total current liabilities	1,843	2,262
Long-term debt	3,676	2,967
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	3,318	2,707
Asset retirement obligations	3,357	3,316
Non-pension postretirement benefit obligations	692	659
Spent nuclear fuel obligation	1,018	1,017
Payables to affiliates	2,267	2,228
Mark-to-market derivative liabilities	21	21
Payable for Zion Station decommissioning	659	—
Other	506	437
Total deferred credits and other liabilities	11,838	10,385
Total liabilities	17,357	15,614
Commitments and contingencies		
Equity		
Member's equity		
Membership interest	3,526	3,464
Undistributed earnings	2,633	2,169
Accumulated other comprehensive income, net	1,013	1,157
Total member's equity	7,172	6,790
Noncontrolling interest	5	2
Total equity	7,177	6,792
Total liabilities and equity	$24,534	$22,406

See the Combined Notes to Consolidated Financial Statements

Exelon Generation Company, LLC and Subsidiary Companies
Consolidated Statements of Changes in Member's Equity

(In millions)	Member's Equity: Membership Interest	Member's Equity: Undistributed Earnings	Member's Equity: Accumulated Other Comprehensive Income	Noncontrolling Interest	Total Equity
Balance, December 31, 2007	$ 3,321	$ 1,429	$ (381)	$ 1	$ 4,370
Net Income	—	2,278	—	—	2,278
Distribution to member	—	(1,545)	—	—	(1,545)
Allocation of tax benefit from member	86	—	—	—	86
Adoption of the fair value option for financial assets and liabilities, net of income taxes of $286	—	160	(160)	—	—
Adjustment of the adoption of accounting for uncertain tax positions	—	1	—	—	1
Other comprehensive income, net of income taxes of $908	—	—	1,376	—	1,376
Balance, December 31, 2008	$ 3,407	$ 2,323	$ 835	$ 1	$ 6,566
Net Income	—	2,122	—	—	2,122
Distribution to member	—	(2,276)	—	—	(2,276)
Allocation of tax benefit from member	57	—	—	—	57
Transfer of AmerGen pension and non-pension postretirement benefit plans to Exelon, net of income taxes of $17	—	—	20	—	20
Other comprehensive income, net of income taxes of $199	—	—	302	—	302
Noncontrolling interest in income of consolidated entity	—	—	—	1	1
Balance, December 31, 2009	$ 3,464	$ 2,169	$ 1,157	$ 2	$ 6,792
Net income	—	1,972	—	—	1,972
Distribution to member	—	(1,508)	—	—	(1,508)
Allocation of tax benefit from member	62	—	—	—	62
Acquisition of Exelon Wind	—	—	—	3	3
Other comprehensive loss, net of income taxes of $(102)	—	—	(144)	—	(144)
Balance, December 31, 2010	$ 3,526	$ 2,633	$ 1,013	$ 5	$ 7,177

See the Combined Notes to Consolidated Financial Statements

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Commonwealth Edison Company and Subsidiary Companies

Consolidated Statements of Operations and Comprehensive Income

(in millions)	For the Years Ended December 31, 2010	2009	2008
Operating revenues			
Operating revenues	$6,202	$5,772	$6,129
Operating revenues from affiliates	2	2	7
Total operating revenues	6,204	5,774	6,136
Operating expenses			
Purchased power	2,297	1,609	2,077
Purchased power from affiliate	1,010	1,456	1,505
Operating and maintenance	823	863	929
Operating and maintenance from affiliate	152	165	168
Operating and maintenance for regulatory required programs	94	63	28
Depreciation and amortization	516	494	464
Taxes other than income	256	281	298
Total operating expenses	5,148	4,931	5,469
Operating income	1,056	843	667
Other income and deductions			
Interest expense	(373)	(306)	(327)
Interest expense to affiliates, net	(13)	(13)	(21)
Loss in equity method investments	—	—	(8)
Other, net	24	79	18
Total other income and deductions	(362)	(240)	(338)
Income before income taxes	694	603	329
Income taxes	357	229	128
Net income	337	374	201
Other comprehensive income			
Change in unrealized gain (loss) on marketable securities, net of income taxes of $0, $3 and $(4), respectively	(1)	5	(6)
Other comprehensive income (loss)	(1)	5	(6)
Comprehensive income	$ 336	$ 379	$ 195

See the Combined Notes to Consolidated Financial Statements

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Commonwealth Edison Company and Subsidiary Companies
Consolidated Statements of Cash Flows

(In millions)	For the Years Ended December 31, 2010	2009	2008
Cash flows from operating activities			
Net income	$ 337	$ 374	$ 201
Adjustments to reconcile net income to net cash flows provided by operating activities:			
Depreciation, amortization and accretion	517	495	465
Deferred income taxes and amortization of investment tax credits	582	265	258
Other non-cash operating activities	238	309	264
Changes in assets and liabilities:			
Accounts receivable	(46)	29	(133)
Receivables from and payables to affiliates, net	(55)	(27)	112
Inventories	(1)	4	(4)
Accounts payable, accrued expenses and other current liabilities	342	(48)	43
Counterparty collateral (posted) received, net	(154)	1	(2)
Income taxes	(233)	(105)	(95)
Pension and non-pension postretirement benefit contributions	(317)	(214)	(55)
Other assets and liabilities	(133)	(63)	25
Net cash flows provided by operating activities	1,077	1,020	1,079
Cash flows from investing activities			
Capital expenditures	(962)	(854)	(953)
Proceeds from sales of investments	28	41	—
Purchases of investments	(22)	(28)	—
Other investing activities	17	20	(5)
Net cash flows used in investing activities	(939)	(821)	(958)
Cash flows from financing activities			
Changes in short-term debt	(155)	95	(310)
Issuance of long-term debt	500	191	1,324
Retirement of long-term debt	(213)	(208)	(760)
Retirement of long-term debt to financing affiliates	—	—	(429)
Contributions from parent	2	8	14
Dividends paid on common stock	(310)	(240)	—
Other financing activities	(3)	(1)	—
Net cash flows used in financing activities	(179)	(155)	(161)
Increase (decrease) in cash and cash equivalents	(41)	44	(40)
Cash and cash equivalents at beginning of period	91	47	87
Cash and cash equivalents at end of period	$ 50	$ 91	$ 47

See the Combined Notes to Consolidated Financial Statements

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Commonwealth Edison Company and Subsidiary Companies
Consolidated Balance Sheets

(In millions)	December 31, 2010	December 31, 2009
ASSETS		
Current assets		
Cash and cash equivalents	$ 50	$ 91
Restricted cash	—	2
Accounts receivable, net		
Customer	768	676
Other	525	318
Inventories, net	72	71
Regulatory assets	456	358
Deferred income taxes	115	39
Counterparty collateral deposited	153	—
Other	12	24
Total current assets	2,151	1,579
Property, plant and equipment, net	12,578	12,125
Deferred debits and other assets		
Regulatory assets	947	1,096
Investments	23	28
Investments in affiliates	6	6
Goodwill	2,625	2,625
Receivable from affiliates	1,895	1,920
Prepaid pension asset	1,039	907
Other	388	411
Total deferred debits and other assets	6,923	6,993
Total assets	$21,652	$20,697

See the Combined Notes to Consolidated Financial Statements

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Commonwealth Edison Company and Subsidiary Companies
Consolidated Balance Sheets

(In millions)	December 31, 2010	December 31, 2009
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term borrowings	$ —	$ 155
Long-term debt due within one year	347	213
Accounts payable	332	274
Accrued expenses	366	282
Payables to affiliates	398	177
Customer deposits	130	131
Regulatory liabilities	19	11
Mark-to-market derivative liability with affiliate	450	302
Other	92	52
Total current liabilities	2,134	1,597
Long-term debt	4,654	4,498
Long-term debt to financing trust	206	206
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	3,308	2,648
Asset retirement obligations	105	95
Non-pension postretirement benefits obligations	271	241
Regulatory liabilities	3,137	3,145
Mark-to-market derivative liability with affiliate	525	669
Other	402	716
Total deferred credits and other liabilities	7,748	7,514
Total liabilities	14,742	13,815
Commitments and contingencies		
Shareholders' equity		
Common stock	1,588	1,588
Other paid-in capital	4,992	4,990
Retained earnings	331	304
Accumulated other comprehensive loss, net	(1)	—
Total shareholders' equity	6,910	6,882
Total liabilities and shareholders' equity	$21,652	$20,697

See the Combined Notes to Consolidated Financial Statements

Commonwealth Edison Company and Subsidiary Companies

Consolidated Statements of Changes in Shareholders' Equity

(In millions)	Common Stock	Other Paid-In Capital	Retained Deficit Unappropriated	Retained Earnings Appropriated	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance, December 31, 2007	$ 1,588	$4,968	$ (1,639)	$ 1,610	$ 1	$ 6,528
Net income	—	—	201	—	—	201
Allocation of tax benefit from parent	—	14	—	—	—	14
Appropriation of retained earnings for future dividends	—	—	(199)	199	—	—
Adoption of accounting for uncertain tax positions	—	—	(2)	—	—	(2)
Other comprehensive loss, net of income taxes of $(4)	—	—	—	—	(6)	(6)
Balance, December 31, 2008	$ 1,588	$4,982	$ (1,639)	$ 1,809	$ (5)	$ 6,735
Net income	—	—	374	—	—	374
Allocation of tax benefit from parent	—	8	—	—	—	8
Appropriation of retained earnings for future dividends	—	—	(374)	374	—	—
Common stock dividends	—	—	—	(240)	—	(240)
Other comprehensive income, net of income taxes of $3	—	—	—	—	5	5
Balance, December 31, 2009	$ 1,588	$4,990	$ (1,639)	$ 1,943	$ —	$ 6,882
Net income	—	—	337	—	—	337
Allocation of tax benefit from parent	—	2	—	—	—	2
Appropriation of retained earnings for future dividends	—	—	(337)	337	—	—
Common stock dividends	—	—	—	(310)	—	(310)
Other comprehensive loss, net of income taxes of $0	—	—	—	—	(1)	(1)
Balance, December 31, 2010	$ 1,588	$4,992	$ (1,639)	$ 1,970	$ (1)	$ 6,910

See the Combined Notes to Consolidated Financial Statements

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PECO Energy Company and Subsidiary Companies

Consolidated Statements of Operations and Comprehensive Income

(In millions)	For the Years Ended December 31, 2010	2009	2008
Operating revenues			
Operating revenues	$5,514	$5,302	$5,553
Operating revenues from affiliates	5	9	14
Total operating revenues	5,519	5,311	5,567
Operating expenses			
Purchased power	276	269	328
Purchased power from affiliate	2,085	2,005	2,083
Fuel	401	472	607
Operating and maintenance	591	545	641
Operating and maintenance from affiliate	89	95	90
Operating and maintenance for regulatory required programs	53	—	—
Depreciation and amortization	1,060	952	854
Taxes other than income	303	276	265
Total operating expenses	4,858	4,614	4,868
Operating income	661	697	699
Other income and deductions			
Interest expense	(181)	(124)	(112)
Interest expense to affiliates, net	(12)	(63)	(114)
Loss in equity method investments	—	(24)	(16)
Other, net	8	13	18
Total other income and deductions	(185)	(198)	(224)
Income before income taxes	476	499	475
Income taxes	152	146	150
Net income	324	353	325
Preferred security dividends	4	4	4
Net income on common stock	320	349	321
Comprehensive income, net of income taxes			
Net income	324	353	325
Other comprehensive loss			
Amortization of realized gain on settled cash flow swaps, net of income taxes of $(1), $(1) and $0, respectively	(1)	(1)	(1)
Change in unrealized loss on marketable securities, net of income taxes of $0, $0 and $(1), respectively	—	—	(1)
Other comprehensive loss	(1)	(1)	(2)
Comprehensive income	$ 323	$ 352	$ 323

See the Combined Notes to Consolidated Financial Statements

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PECO Energy Company and Subsidiary Companies

Consolidated Statements of Cash Flows

(In millions)	For the Years Ended December 31, 2010	2009	2008
Cash flows from operating activities			
Net income	$ 324	$ 353	$ 325
Adjustments to reconcile net income to net cash flows provided by operating activities:			
Depreciation, amortization and accretion	1,060	952	854
Deferred income taxes and amortization of investment tax credits	(400)	(210)	(220)
Other non-cash operating activities	108	141	194
Changes in assets and liabilities:			
Accounts receivable	(212)	36	(120)
Receivables from and payables to affiliates, net	86	45	(1)
Inventories	9	76	(45)
Accounts payable, accrued expenses and other current liabilities	85	(123)	46
Income taxes	118	(18)	(12)
Pension and non-pension postretirement benefit contributions	(106)	(52)	(38)
Other assets and liabilities	78	(34)	(14)
Net cash flows provided by operating activities	1,150	1,166	969
Cash flows from investing activities			
Capital expenditures	(545)	(388)	(392)
Change in restricted cash	414	1	1
Other investing activities	11	10	14
Net cash flows used in investing activities	(120)	(377)	(377)
Cash flows from financing activities			
Changes in short-term debt	—	(95)	(151)
Issuance of long-term debt	—	250	941
Retirement of long-term debt	—	—	(604)
Retirement of long-term debt of variable interest entity	(806)	—	—
Retirement of long-term debt to PECO Energy Transition Trust	—	(709)	(609)
Dividends paid on common stock	(224)	(312)	(480)
Dividends paid on preferred securities	(4)	(4)	(4)
Repayment of receivable from parent	180	320	284
Contributions from parent	43	27	36
Other financing activities	—	(2)	—
Net cash flows used in financing activities	(811)	(525)	(587)
Increase in cash and cash equivalents	219	264	5
Cash and cash equivalents at beginning of period	303	39	34
Cash and cash equivalents at end of period	$ 522	$ 303	$ 39

See the Combined Notes to Consolidated Financial Statements

PECO Energy Company and Subsidiary Companies

Consolidated Balance Sheets

(In millions)	December 31, 2010	December 31, 2009
ASSETS		
Current assets		
Cash and cash equivalents	$ 522	$ 303
Restricted cash and cash equivalents	—	1
Accounts receivable, net		
Customer ($346 gross accounts receivable pledged as collateral as of December 31, 2010)	695	392
Other	277	120
Inventories, net		
Fossil fuel	87	96
Materials and supplies	18	18
Deferred income taxes	41	65
Other	30	11
Total current assets	1,670	1,006
Property, plant and equipment, net	5,620	5,297
Deferred debits and other assets		
Regulatory assets	968	1,834
Investments	20	18
Investments in affiliates	8	13
Receivable from affiliates	375	311
Prepaid pension asset	281	225
Other	43	315
Total deferred debits and other assets	1,695	2,716
Total assets	$8,985	$9,019

See the Combined Notes to Consolidated Financial Statements

PECO Energy Company and Subsidiary Companies

Consolidated Balance Sheets

(In millions)	December 31, 2010	December 31, 2009
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term notes payable—accounts receivable agreement	$ 225	$ —
Long-term debt due within one year	250	—
Long-term debt to PECO Energy Transition Trust due within one year	—	415
Accounts payable	201	164
Accrued expenses	95	74
Payables to affiliates	275	189
Customer deposits	65	65
Mark-to-market derivative liabilities	4	—
Mark-to-market derivative liabilities with affiliate	5	—
Other	43	32
Total current liabilities	1,163	939
Long-term debt	1,972	2,221
Long-term debt to financing trusts	184	184
Deferred credits and other liabilities		
Deferred income taxes and unamortized investment tax credits	1,823	2,241
Asset retirement obligations	32	24
Non-pension postretirement benefits obligations	292	296
Regulatory liabilities	418	317
Mark-to-market derivative liabilities	—	2
Mark-to-market derivative liabilities with affiliate	—	2
Other	131	141
Total deferred credits and other liabilities	2,696	3,023
Total liabilities	6,015	6,367
Commitments and contingencies		
Preferred securities	87	87
Shareholders' equity		
Common stock	2,361	2,318
Receivable from parent	—	(180)
Retained earnings	522	426
Accumulated other comprehensive income, net	—	1
Total shareholders' equity	2,883	2,565
Total liabilities and shareholders' equity	$8,985	$9,019

See the Combined Notes to Consolidated Financial Statements

PECO Energy Company and Subsidiary Companies

Consolidated Statements of Changes in Stockholders' Equity

(In millions)	Common Stock	Receivable from Parent	Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholders' Equity
Balance, December 31, 2007	$ 2,255	$ (784)	$ 548	$ 4	$ 2,023
Net Income	—	—	325	—	325
Common stock dividends	—	—	(480)	—	(480)
Preferred security dividends	—	—	(4)	—	(4)
Repayment of receivable from parent	—	284	—	—	284
Allocation of tax benefit from parent	36	—	—	—	36
Other comprehensive loss, net of income taxes of $(1)	—	—	—	(2)	(2)
Balance, December 31, 2008	$ 2,291	$ (500)	$ 389	$ 2	$ 2,182
Net Income	—	—	353	—	353
Common stock dividends	—	—	(312)	—	(312)
Preferred security dividends	—	—	(4)	—	(4)
Repayment of receivable from parent	—	320	—	—	320
Allocation of tax benefit from parent	27	—	—	—	27
Other comprehensive loss, net of income taxes of $(1)	—	—	—	(1)	(1)
Balance, December 31, 2009	$ 2,318	$ (180)	$ 426	$ 1	$ 2,565
Net Income	—	—	324	—	324
Common stock dividends	—	—	(224)	—	(224)
Preferred security dividends	—	—	(4)	—	(4)
Repayment of receivable from parent	—	180	—	—	180
Allocation of tax benefit from parent	43	—	—	—	43
Other comprehensive loss, net of income taxes of $(1)	—	—	—	(1)	(1)
Balance, December 31, 2010	$ 2,361	$ —	$ 522	$ —	$ 2,883

See the Combined Notes to Consolidated Financial Statements

Combined Notes to Consolidated Financial Statements
(Dollars in millions, except per share data unless otherwise noted)

1. Significant Accounting Policies (Exelon, Generation, ComEd and PECO)

Description of Business (Exelon, Generation, ComEd and PECO)

Exelon is a utility services holding company engaged, through its subsidiaries, in the generation and energy delivery businesses discussed below. The generation business consists of the electric generating facilities, the wholesale energy marketing operations and competitive retail supply operations of Generation. The energy delivery businesses include the purchase and regulated retail sale of electricity and the provision of transmission and distribution services by ComEd in northern Illinois, including the City of Chicago, and by PECO in southeastern Pennsylvania, including the City of Philadelphia, and the purchase and regulated retail sale of natural gas and the provision of distribution services by PECO in the Pennsylvania counties surrounding the City of Philadelphia.

Basis of Presentation (Exelon, Generation, ComEd and PECO)

Through its business services subsidiary, BSC, Exelon provides its subsidiaries with a variety of support services at cost, including legal, human resources, financial, information technology and supply management services. The costs of BSC, including support services, are directly charged or allocated to the applicable subsidiaries using a cost-causative allocation method. Corporate governance type costs that cannot be directly assigned are allocated based on a Modified Massachusetts formula, which is a method that utilizes a combination of gross revenues, total assets and direct labor costs for the allocation base. The results of Exelon's corporate operations are presented as "Other" within the consolidated financial statements and include intercompany eliminations unless otherwise disclosed.

Exelon owns 100% of all of its significant consolidated subsidiaries, either directly or indirectly, except for ComEd, of which Exelon owns more than 99%, and PECO, of which Exelon owns 100% of the common stock but none of PECO's preferred securities. Exelon has reflected the third-party interests in ComEd, which totaled less than $1 million at December 31, 2010 and December 31, 2009, as equity and PECO's preferred securities as preferred securities of subsidiaries in its consolidated financial statements.

Generation owns 100% of all of its significant consolidated subsidiaries, either directly or indirectly, except for Exelon SHC, Inc., of which Generation owns 99% and the remaining 1% is indirectly owned by Exelon, which is eliminated in Exelon's consolidated financial statements; and certain Exelon Wind projects, of which Generation holds a majority interest ranging from 94% to 99%, and which is included in Noncontrolling interest on Exelon's and Generation's Consolidated Balance Sheets.

Exelon's consolidated financial statements include the accounts of entities in which Exelon has a controlling financial interest, other than certain financing trusts of ComEd and PECO, and Generation's and PECO's proportionate interests in jointly owned electric utility property, after the elimination of intercompany transactions. A controlling financial interest is evidenced by either a voting interest greater than 50% or the results of a model that identifies Exelon or one of its subsidiaries as the primary beneficiary of a VIE. Investments and joint ventures in which Exelon does not have a controlling financial interest and certain financing trusts of ComEd and PECO are accounted for under the equity or cost method of accounting.

Each of Generation's, ComEd's and PECO's consolidated financial statements includes the accounts of their subsidiaries. All intercompany transactions have been eliminated.

Certain prior year amounts in Exelon's, Generation's and ComEd's Consolidated Statements of Cash Flows and in Exelon's, ComEd's and PECO's Consolidated Balance Sheets have been reclassified between line items for comparative purposes. The reclassifications did not affect net

income or cash flows from operating activities of the Registrants. See Note 19—Supplemental Financial Information for further discussion of the reclassifications to Exelon's and Generation's Consolidated Statements of Cash Flows.

The Registrants performed an evaluation of subsequent events for the accompanying financial statements and notes included in Part 2, ITEM 8 of this report through February 10, 2011, the date this Report was issued, to determine whether the circumstances warranted recognition and disclosure of those events or transactions in the financial statements as of December 31, 2010.

Use of Estimates (Exelon, Generation, ComEd and PECO)

The preparation of financial statements of each of the Registrants in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Areas in which significant estimates have been made include, but are not limited to, the accounting for nuclear decommissioning costs and other AROs, pension and other postretirement benefits, inventory reserves, allowance for uncollectible accounts, goodwill and asset impairments, derivative instruments, fixed asset depreciation, environmental costs, taxes and unbilled energy revenues. Actual results could differ from those estimates.

Accounting for the Effects of Regulation (Exelon, ComEd and PECO)

Exelon, ComEd and PECO account for their regulated operations in accordance with accounting policies prescribed by the regulatory authorities having jurisdiction, principally the ICC and the PAPUC under state public utility laws and the FERC under various Federal laws. Exelon, ComEd and PECO apply the authoritative guidance for accounting for certain types of regulation, which requires ComEd and PECO to record in their consolidated financial statements the effects of rate regulation for utility operations that meet the following criteria: (1) third-party regulation of rates; (2) cost-based rates; and (3) a reasonable expectation that all costs will be recoverable from customers through rates. Regulatory assets and liabilities are amortized in the Consolidated Statement of Operations consistent with the recovery or refund included in customer rates. Exelon believes that it is probable that its currently recorded regulatory assets and liabilities will be recovered and settled, respectively, in future rates. However, Exelon, ComEd and PECO continue to evaluate their respective abilities to apply the authoritative guidance for accounting for certain types of regulation, including consideration of current events in their respective regulatory and political environments. If a separable portion of ComEd's or PECO's business was no longer able to meet the criteria discussed above, Exelon, ComEd and PECO would be required to eliminate from their consolidated financial statements the effects of regulation for that portion, which would have a material impact on their results of operations and financial positions. See Note 2—Regulatory Matters for additional information.

Variable Interest Entities (Exelon, Generation, ComEd and PECO)

Under the applicable authoritative guidance, VIEs are legal entities that possess any of the following characteristics: an insufficient amount of equity at risk to finance their activities, equity owners who do not have the power to direct the significant activities of the entity (or have voting rights that are disproportionate to their ownership interest), or where equity holders do not receive expected losses or returns significant to the VIE. Companies are required to consolidate a VIE if they are its primary beneficiary.

Generation

Generation's wholesale operations include the physical delivery and marketing of power obtained through its generating capacity, and long-, intermediate- and short-term contracts. Generation also has contracts to purchase fuel supplies for nuclear and fossil generation. These contracts and Generation's membership in NEIL are discussed in further detail in Note 18—Commitments and Contingencies. Generation has evaluated these contracts and determined that either it has no variable interest in an entity or, where Generation does have a variable interest in an entity, it is not the primary beneficiary and, therefore, consolidation is not required.

For contracts where Generation has a variable interest, Generation has considered which interest holder has the power to direct the activities that most significantly affect the economic performance of the VIE and thus is considered the primary beneficiary and is required to consolidate the entity. The primary beneficiary must also have exposure to significant losses or the right to receive significant benefits from the VIE. In general, the most significant activity of the VIEs is the operation and maintenance of the facilities, which provides the operator with the power to direct the VIEs' activities. Facilities represent power plants, sources of uranium and fossil fuels, or plants used in the uranium conversion, enrichment and fabrication process. Generation does not have control over the operation and maintenance of the facilities considered VIEs and it does not bear operational risk of the facilities. Furthermore, Generation has no debt or equity investments in the entities, under the contracts Generation receives less than the majority of the output of the remaining expected useful life of the facilities, and Generation does not provide any other financial support through liquidity arrangements, guarantees or other commitments other than purchase commitments described in Note 18—Commitments and Contingencies. Upon consideration of these factors, Generation does not consider itself to be the primary beneficiary of these VIEs and, accordingly, has determined that consolidation is not required.

Generation has historically aggregated its contracts with VIEs into two categories, energy commitments and fuel purchase obligations, based on the similar risk characteristics and significance to Generation. As of the balance sheet date, the carrying amount of assets and liabilities in Generation's Consolidated Balance Sheet that relate to its involvement with these VIEs are predominately related to working capital accounts and generally represent the amounts owed by Generation for the deliveries associated with the current billing cycles under the contracts. Further, Generation has not provided or guaranteed any debt or equity support, or any liquidity arrangements, performance guarantees or other commitments associated with these contracts, so there is no significant potential exposure to loss as a result of its involvement with the VIEs.

Several of Generation's long-term PPAs have been determined to be operating leases that have no residual value guarantees, bargain purchase options or other provisions that would cause these operating leases to be variable interests.

On December 9, 2010, Generation completed the acquisition of all of the equity interests of John Deere Renewables, LLC discussed further in Note 3—Acquisition. Generation evaluated the significant agreements and ownership structures and risks of each of the wind projects and underlying entities acquired, and determined that the entities are variable interest entities for which Generation is the primary beneficiary and consolidation is required. Each project was designed to develop, construct and operate a wind generation facility. Generation owns 100% of most projects acquired; however, 11 of the projects have noncontrolling equity interests held by others (which range between 1% and 6%). Of the 11 projects, Generation's economic interests in nine of the projects is significantly greater than its

stated contractual governance rights. However, Generation has determined that its significant economic interest in the projects provides the power to direct the activities most significant to the projects. The primary factors considered in determining that Generation is the primary beneficiary were that Generation has the power to direct the operations and maintenance of the wind facilities, which is considered the activity that most significantly affects the economic performance of the projects and the obligation to absorb losses and right to receive benefits that are significant to the projects. The ownership agreements with the noncontrolling interests state that Generation provide financial support to the projects in proportion to its economic interests in the projects (which range between 99% and 94%). No additional support to these projects beyond what was contractually required has been provided during 2010. As of December 31, 2010, the carrying amount of the assets and liabilities that are consolidated as a result of Generation being the primary beneficiary of these entities primarily relate to the wind generating assets, PPA intangible assets and working capital amounts.

Generation has entered into an asset sale agreement with EnergySolutions, Inc. and certain of its subsidiaries, including ZionSolutions, LLC (ZionSolutions), which is further discussed in Note 12—Asset Retirement Obligations. Generation has evaluated this agreement and determined that it has a variable interest in ZionSolutions but is not the primary beneficiary. As a result, Generation has concluded that consolidation is not required.

ComEd and PECO

ComEd’s retail operations include the purchase of electricity and RECs through procurement contracts of varying durations. PECO’s retail operations include the purchase of electricity, AECs and natural gas through procurement contracts of varying durations. These contracts are discussed in further detail in Note 2—Regulatory Matters and Note 18—Commitments and Contingencies. ComEd and PECO have evaluated these contracts and determined that either there is no variable interest, or where ComEd or PECO do have a variable interest in a VIE as described below, it is not the primary beneficiary and, therefore, consolidation is not required.

For contracts where ComEd or PECO has a variable interest, consideration has been given to which interest holder has the power to direct the activities that most significantly affect the economic performance of the VIE. In general, the most significant activity of the VIEs is the operation and maintenance of their production or procurement processes related to electricity, RECs, AECs or natural gas. ComEd and PECO do not have control over the operation and maintenance of the entities considered VIEs and they do not bear operational risk related to the associated activities. Furthermore, ComEd and PECO have no debt or equity investments in the VIEs and do not provide any other financial support through liquidity arrangements, guarantees or other commitments other than purchase commitments described in Note 18—Commitments and Contingencies. Accordingly, neither ComEd or PECO considers itself to be the primary beneficiary of these VIEs.

As of the balance sheet date, the carrying amounts of assets and liabilities in ComEd’s and PECO’s Consolidated Balance Sheet that relate to their involvement with these VIEs were predominately related to working capital accounts and generally represented the amounts owed by ComEd and PECO for the purchases associated with the current billing cycles under the contracts.

The financing trust of ComEd, ComEd Financing III, and the financing trusts of PECO, PECO Trust III and PECO Trust IV, are not consolidated in Exelon’s, ComEd’s or PECO’s financial statements. These financing trusts were created to issue mandatorily redeemable trust preferred securities. ComEd and PECO have concluded that they do not have a variable interest in ComEd

Financing III, PECO Trust III or PECO Trust IV as each Registrant financed its equity interest in the financing trusts through the issuance of subordinated debt and, therefore, has no equity at risk. ComEd and PECO, as the sponsors of the financing trusts, are obligated to pay the operating expenses of the trusts.

PECO

PETT, a financing trust, was created in 1998 by PECO to purchase and own intangible transition property (ITP) and to issue transition bonds to securitize $5 billion of PECO's stranded cost recovery authorized by the PAPUC pursuant to the Competition Act. PECO made an initial capital contribution of $25 million to PETT. ITP represented the irrevocable right of PECO to collect intangible transition charges (ITC). ITC consisted of the portion of CTCs that were sold by PECO to PETT and securitized through the various issuances of PETT's transition bonds from 1999 through 2001 as authorized by the PAPUC. ITC provided PETT with an asset sufficient to recover the aggregate principal amount of the transition bonds issued, plus amounts sufficient to provide for the credit enhancement, interest payments, servicing fees and other expenses relating to the transition bonds. PETT's assets were restricted for the sole purpose of satisfying PETT's obligation to its transition bondholders and payment of various administrative fees. PECO did not provide ongoing financial support to PETT or guarantee PETT's performance, and the transition bondholders did not have recourse to PECO. PECO had continuing involvement in PETT in its role as the servicer of the ITC collections, for which PECO received a fee. During the year ended December 31, 2010, net pre-tax losses of $16 million, related to PETT's results of operations were reflected in PECO's Consolidated Statements of Operations.

PETT was consolidated in Exelon's and PECO's financial statements on January 1, 2010 pursuant to authoritative guidance relating to the consolidation of VIEs that became effective on that date. Under previously issued authoritative guidance, PETT was deconsolidated in accordance with a prescribed quantitative approach, based on expected losses, for determining the primary beneficiary. Under the new guidance, PECO concluded that it was the primary beneficiary of PETT due to PECO's involvement in the design of PETT, its role as servicer of the ITC collections, and its right to dissolve PETT and receive any of its remaining assets following retirement of the transition bonds and payment of PETT's other expenses. The consolidation of PETT did not have a significant impact on PECO's results of operations or statement of cash flows. Upon retirement of the outstanding transition bonds on September 1, 2010, the remaining cash balance was remitted to PECO, and PETT was dissolved on September 20, 2010. During the year ended December 31, 2010, PECO recognized interest expense on PETT's transition bonds of $22 million, which was reflected in PECO's Consolidated Statements of Operations. See Note 10—Debt and Credit Agreements for further information regarding PETT's debt to bondholders.

Revenues (Exelon, Generation, ComEd and PECO)

Operating Revenues. Operating revenues are recorded as service is rendered or energy is delivered to customers. At the end of each month, the Registrants accrue an estimate for the unbilled amount of energy delivered or services provided to customers. See Note 4—Accounts Receivable for further information.

RTOs and ISOs. In RTO and ISO markets that facilitate the dispatch of energy and energy-related products, Exelon and Generation report sales and purchases conducted on a net hourly basis in either revenues or purchased power on Exelon's and Generation's Consolidated Statements of Operations,

the classification of which depends on the net hourly activity. ComEd nets its spot market purchases against its spot market sales on an hourly basis, with the result recorded in purchased power expense. In 2010, 2009 and 2008, ComEd recorded an immaterial amount associated with hours where it had net spot market sales.

Option Contracts, Swaps and Commodity Derivatives. Certain option contracts and swap arrangements that meet the definition of derivative instruments are recorded at fair value with subsequent changes in fair value recognized as revenue or expense, unless hedge accounting is applied. Premiums received and paid on option contracts are recognized as revenue or expense over the terms of the contracts. If the derivatives meet hedging criteria, changes in fair value are recorded in OCI. ComEd has not elected hedge accounting for its financial swap contract with Generation. Since ComEd is entitled to full recovery of the costs of the financial swap contract in rates as settlements occur, ComEd records the fair value of the swap as well as an offsetting regulatory asset or liability on its Consolidated Balance Sheets.

Trading Activities. Exelon and Generation account for Generation's trading activities under the provisions of the authoritative guidance for accounting for contracts involved in energy trading and risk management activities, which require energy revenues and costs related to energy trading contracts to be presented on a net basis in the income statement. Commodity derivatives used for trading purposes are accounted for using the mark-to-market method with unrealized gains and losses recognized in operating revenues.

Income Taxes (Exelon, Generation, ComEd and PECO)

Deferred Federal and state income taxes are provided on all significant temporary differences between the book basis and the tax basis of assets and liabilities and for tax benefits carried forward. Investment tax credits previously utilized for income tax purposes have been deferred on the Registrants' Consolidated Balance Sheets and are recognized in book income over the life of the related property. In accordance with applicable authoritative guidance, the Registrants account for uncertain income tax positions using a benefit recognition model with a two-step approach, a more-likely-than-not recognition criterion and a measurement approach that measures the position as the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement. If it is not more likely than not that the benefit of the tax position will be sustained on its technical merits, no benefit is recorded. Uncertain tax positions that relate only to timing of when an item is included on a tax return are considered to have met the recognition threshold. The Registrants recognize accrued interest related to unrecognized tax benefits in interest expense or in other income and deductions (interest income) on their Consolidated Statements of Operations.

Pursuant to the IRC and relevant state taxing authorities, Exelon and its subsidiaries file consolidated or combined income tax returns for Federal and certain state jurisdictions where allowed or required. See Note 11—Income Taxes for further information.

Taxes Directly Imposed on Revenue-Producing Transactions (Exelon, ComEd and PECO)

Exelon, ComEd and PECO present any tax assessed by a governmental authority that is directly imposed on a revenue-producing transaction between a seller and a customer on a gross (included in revenues and costs) basis. See Note 19—Supplemental Financial Information for ComEd's and PECO's utility taxes that are presented on a gross basis.

Cash and Cash Equivalents (Exelon, Generation, ComEd and PECO)

The Registrants consider investments purchased with an original maturity of three months or less to be cash equivalents.

Restricted Cash and Investments (Exelon, Generation, ComEd and PECO)

Restricted cash and investments represent restricted funds to satisfy designated current liabilities. As of December 31, 2010 and 2009, Exelon Corporate's restricted cash and investments primarily represented restricted funds for payment of medical, dental, vision and long-term disability benefits. As of December 31, 2010 and December 31, 2009, Generation's restricted cash and investments primarily represented restricted funds for qualifying design, engineering and construction costs related to pollution control notes issued by Generation for an emissions-control facilities project and for payment of certain environmental liabilities. As of December 31, 2010 and 2009, PECO's restricted cash primarily represented funds from the sales of assets that were subject to PECO's mortgage indenture.

Restricted cash and investments not available to satisfy current liabilities are classified as noncurrent assets. As of December 31, 2010 and 2009, Exelon and Generation had restricted cash and investments in the NDT funds classified as noncurrent assets. As of December 31, 2010 and 2009, ComEd had short-term investments in Rabbi trusts classified as noncurrent assets.

Allowance for Uncollectible Accounts (Exelon, Generation, ComEd and PECO)

The allowance for uncollectible accounts reflects the Registrants' best estimates of losses on the accounts receivable balances. For Generation, the allowance is based on accounts receivable agings, historical experience and other currently available information. ComEd and PECO estimate the allowance for uncollectible accounts on customer receivables by applying internally developed loss rates to the outstanding receivable balance by risk segment. Risk segments represent a group of customers with similar credit quality indicators that are computed based on various attributes, including delinquency of their balances and payment history. Loss rates applied to the accounts receivable balances are based on historical average charge-offs as a percentage of accounts receivable in each risk segment. ComEd and PECO customers' accounts are generally considered delinquent if the amount billed is not received by the time the next bill is issued, which normally occurs on a monthly basis. ComEd and PECO customer accounts are written off consistent with approved regulatory requirements. ComEd's and PECO's provisions for uncollectible accounts will continue to be affected by changes in volume, prices and economic conditions as well as changes in ICC and PAPUC regulations, respectively. See Note 2—Regulatory Matters for additional information regarding the regulatory recovery of uncollectible accounts receivable at ComEd.

Inventories (Exelon, Generation, ComEd and PECO)

Inventory is recorded at the lower of cost or market. Provisions are recorded for excess and obsolete inventory.

Fossil Fuel. Fossil fuel inventory includes the weighted average costs of stored natural gas, propane, coal and oil. The costs of natural gas, propane, coal and oil are generally included in inventory when purchased and charged to fuel expense when used or sold.

Materials and Supplies. Materials and supplies inventory generally includes the average costs of transmission, distribution and generating plant materials. Materials are generally charged to inventory when purchased and expensed or capitalized to property, plant and equipment, as appropriate, when installed or used.

Emission Allowances. Emission allowances are included in inventory and other deferred debits and are carried at the lower of weighted average cost or market and charged to fuel expense as they are used in operations.

Marketable Securities (Exelon, Generation, ComEd and PECO)

All marketable securities are reported at fair value. Marketable securities held in the NDT funds are classified as trading securities and all securities that are not held by the NDT funds are classified as available-for-sale securities. Realized and unrealized gains and losses, net of tax, on Generation's NDT funds associated with the former ComEd and former PECO nuclear generating units (Regulatory Agreement Units) are included in regulatory liabilities at Exelon, ComEd, and PECO and in noncurrent payables to affiliates at Generation and in noncurrent receivables from affiliates at ComEd and PECO. Realized and unrealized gains and losses, net of tax, on Generation's NDT funds associated with the former AmerGen nuclear generating units and the portions of the Peach Bottom nuclear generating units not subject to a regulatory agreement (Non-Regulatory Agreement Units) are included in earnings at Exelon and Generation. Unrealized gains and losses, net of tax, for ComEd's and PECO's available-for-sale securities are reported in OCI. Any decline in the fair value of ComEd's and PECO's available-for-sale securities below the cost basis is reviewed to determine if such decline is other-than-temporary. If the decline is determined to be other-than-temporary, the cost basis of the available-for-sale securities is written down to fair value as a new cost basis and the amount of the write-down is included in earnings. See Note 8—Fair Value of Financial Assets and Liabilities for further information regarding the other-than-temporary impairment recorded in the second quarter of 2009 by Exelon and ComEd related to ComEd's Rabbi trust investments. See Note 12—Asset Retirement Obligations for information regarding marketable securities held by NDT funds and Note 19—Supplemental Financial Information for additional information regarding ComEd's and PECO's regulatory assets and liabilities.

Property, Plant and Equipment (Exelon, Generation, ComEd and PECO)

Property, plant and equipment is recorded at original cost. Original cost includes labor and materials, construction overhead, when appropriate, capitalized interest for Generation and AFUDC for regulated property at ComEd and PECO. The cost of repairs and maintenance, including planned major maintenance activities and minor replacements of property, is charged to maintenance expense as incurred.

Third parties reimburse ComEd and PECO for all or a portion of expenditures for certain capital projects. Such contributions in aid of construction costs (CIAC) are netted against the project costs. DOE SGIG funds reimbursed to PECO by the DOE are accounted for as CIAC.

For Generation, upon retirement, the cost of property is charged to accumulated depreciation in accordance with the composite method of depreciation. Upon replacement of an asset, the costs to remove the asset, net of salvage, is capitalized when incurred to gross plant as part of the cost of the newly installed asset and recorded to depreciation expense over the life of the new asset. Removal costs, net of salvage, incurred for property that will not be replaced is charged to expense as incurred.

For ComEd and PECO, upon retirement, the cost of property, net of salvage, is charged to accumulated depreciation in accordance with the composite method of depreciation. ComEd's depreciation expense includes the estimated cost of dismantling and removing plant from service upon retirement, which is consistent with ComEd's regulatory recovery method. ComEd's actual incurred removal costs are applied against the related regulatory liability. PECO's removal costs are capitalized to accumulated depreciation when incurred and recorded to depreciation expense over the life of the new asset constructed consistent with PECO's regulatory recovery method.

See Note 5—Property, Plant and Equipment, Note 6—Jointly Owned Electric Utility Plant and Note 19—Supplemental Financial Information for additional information regarding property, plant and equipment.

Nuclear Fuel (Exelon and Generation)

The cost of nuclear fuel is capitalized and charged to fuel expense using the unit-of-production method. The estimated cost of disposal of SNF is established per the Standard Waste Contract with the DOE and is expensed through fuel expense at one mill ($.001) per kWh of net nuclear generation. On-site SNF storage costs are capitalized or expensed as incurred based upon the nature of the work performed. A portion of the storage costs are being reimbursed by the DOE since a DOE (or government owned) long-term storage facility has not been completed.

Nuclear Outage Costs (Exelon and Generation)

Costs associated with nuclear outages, including planned major maintenance activities, are expensed to operating and maintenance expense or capitalized to property, plant and equipment in the period incurred.

New Site Development Costs (Exelon and Generation)

New site development costs represent the costs incurred in the assessment, design and construction of new power generating and transmission facilities. Such costs are capitalized when management considers project completion to be likely, primarily based on management's determination that the project is economically and operationally feasible, management and/or the Board of Directors have approved the project and have committed to a plan to develop it, and Exelon and Generation have received the required regulatory approvals or management believes the receipt of required regulatory approvals is probable. Upon commencement of construction, these costs will be charged to construction work in progress. Capitalized development costs are charged to operating and maintenance expense when project completion is no longer probable. At December 31, 2010, Exelon and Generation's capitalized development costs totaled approximately $20 million, which are included in Property, Plant and Equipment on Exelon and Generation's Consolidated Balance Sheets. These costs primarily include land rights and other third-party costs directly associated with the development of certain Exelon Wind projects. At December 31, 2009, there were no significant costs capitalized related to new site development. Approximately $6 million, $23 million and $26 million of costs were expensed by Exelon and Generation for the years ended December 31, 2010, 2009 and 2008, respectively, primarily related to the possible construction of a new nuclear plant in Texas.

Capitalized Software Costs (Exelon, Generation, ComEd and PECO)

Costs incurred during the application development stage of software projects that are developed or obtained for internal use are capitalized. Such capitalized amounts are amortized ratably over the

expected lives of the projects when they become operational, generally not to exceed five years. Certain other capitalized software costs are being amortized over longer lives, pursuant to regulatory approval or requirement. The following table presents net unamortized capitalized software costs and amortization of capitalized software costs by year:

Net unamortized software costs	Exelon	Generation	ComEd	PECO
December 31, 2010	$ 312	$ 92	$ 143	$ 64
December 31, 2009	279	67	123	55

Amortization of capitalized software costs	Exelon	Generation	ComEd	PECO
2010	$ 104	$ 33	$ 41	$ 19
2009	105	24	29	15
2008	91	21	29	13

Depreciation and Amortization (Exelon, Generation, ComEd and PECO)

Except for the amortization of nuclear fuel, depreciation is generally recorded over the estimated service lives of property, plant and equipment on a straight-line basis using the composite method. ComEd’s depreciation includes a provision for estimated removal costs as authorized by the ICC. The estimated service lives for ComEd and PECO are primarily based on the average service lives from the most recent depreciation study for each respective company. The estimated service lives of the nuclear-fuel generating facilities are based on the remaining useful lives of the stations, which assume a 20-year license renewal extension of the operating licenses (to the extent that such renewal has not yet been granted) for all of Generation’s operating nuclear generating stations except for Oyster Creek. See Note 18—Commitments and Contingencies for information regarding Oyster Creek. The estimated service lives of the hydroelectric generating facilities are based on the remaining useful lives of the stations, which assume a license renewal extension of the operating licenses. The estimated service lives of the fossil fuel and other renewable generating facilities are based on the remaining useful lives of the stations, which Generation periodically evaluates based on feasibility assessments taking into account economic and capital requirement considerations. See Note 5—Property, Plant and Equipment for further information regarding depreciation.

Amortization of regulatory assets is recorded over the recovery period specified in the related legislation or regulatory agreement. See Notes 2—Regulatory Matters and 19—Supplemental Financial Information for additional information regarding Generation’s nuclear fuel, Generation’s ARC and the amortization of ComEd’s and PECO’s regulatory assets.

Asset Retirement Obligations (Exelon, Generation, ComEd and PECO)

The authoritative guidance for accounting for AROs requires the recognition of a liability for a legal obligation to perform an asset retirement activity even though the timing and/or method of settlement may be conditional on a future event. Decommissioning cost studies are updated, on a rotational basis, for each of Generation’s nuclear units at least every five years. Generation generally updates its ARO annually based on its review of updated cost studies and its annual evaluation of cost escalation factors and probabilities assigned to various scenarios. The liabilities associated with Exelon’s non-nuclear AROs are adjusted on an ongoing rotational basis, at least once every five years, due to the passage of new laws and regulations and revisions to either the timing or amount of estimates of undiscounted cash flows and estimates of cost escalation factors. AROs are accreted each year to reflect the time value of money for these present value obligations through a charge to operating and

maintenance expense in the Consolidated Statements of Operations or, in the case of the majority of ComEd's and PECO's accretion, through an increase to regulatory assets. See Note 12—Asset Retirement Obligations for additional information.

Capitalized Interest and AFUDC (Exelon, Generation, ComEd and PECO)

Exelon and Generation capitalize during construction the costs of debt funds used to finance non-regulated construction projects.

Exelon, ComEd and PECO apply the authoritative guidance for accounting for certain types of regulation to calculate AFUDC, which 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 that is included in interest expense for debt-related funds and other income and deductions for equity-related funds. The rates used for capitalizing AFUDC are computed under a method prescribed by regulatory authorities.

The following table summarizes total cost incurred, capitalized interest and credits of AFUDC by year:

		Exelon	Generation	ComEd	PECO
2010	Total incurred interest [(a)]	$ 861	$ 191	$ 388	$197
	Capitalized interest	38	38	—	—
	Credits to AFUDC debt and equity	16	—	5	11
2009	Total incurred interest [(a)]	$ 786	$ 162	$ 322	$189
	Capitalized interest	50	49	—	—
	Credits to AFUDC debt and equity	14	—	8	6
2008	Total incurred interest [(a)]	$ 867	$ 170	$ 344	$229
	Capitalized interest	34	33	—	—
	Credits to AFUDC debt and equity	2	—	(1)	3

(a) Includes interest expense to affiliates.

Guarantees (Exelon, Generation, ComEd and PECO)

The Registrants recognize, at the inception of a guarantee, a liability for the fair market value of the obligations they have undertaken in issuing the guarantee, including the ongoing obligation to perform over the term of the guarantee in the event that the specified triggering events or conditions occur.

The liability that is initially recognized at the inception of the guarantee is reduced as the Registrants are released from risk under the guarantee. Depending on the nature of the guarantee, the release from risk of the Registrant may be recognized only upon the expiration or settlement of the guarantee or by a systematic and rational amortization method over the term of the guarantee. See Note 18—Commitments and Contingencies for additional information.

Asset Impairments (Exelon, Generation, ComEd and PECO)

Long-Lived Assets. Exelon, Generation, ComEd, and PECO evaluate the carrying value of their long-lived assets, excluding goodwill, when circumstances indicate the carrying value of those assets may not be recoverable. See Note 5—Property, Plant and Equipment for a discussion of asset impairment evaluations made by Generation.

Goodwill. Goodwill represents the excess of the purchase price paid over the estimated fair value of the assets acquired and liabilities assumed in the acquisition of a business. Goodwill is not amortized, but is tested for impairment at least annually or on an interim basis if an event occurs or circumstances change that could reduce the fair value of a reporting unit below its carrying value. See Note 7—Intangible Assets for additional information regarding Exelon's and ComEd's goodwill.

Derivative Financial Instruments (Exelon, Generation, ComEd and PECO)

All derivatives are recognized on the balance sheet at their fair value unless they qualify for certain exceptions, including the normal purchases and normal sales exception. Additionally, derivatives that qualify and are designated for hedge accounting are classified as either hedges of the fair value of a recognized asset or liability or of an unrecognized firm commitment (fair value hedge) or hedges of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability (cash flow hedge). For fair value hedges, changes in fair values for both the derivative and the underlying hedged exposure are recognized in earnings each period. For cash flow hedges, the portion of the derivative gain or loss that is effective in offsetting the change in the cost or value of the underlying exposure is deferred in accumulated OCI and later reclassified into earnings when the underlying transaction occurs. Gains and losses from the ineffective portion of any hedge are recognized in earnings immediately. For other derivative contracts that do not qualify or are not designated for hedge accounting, changes in the fair value of the derivatives are recognized in earnings each period. For energy-related derivatives entered into for proprietary trading purposes, which are subject to Exelon's Risk Management Policy, changes in the fair value of the derivatives are recognized in earnings each period. Amounts classified in earnings are included in revenue, purchased power and fuel, or Other, net on the Consolidated Statements of Operations. Cash inflows and outflows related to derivative instruments are included as a component of operating, investing or financing cash flows in the Consolidated Statement of Cash Flows, depending on the underlying nature of the Registrants' hedged items.

Revenues and expenses on contracts that qualify, and are designated, as normal purchases and normal sales are recognized when the underlying physical transaction is completed. While these contracts are considered derivative financial instruments, they are not required to be recorded at fair value, but on an accrual basis of accounting. Normal purchases and normal sales are contracts where physical delivery is probable, quantities are expected to be used or sold in the normal course of business over a reasonable period of time and price is not tied to an unrelated underlying derivative. As part of Generation's energy marketing business, Generation enters into contracts to buy and sell energy to meet the requirements of its customers. These contracts include short-term and long-term commitments 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. If it were determined that a transaction designated as a normal purchase or a normal sale no longer met the exceptions, the fair value of the related contract would be recorded on the balance sheet and immediately recognized through earnings at Generation or offset by a regulatory asset or liability at ComEd and PECO. See Note 9—Derivative Financial Instruments for additional information.

Retirement Benefits (Exelon, Generation, ComEd and PECO)

Generation, ComEd and PECO participate in Exelon's defined benefit pension plans and other postretirement plans. AmerGen sponsored a separate defined benefit pension plan and postretirement plan for its employees until the merger of AmerGen into Generation on January 8, 2009. Exelon became the sponsor of those plans at that date.

The measurement of the plan obligations and costs of providing benefits under these plans involve various factors, including numerous assumptions and accounting elections. The assumptions are reviewed annually and at any interim remeasurement of the plan obligations. The impact of assumption changes on pension and other postretirement benefit obligations is generally recognized over the expected average remaining service period of the employees rather than immediately recognized in the income statement. See Note 13—Retirement Benefits for additional discussion of Exelon's accounting for retirement benefits.

New Accounting Pronouncements (Exelon, Generation, ComEd and PECO)

Exelon has identified the following new accounting pronouncements that have been recently adopted or issued that may affect the Registrants upon adoption.

Transfers of Financial Assets

In June 2009, the FASB issued authoritative guidance amending the accounting for the transfers of financial assets. Key provisions include (i) the removal of the concept of qualifying special purpose entities, (ii) the introduction of the concept of a participating interest, in circumstances in which a portion of a financial asset has been transferred and (iii) the requirement that to qualify for sale accounting, the transferor must evaluate whether it maintains effective control over transferred financial assets either directly or indirectly. Furthermore, this guidance required enhanced disclosures about transfers of financial assets and a transferor's continuing involvement. This guidance was effective for the Registrants beginning January 1, 2010 and was required to be applied prospectively. See Note 10—Debt and Credit Agreements for discussion regarding the application of this guidance as it relates to PECO's accounts receivable agreement.

Consolidation of Variable Interest Entities

In June 2009, the FASB issued authoritative guidance to amend the manner in which entities evaluate whether consolidation is required for VIEs. The model for determining which enterprise has a controlling financial interest and is the primary beneficiary of a VIE has changed significantly under the new guidance. Previously, variable interest holders had to determine whether they had a controlling financial interest in a VIE based on a quantitative analysis of the expected gains and/or losses of the entity. In contrast, the new guidance requires an enterprise with a variable interest in a VIE to qualitatively assess whether it has a controlling financial interest in the entity, and if so, whether it is the primary beneficiary. Furthermore, this guidance requires that companies continually evaluate VIEs for consolidation rather than assessing based upon the occurrence of triggering events. This revised guidance also requires enhanced disclosures about how a company's involvement with a VIE affects its financial statements and exposure to risks. This guidance became effective for the Registrants on January 1, 2010. See further discussion of the Registrants' VIEs and the impact of adopting this new guidance above.

Fair Value Measurements Disclosures

In January 2010, the FASB issued authoritative guidance intended to improve disclosures about fair value measurements. The guidance requires entities to disclose significant transfers in and out of fair value hierarchy levels and the reasons for the transfers and to present information about purchases, sales, issuances and settlements separately in the reconciliation of fair value measurements using significant unobservable inputs (Level 3). Additionally, the guidance clarifies that

a reporting entity should provide fair value measurements for each class of assets and liabilities and disclose the inputs and valuation techniques used for fair value measurements using significant other observable inputs (Level 2) and significant unobservable inputs (Level 3). This guidance was effective for interim and annual periods beginning after December 15, 2009 except for the disclosures about purchases, sales, issuances and settlements in the Level 3 reconciliation, which is effective for interim and annual periods beginning after December 15, 2010. As this guidance provided only disclosure requirements, the adoption of this standard did not impact the Registrants' results of operations, cash flows or financial positions.

Credit Quality of Financing Receivables and Allowance for Credit Losses Disclosures

In July 2010, the FASB issued authoritative guidance requiring entities to disclose additional information about their allowance for uncollectible accounts and the credit quality of their financing receivables, which include loans defined as a contractual right to receive money, on demand or on fixed or determinable dates, with terms exceeding one year. The additional disclosure requirements include the nature of the credit risk inherent in their financing receivables balance, how the risk is analyzed and assessed in determining the allowance for uncollectible accounts, and the changes and reasons for changes in the allowance for uncollectible accounts. This guidance is applicable to PECO's long-term installment plan receivables and was effective for the Registrants on December 31, 2010. As this guidance provides only additional disclosure requirements, the adoption of this standard did not impact the Registrants' results of operations, cash flows or financial position. See the discussion of the Registrants' allowance for uncollectible accounts policy above and Note 4—Accounts Receivable for further information.

Revenue Arrangements with Multiple Deliverables

In October 2009, the FASB issued authoritative guidance that amends existing guidance for identifying separate deliverables in a revenue-generating transaction where multiple deliverables exist, and provides guidance for allocating and recognizing revenue based on those separate deliverables. The guidance is expected to result in more multiple-deliverable arrangements being separable than under current guidance. This guidance was effective for the Registrants beginning on January 1, 2011 and is required to be applied prospectively to new or significantly modified revenue arrangements. The Registrants have concluded that this guidance will not have a material impact on their results of operations, cash flows or financial position.

Disclosure of Supplementary Pro Forma Information for Business Combinations

In December 2010, the FASB issued authoritative guidance amending the existing guidance for the disclosure of supplementary pro forma information for business combinations. The guidance specifies that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only, rolled forward through the current period. Additionally, the guidance expands required supplemental pro forma disclosures to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination. This guidance is effective for the Registrants beginning on January 1, 2011 and is required to be applied prospectively to business combinations that are considered material on an individual or aggregated basis. As this guidance provides only additional disclosure requirements, the adoption of this standard will not impact the Registrants' results of operations, cash flows or financial position.

2. Regulatory Matters (Exelon, Generation, ComEd and PECO)

The following matters below discuss, in all material respects, the current status of regulatory and legislative proceedings of the Registrants.

Illinois Regulatory Matters

Appeal of 2007 Illinois Electric Distribution Rate Case (Exelon and ComEd). The ICC issued an order in ComEd’s 2007 electric distribution rate case (2007 Rate Case) approving a $274 million increase in ComEd’s annual delivery services revenue requirement, which became effective in September 2008. In the order, the ICC authorized a return on ComEd’s distribution rate base using a weighted average debt and equity return of 8.36%, an increase over the 8.01% return authorized in the previous rate case. ComEd and several other parties filed appeals of the rate order with the Illinois Appellate Court (Court). The Court issued a decision on September 30, 2010, ruling against ComEd on the treatment of post-test year accumulated depreciation and the recovery of costs for an AMI/Customer Applications pilot program via a rider (Rider SMP). On November 18, 2010, the Court denied ComEd’s petition for rehearing in connection with the September 30, 2010 ruling. On January 25, 2011, ComEd filed a Petition for Leave to Appeal to the Illinois Supreme Court.

The Court held the ICC abused its discretion in not reducing ComEd’s rate base to account for an additional 18 months of accumulated depreciation while including post–test year pro forma plant additions through that period (the same position ComEd has taken in its 2010 electric distribution rate case (2010 Rate Case) discussed below). The Court’s ruling, absent reversal following further proceedings, may trigger a refund obligation. The ICC will ultimately be required to set a just and reasonable rate which will determine the amount of any refund. The impact on ComEd’s rates and any associated refund obligation should be prospective from no earlier than the date of the Court’s ruling on September 30, 2010. ComEd will continue to bill rates as established under the ICC’s order in the 2007 Rate Case, but will recognize for accounting purposes its estimate of any refund obligation, subject to true–up when the ICC establishes a new rate. An interest charge may accrue on any refund amount. ComEd recorded an estimated refund obligation of $17 million as of December 31, 2010.

The Court also reversed the ICC’s approval of ComEd’s Rider SMP, a program which included the installation of 131,000 smart meters in the Chicago area. The Court held that the ICC’s approval of Rider SMP constituted illegal single–issue ratemaking. The Court’s decision prescribes a new, more stringent standard for cost–recovery riders not specifically authorized by statute. Such riders would be allowed only if: (1) the pass–through cost is imposed by an “external circumstance” and is unexpected, volatile, or fluctuating; and (2) recovery via rider does not change other expenses or increase utility income. As a result of the Court’s ruling on Rider SMP, ComEd reclassified $6 million of regulatory assets to property, plant and equipment for costs to retire early meters replaced with smart meters during ComEd’s AMI/Customer Applications pilot. This is consistent with the composite method of depreciation and recovery of capitalized expenditures. ComEd also recorded a $4 million (pre–tax) write–off of regulatory assets associated with operating and maintenance costs that were originally allowable under Rider SMP, as the costs can no longer be recovered from customers. ComEd does not believe any of its other riders are affected by the Court’s ruling.

Subsequent to the Court’s ruling, ComEd filed a request with the ICC to allow it to request recovery, through inclusion in the 2010 Rate Case, of $3 million in operation and maintenance costs, as well as carrying costs associated with capital investment in the ICC-approved AMI/Customer Applications pilot program. The Rider SMP pilot program capital investment had already been

requested in rate base in the 2010 Rate Case. On December 2, 2010, the ICC approved ComEd's request. The investment and the pilot program costs are subject to challenge in the 2010 Rate Case proceeding.

2010 Illinois Electric Distribution Rate Case (Exelon and ComEd). On June 30, 2010, ComEd requested ICC approval for an increase of $396 million to its annual delivery services revenue requirement. On January 3, 2011, ComEd filed surrebuttal testimony which adjusted ComEd's requested annual revenue requirement increase to $326 million to account for recent changes in tax law, corrections, acceptance of limited adjustments proposed by certain parties and the amounts expected to be recovered in the AMI pilot program tariff discussed above. The request to increase the annual revenue requirement is to allow ComEd to continue modernizing its electric delivery system and recover the costs of substantial investments made since its last rate filing in 2007. The requested increase also reflects increased costs, most notably pension and OPEB, since ComEd's rates were last determined. The requested rate of return on common equity is 11.5%. The requested increase in electric distribution rates would increase the average residential customer's monthly electric bill by approximately 5%. In addition, ComEd is requesting future recovery of certain amounts that were previously recorded as expense. If that request is approved, ComEd would reverse the previously expensed costs and establish regulatory assets with amortization over the period during which rate recovery is allowed. As a result, ComEd would recognize a one-time benefit of up to $39 million (pre-tax) to reverse the prior charges. The requested increase also includes $22 million for increased uncollectible accounts expense. If the rate request is approved, the threshold for determining over/under recoveries under ComEd's uncollectible accounts tariff would be increased by $22 million.

The Court's September 30, 2010 ruling in connection with ComEd's 2007 Rate Case makes it highly unlikely that the ICC would decide the post-test year accumulated depreciation issue in ComEd's favor in the 2010 Rate Case. ComEd estimates that its requested revenue requirement increase of $326 million could be reduced by approximately $85 million as a result of this adjustment. Certain parties have submitted testimony recommending significant reductions to ComEd's requested increase as well as the write-off of certain assets, most notably the regulatory asset associated with severance costs, which was approximately $74 million as of December 31, 2010. Management believes the regulatory asset is appropriate based on the ICC's orders in ComEd's last two rate cases. The new electric distribution rates are expected to take effect no later than June 2011. ComEd cannot predict how much of the requested electric distribution rate increase the ICC may approve.

Illinois Legislation Authorizing Recovery of Uncollectible Accounts (Exelon and ComEd). In 2009, comprehensive legislation was enacted into law in Illinois providing public utility companies with the ability to recover from or refund to customers the difference between the utility's annual uncollectible accounts expense and amounts collected in rates annually through a rider mechanism, starting with 2008 and prospectively. On February 2, 2010, the ICC issued an order adopting ComEd's proposed tariffs filed in accordance with the legislation, with minor modifications. As a result of that ICC order, ComEd recorded a regulatory asset of $70 million and an offsetting reduction in operating and maintenance expense in the first quarter of 2010 for the cumulative under–collections in 2008 and 2009. Recovery of the regulatory asset associated with 2008 and 2009 activities is over an approximate 14–month time frame, which began in April 2010. The recovery or refund of the difference in the uncollectible accounts expense applicable to each year after 2009 is over a 12–month time frame beginning in June of the following year. In addition, ComEd recorded a one–time charge of $10 million to operating and maintenance expense in the first quarter of 2010 for a contribution to the Supplemental Low–Income Energy Assistance Fund as required by the legislation. The fund is used to assist low–income residential customers.

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Illinois Procurement Proceedings (Exelon, Generation and ComEd). ComEd is permitted to recover its electricity procurement costs from retail customers without mark-up. Beginning on January 1, 2007, ComEd procured all energy to meet its load service requirements through ICC-approved staggered SFCs with various suppliers, including Generation. Since June 2009, under the Illinois Settlement Legislation, the IPA designs, and the ICC approves an electricity supply portfolio for ComEd and the IPA administers a competitive process under which ComEd procures its electricity supply from various suppliers, including Generation. In order to fulfill a requirement of the Illinois Settlement Legislation, ComEd hedged the price of a significant portion of energy purchased in the spot market with a five-year variable-to-fixed financial swap contract with Generation that expires on May 31, 2013.

On December 28, 2009, the ICC approved the IPA's procurement plan covering the period June 2010 through May 2015. As of December 31, 2010, ComEd had completed the ICC-approved procurement process for a portion of its energy requirements through May 2012. The remainder of ComEd's expected energy requirements through May 2012 will be met through additional Block Contracts resulting from future RFP processes or purchased through the spot market and hedged by the financial swap contract with Generation.

The Illinois Settlement Legislation requires ComEd to purchase an increasing percentage of its electricity requirements from renewable energy resources. As of December 31, 2010, the ICC had approved the results of ComEd's 2010 RFPs to procure RECs for the period from June 2010 through May 2011 and to procure long-term RECs for a 20 year period starting in June 2012. On December 17, 2010, ComEd entered into 20-year contracts with several unaffiliated suppliers regarding the procurement of long-term renewable energy and associated RECs. The long term renewables purchased will count towards satisfying ComEd's obligation under the state's RPS and all associated costs will be recoverable from customers.

On December 2, 2010, the ICC approved ComEd's reconciliation of the actual costs of power purchased in the January 2007 through May 2008 period with the costs for power that flowed through ComEd's tariffs and were collected from customers. The ICC has initiated a similar proceeding to reconcile the actual costs of power purchased in the June 2008 through May 2009 period. Because the Illinois Settlement Legislation has already deemed such costs to be prudently incurred, the reconciliation proceeding is not expected to have a significant impact on ComEd.

See Notes 9—Derivative Financial Instruments for additional information regarding ComEd's financial swap contract with Generation and long-term renewable energy contracts.

***Illinois Settlement Legislation (Exelon, Generation and ComEd*).** The Illinois Settlement Legislation was signed into law in August 2007 following a settlement resulting from extensive discussions with legislative leaders in Illinois, ComEd, Generation and other utilities and generators in Illinois to address concerns about higher electric bills in Illinois without rate freeze, generation tax or other legislation that Exelon believes would be harmful to consumers of electricity, electric utilities, generators of electricity and the State of Illinois. Various Illinois electric utilities, their affiliates and generators of electricity in Illinois agreed to contribute approximately $1 billion over a period of four years that ended in 2010 to programs to provide rate relief to Illinois electricity customers and funding for the IPA. ComEd committed to issue $64 million in rate relief credits to customers or to fund various programs to assist customers. Generation committed to contribute an aggregate of $747 million, consisting of $435 million to pay ComEd for rate relief programs for ComEd customers, $307.5 million for rate relief programs for customers of other Illinois utilities and $4.5 million for partially funding operations of the IPA. The contributions were recognized in the financial statements of Generation and ComEd as rate relief credits were applied to customer bills by ComEd and other Illinois utilities or as

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operating expenses associated with the programs were incurred. As of December 31, 2010, Generation and ComEd had fulfilled their commitments under the Illinois Settlement Legislation.

During the years ended December 31, 2010, 2009 and 2008, Generation and ComEd recognized net costs from their contributions pursuant to the Illinois Settlement Legislation in their Consolidated Statements of Operations as follows:

Year Ended December 31, 2010	Generation	ComEd	Total Credits Issued to ComEd Customers
Credits to ComEd customers [a]	$ 14	$ 1	$ 15
Credits to other Illinois utilities' customers [a]	7	n/a	n/a
Total incurred costs	$ 21	$ 1	$ 15

Year Ended December 31, 2009	Generation	ComEd	Total Credits Issued to ComEd Customers
Credits to ComEd customers [a]	$ 45	$ 8	$ 53
Credits to other Illinois utilities' customers[a]	53	n/a	n/a
Other rate relief programs [b]	—	1	n/a
Total incurred costs	$ 98	$ 9	$ 53

Year Ended December 31, 2008	Generation	ComEd	Total Credits Issued to ComEd Customers
Credits to ComEd customers [a]	$ 131	$ 6	$ 137
Credits to other Illinois utilities' customers [a]	90	n/a	n/a
Other rate relief programs [b]	—	7	n/a
Total incurred costs	$ 221	$ 13	$ 137

(a) Recorded as a reduction in operating revenues.
(b) Recorded as a charge to operating and maintenance expense.

Energy Efficiency and Renewable Energy Resources (Exelon and ComEd). As a result of the Illinois Settlement Legislation, electric utilities in Illinois are required to include cost-effective energy efficiency resources in their plans to meet an incremental annual program energy savings requirement of 0.2% of energy delivered to retail customers for the year ended June 1, 2009, which increases annually to 2% of energy delivered in the year commencing June 1, 2015 and each year thereafter. Additionally, during the ten year period that began June 1, 2008, electric utilities must implement cost-effective demand response measures to reduce peak demand by 0.1% over the prior year for eligible retail customers. The energy efficiency and demand response goals are subject to rate impact caps each year. Utilities are allowed recovery of costs for energy efficiency and demand response programs, subject to approval by the ICC. In February 2008, the ICC issued an order approving substantially all of ComEd's first three-year Energy Efficiency and Demand Response Plan, including cost recovery. This plan began in June 2008 and goes through May 2011. In December 2010, the ICC approved ComEd's second three-year Efficiency and Demand Response Plan covering the period June 2011 through May 2014. The plans are designed to meet the Illinois Settlement Legislation's energy efficiency and demand response goals through May 2014, including reductions in delivered energy to all retail customers and in the peak demand of eligible retail customers.

Since June 1, 2008, utilities have been required to procure cost-effective renewable energy resources in amounts that equal or exceed 2% of the total electricity that each electric utility supplies to its eligible retail customers. ComEd is also required to acquire amounts of renewable energy resources that will cumulatively increase this percentage to at least 10% by June 1, 2015, with an ultimate target of at least 25% by June 1, 2025, subject to customer rate cap limitations. All goals are subject to rate impact criteria set forth in the Illinois Settlement Legislation. As of December 31, 2010, ComEd had purchased sufficient renewable energy resources or equivalents, such as RECs, to comply with the Illinois Settlement Legislation. ComEd currently retires all RECs immediately upon purchase. ComEd is permitted to recover procurement costs of RECs from retail customers without mark-up through rates. See Note 18—Commitments and Contingencies for information regarding ComEd's future commitments for the procurement of RECs.

Pennsylvania Regulatory Matters

2010 Pennsylvania Electric and Natural Gas Distribution Rate Cases (Exelon and PECO). On March 31, 2010, PECO filed separate petitions before the PAPUC for increases of $316 million and $44 million to its annual service revenue requirement for electric and natural gas distribution, respectively, to fund critical infrastructure improvement projects to meet customer demand and ensure the safe and reliable delivery of electricity and natural gas. Costs related to customer assistance discount programs are also included in the annual service revenue requirement. These costs were previously transferred to Generation under the PPA, which expired on December 31, 2010. On December 16, 2010, the PAPUC approved the settlement of PECO's electric and natural gas distribution rate cases for increases in annual service revenue of $225 million and $20 million, respectively. The settlements do not impact recoverability of PECO's regulatory assets currently recorded and the electric settlement provides for recovery of PJM transmission service costs, on a full and current basis through a rider. The settlements include a stipulation regarding how expected tax benefits related to anticipated IRS guidance on repairs allowance deduction methodology are to be handled from a rate-making perspective. The settlements require the expected cash benefit from the application of the new methodology to prior tax years be refunded to customers over a seven-year period. The prospective tax benefit claimed as a result of the new methodology is to be reflected in tax expense in the year in which it is claimed on the tax return and will be reflected in the determination of revenue requirements in the next electric and natural gas distribution base rate cases. The approved electric and natural gas distribution rates became effective on January 1, 2011.

The 2010 electric distribution rate case settlement did not specify the rate of return upon which the settlement rates are based, but rather provided for an increase in annual revenue. PECO's most recently approved weighted average debt and equity return on electric rate base, which included electric transmission, distribution and generation, was 11.23% (approved in 1990). PECO has not filed a transmission rate case since rates have been unbundled. PECO's purchased gas cost rates are not subject to caps and do not earn a return. The 2008 and 2010 natural gas distribution rate case settlements did not specify the rate of return upon which the settlement rates are based, but rather provided for an increase in annual revenue.

2008 Pennsylvania Natural Gas Distribution Rate Case (Exelon and PECO). In October 2008, the PAPUC approved the settlement related to PECO's natural gas distribution rate case, which was filed in March 2008 providing an increase of $77 million to its annual natural gas distribution revenue. As part of the settlement, PECO agreed to enhance its low-income programs as well as provide funding for new energy-efficiency programs to help customers manage their energy usage and gas bills. The approved natural gas distribution rates became effective on January 1, 2009.

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Nuclear Decommissioning Funding (Exelon, Generation and PECO). In 2009, the PAPUC entered an order instituting an investigation into whether PECO's nuclear decommissioning cost adjustment clause (NDCAC), which is a rider that allows PECO to collect funds from customers for future decommissioning costs of seven former PECO nuclear units now owned by Generation, should continue after December 31, 2010. During the course of the investigation, PECO and the interested parties reached an agreement, as set forth in a Stipulation and Joint Memorandum filed on February 24, 2010 (Settlement) that PECO is entitled to recovery from customers through the NDCAC beyond December 31, 2010 for the funding of future decommissioning costs. The Settlement also contained a provision in which it was agreed that PECO would not claim recovery under the NDCAC for any projected incremental physical decommissioning costs with respect to any former PECO nuclear unit as a result of an extension of that unit's NRC operating license. On July 15, 2010, the PAPUC approved the Settlement. See Note 12 —Asset Retirement Obligations for additional information.

Pennsylvania Procurement Proceedings (Exelon and PECO). In 2009, the PAPUC approved PECO's DSP Program, under which PECO will provide default electric service following the expiration of electric generation rate caps on December 31, 2010. The DSP Program, which has a 29-month term beginning January 1, 2011 and ending May 31, 2013, complies with electric supply procurement guidelines set forth in Act 129. Under the DSP Program, PECO is permitted to recover its electric procurement costs from retail default service customers without mark-up through the GSA. The GSA provides for the recovery of energy, capacity, ancillary costs and administrative costs and is subject to adjustments at least quarterly for any over or under collections. The filing and implementation costs of the DSP program have been recorded as a regulatory asset and are recoverable through the GSA over its 29-month term. During 2010, PECO entered into contracts with PAPUC-approved bidders for its third and fourth competitive procurements of electric supply for default electric service commencing January 2011, which included fixed price full requirement contracts for all procurement classes, spot market price full requirements contracts for the commercial and industrial procurement classes, and block energy contracts for the residential procurement class. Under the full requirements contracts, default service suppliers must provide electric supply, capacity, transmission other than Network Integration Transmission Service, ancillary services, transmission and distribution losses, congestion management costs and AECs for compliance with the AEPS Act. As of December 31, 2010, including the previous competitive procurements completed in 2009 and 2010, the 2011 expected energy requirements for all customer classes have been substantially procured. PECO will conduct five additional competitive procurements over the remainder of the term of the DSP Program.

The hourly spot market priced full requirement tranches for large commercial and industrial default service customers in the September 2010 procurement were not fully subscribed. PECO intends to serve the associated load through direct purchases from the PJM spot market and separately procured AEPS credits, for the period beginning January 1, 2011 through May 31, 2011. PECO will solicit bids for the unsubscribed hourly spot market price full requirements procurement tranches for its large commercial and industrial customer class in its next default service procurement occurring in May 2011.

As part of the 2009 settlement of the DSP Program, PECO filed a Revised Electric Purchase of Receivables (POR) program that requires PECO to purchase the customer accounts receivable of EGSs that participate in the electric customer choice program and have elected consolidated billing by PECO. The Revised Electric POR program was filed on November 20, 2009, and provided for full recovery of PECO's system implementation costs for program administration through a temporary discount on purchased receivables. On June 16, 2010, the PAPUC approved PECO's settlement of the

electric POR program. The approved settlement states that PECO can terminate electric service to customers beginning January 1, 2011, based on unpaid charges for EGS service, and uncollectible accounts expense will be recovered from customers through distribution rates. Receivables purchased under the POR program will be classified in other accounts receivable, net on Exelon and PECO's Consolidated Balance Sheets and could significantly increase as a result of PECO's transition to market-based rates.

Smart Meter and Smart Grid Investments (Exelon and PECO). In 2009, PECO filed a joint petition with the PAPUC for partial settlement of its $550 million Smart Meter Procurement and Installation Plan to install more than 1.6 million smart meters and deploy advanced communication networks over a 15-year period. On April 22, 2010, the PAPUC approved PECO's Smart Meter Procurement and Installation Plan that provides for recovery through a rider for program expenses on a full and current basis and the accelerated depreciation incurred on existing meters due to early deployment over the period January 1, 2011 through December 31, 2020. The rider that provides recovery of the costs of new meters placed in service includes a 10.5% equity return. PECO filed for PAPUC approval of an initial dynamic pricing and customer acceptance program in October 2010, and plans to file for approval of a universal meter deployment plan for its remaining customers in 2012.

On April 12, 2010, PECO entered into a Financial Assistance Agreement with the DOE for SGIG funds under the ARRA. Under the SGIG, PECO has been awarded $200 million, the maximum grant allowable under the program, for its SGIG project—Smart Future Greater Philadelphia. As a result of the SGIG funding, PECO will deploy 600,000 smart meters within three years, accelerate universal deployment of more than 1.6 million smart meters from 15 years to 10 years and increase smart grid investments to approximately $100 million over the next three years. The $200 million SGIG funds will be reimbursed ratably based on projected spending of more than $400 million, which includes approximately $7 million related to demonstration projects by two sub-recipients. The SGIG is non-taxable based on IRS guidance. The DOE has a conditional ownership interest in Federally-funded project property and equipment, which is subordinate to PECO's existing mortgage. In total, over the next 10 years, PECO is planning to spend up to a total of $650 million on its smart grid and smart meter infrastructure. During 2010, PECO entered into agreements for an AMI network, AMI systems, installation of the first 600,000 meters, and procurement of meters and fiber-cable. The $200 million SGIG from the DOE will be used to significantly reduce the impact of those investments on PECO ratepayers.

As of December 31, 2010, PECO has incurred project expenditures of $34 million that are reimbursable from the DOE, which have been recorded in other accounts receivable, net on PECO's Consolidated Balance Sheets.

Energy Efficiency Programs (Exelon and PECO). Pursuant to Act 129's EE&C reduction targets, PECO filed its EE&C plan with the PAPUC and received partial approval in 2009. In February 2010, the PAPUC approved PECO's revisions to the EE&C plan. The approved plan set forth how PECO will reduce electric consumption by at least 1% in its service territory by May 31, 2011 from expected consumption for the period June 1, 2009 through May 31, 2010 and by 3% by May 31, 2013. In accordance with Act 129, PECO also plans to reduce peak demand by a minimum of 4.5% of PECO's annual system peak demand in the 100 hours of highest demand by May 31, 2013, measured against its peak demand during the period of June 1, 2007 through May 31, 2008. If PECO fails to achieve the required reductions in consumption within the stated deadlines, PECO will be subject to civil penalties of up to $20 million, which would not be recoverable from ratepayers. As of December 31, 2010, PECO has met the 1% consumption reduction target for 2011.

The approved four-year plan, which began on June 1, 2009, totals more than $330 million and includes a CFL program, weatherization programs, an energy efficiency appliance rebate and trade-in program, rebates and energy efficiency programs for non-profit, educational, governmental and business customers, customer incentives for energy management programs and incentives to help customers reduce energy demand during peak periods. In September 2010, PECO filed revisions to the EE&C Plan previously approved in February 2010 that included adjustments to certain incentive levels and the addition of energy efficiency measures to the existing portfolio. These revisions do not impact the total spending under the approved EE&C plan or timely cost recovery from ratepayers. On January 27, 2011, the PAPUC unanimously approved PECO's EE&C Plan revisions.

Alternative Energy Portfolio Standards (Exelon and PECO). In November 2004, Pennsylvania adopted the AEPS Act. The AEPS Act mandated that beginning in 2011, following the expiration of PECO's rate cap transition period, certain percentages of electric energy sold to Pennsylvania retail electric customers shall be generated from certain alternative energy resources as measured in AECs. The requirement for electric energy that must come from Tier I alternative energy resources (including solar, wind power, low-impact hydropower, geothermal energy, biologically derived methane gas, fuel cells, biomass energy, coal mine methane and black liquor generated within Pennsylvania) ranges from approximately 3.5% to 8.0% and the requirement for Tier II alternative energy resources (including waste coal, demand-side management, large-scale hydropower, municipal solid waste, generation of electricity utilizing by-products of the pulping process and wood, distributed generation systems and integrated combined coal gasification technology) ranges from 6.2% to 10.0%. The required compliance percentages incrementally increase each PJM year until May 31, 2021. These Tier I and Tier II alternative energy resources include acceptable energy sources as set forth in Act 129 in addition to those outlined in the AEPS Act.

In 2007 and 2009, the PAPUC approved PECO's plan under which PECO entered into five-year and ten-year agreements with accepted bidders, including Generation, totaling 452,000 non-solar and 8,000 solar Tier I AECs annually. The AECs procured prior to the 2011 compliance year were banked and are anticipated to be used to meet AEPS obligations through May 2013. All administrative costs incurred in connection with AEC procurement prior to 2011 have been deferred as a regulatory asset with a return on the unamortized balance and will be recovered from customers in 2011. Those costs, and PECO's AEPS Act compliance costs incurred thereafter, will be recovered from customers on a full and current basis through a rider as contemplated by the AEPS Act. In November 2010, PECO filed a petition with the PAPUC for approval of procurement of Tier II AECs to satisfy PECO's compliance requirements for the AEPS reporting years ending 2011 and 2012.

Federal Regulatory Matters

Transmission Rate Case (Exelon and ComEd). ComEd's transmission rates are established based on a FERC–approved formula. ComEd's formula transmission rate currently provides for a weighted average debt and equity return on transmission rate base of 9.27%, a decrease from the 9.43% return previously authorized. As part of the FERC-approved settlement of ComEd's 2007 transmission rate case, the rate of return on common equity is 11.5% and the common equity component of the ratio used to calculate the weighted average debt and equity return for the formula transmission rate is currently capped at 56%. This equity cap will be reduced to 55% in June 2011.

ComEd's most recent annual formula rate update filed in May 2010 reflects actual 2009 expenses and investments plus forecasted 2010 capital additions. The update resulted in a revenue requirement of $430 million offset by a $14 million reduction related to the true–up of 2009 actual costs for a net

revenue requirement of $416 million. This compares to the May 2009 updated net revenue requirement of $440 million. The decrease in the revenue requirement was primarily driven by ComEd's 2009 cost savings measures. The 2010 net revenue requirement became effective June 1, 2010 and is recovered over the period extending through May 31, 2011. The regulatory liability associated with the true–up is being amortized as the associated amounts are refunded.

PJM Transmission Rate Design (Exelon, ComEd and PECO). PJM Transmission Rate Design specifies the rates for transmission service charged to customers within PJM. Currently, ComEd and PECO incur costs based on the existing rate design, which charges customers based on the cost of the existing transmission facilities within their load zone and the cost of new transmission facilities based on those who benefit. In April 2007, FERC issued an order concluding that PJM's current rate design for existing facilities is just and reasonable and should not be changed. In the same order, FERC held that the costs of new facilities 500 kV and above should be socialized across the entire PJM footprint and that the costs of new facilities less than 500 kV should be allocated to the customers of the new facilities who caused the need for those facilities. In the short term, based on new transmission facilities approved by PJM, it is likely that allocating across PJM the costs of new facilities 500 kV and above will increase charges to ComEd and reduce charges to PECO, as compared to the allocation methodology in effect before the FERC order. After FERC ultimately denied all requests for rehearing on all issues, several parties filed petitions in the U.S. Court of Appeals for the Seventh Circuit for review of the decision. On August 6, 2009, the court issued its decision affirming FERC's order with regard to the costs of existing facilities but reversing and remanding to FERC for further consideration its decision with regard to the costs of new facilities 500 kV and above. On January 21, 2010, FERC issued an order establishing paper hearing procedures to supplement the record. In May and June 2010, certain parties, including Exelon, submitted testimony to supplement the record. ComEd anticipates that all impacts of any rate design changes effective after December 31, 2006 should be recoverable through retail rates and, thus, the rate design changes are not expected to have a material impact on ComEd's results of operations, cash flows or financial position. PECO anticipates that all impacts of any rate design changes should be recoverable through the transmission service charge rider approved in PECO's 2010 electric distribution rate case settlement and, thus, the rate design changes are not expected to have a material impact on PECO's results of operations, cash flows or financial position. To the extent any rate design changes are retroactive to periods prior to January 1, 2011 there may be an impact on PECO's results of operation.

Market-Based Rates (Exelon, Generation, ComEd and PECO). Generation, ComEd and PECO are public utilities for purposes of the Federal Power Act and are required to obtain FERC's acceptance of rate schedules for wholesale electricity sales. Currently, Generation, ComEd and PECO have authority to execute wholesale electricity sales at market-based rates. As is customary with market-based rate schedules, FERC has reserved the right to suspend market-based rate authority on a retroactive basis if it subsequently determines that Generation, ComEd or PECO has violated the terms and conditions of its tariff or the Federal Power Act. FERC is also authorized to order refunds if it finds that the market-based rates are not just and reasonable under the Federal Power Act.

As required by FERC's regulations, as promulgated in the Order No. 697 series, Generation, ComEd and PECO have filed market power analyses using the prescribed market share screens to demonstrate that Generation, ComEd and PECO qualify for market-based rates in the regions where they are selling energy and capacity under market-based rate tariffs. FERC accepted the 2008 filings on January 15, 2009 and September 2, 2009 and accepted the 2009 filing on October 26, 2009, affirming Exelon's affiliates continued right to make sales at market-based rates. These analyses must examine historic test period data and must be updated every three years on a prescribed schedule.

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The most recent updated analysis for the PJM and Northeast Regions was filed in late 2010, based on 2009 historic test period data. In that updated analysis, Generation informed FERC that its market share data in PJM would change beginning in 2011, when Generation's contract for PECO's full requirements for capacity and energy expired. That change, as well as any new sales contracts or other intervening changes in Generation's market share, will be reflected in the next updated market share screen analysis due to be filed at the end of 2013. In the meantime, under FERC's rules and precedent, any market power concerns would be obviated by FERC-approved RTO market monitoring and mitigation program in PJM.

Reliability Pricing Model (Exelon and Generation). On December 22, 2006, FERC approved a contested settlement establishing a competitive auction mechanism for forward sales of capacity to serve PJM's capacity requirements. The settlement provided for an auction 36 months in advance of each delivery year beginning with the delivery year ending May 31, 2012 and an expedited phase-in process for four transitional auctions covering delivery years ending on May 31 in 2008 through 2011. All but one appeal of FERC's order approving RPM were withdrawn on February 27, 2009 and the remaining appeal was denied by the U.S. Court of Appeals for the District of Columbia Circuit (D.C. Circuit) on March 17, 2009.

PJM's transitional RPM auctions took place 36 months ahead of the scheduled delivery year. The most recent auction for the delivery year ending May 31, 2014 occurred in May 2010. Thus far, the RPM capacity auctions have secured capacity for the PJM market through 2014. While auction results produced varying prices, as anticipated, the RPM has been beneficial for owners of generation facilities, particularly for such facilities located in constrained zones, as compared to the prior capacity-payment construct.

On May 30, 2008, a group of PJM load-serving entities, state commissions, consumer advocates and trade associations (referred to collectively as the RPM Buyers) filed a complaint at FERC against PJM alleging that three of the four transitional RPM auctions yielded prices that are unjust and unreasonable under the Federal Power Act. Most of the parties comprising the RPM Buyers group were parties to the settlement approved by FERC that established the RPM. In the complaint, the RPM Buyers requested that the total projected payments to RPM sellers for the three auctions at issue be materially reduced. The FERC's dismissal of the complaint was appealed to the D.C. Circuit. On February 8, 2011, the D.C. Circuit denied the petition for review. While the RPM Buyers may file for rehearing of this decision and/or appeal it to the U.S. Supreme Court, the likelihood of reversal is minimal. Therefore, Exelon and Generation believe that it is remote that the ultimate outcome of this matter will have a material adverse impact on their respective results of operations, cash flows or financial position.

License Renewals (Exelon and Generation). On April 8, 2009, the NRC issued a renewed operating license for Oyster Creek that expires in April 2029. On December 8, 2010, Exelon announced that Generation will permanently cease generation operations at Oyster Creek by December 31, 2019. See Note 18—Commitments and Contingencies for additional information.

On October 22, 2009, the NRC issued a renewed operating license for TMI Unit 1 that expires in April 2034.

On August 18, 2009, PSEG submitted an application to the NRC to extend the operating license of Salem Units 1 and 2 by 20 years. Exelon is part owner of the Salem Units. The NRC is expected to spend a total of 22 to 30 months to review the application before making a decision. The current operating licenses expire in 2016 and 2020, respectively.

Regulatory Assets and Liabilities (Exelon, ComEd and PECO)

Exelon, ComEd and PECO prepare their consolidated financial statements in accordance with the authoritative guidance for accounting for certain types of regulation. Under this guidance, regulatory assets represent incurred costs that have been deferred because of their probable future recovery from customers through regulated rates. Regulatory liabilities represent the excess recovery of costs or accrued credits that have been deferred because it is probable such amounts will be returned to customers through future regulated rates or represent billings in advance of expenditures for approved regulatory programs.

The following tables provide information about the regulatory assets and liabilities of Exelon, ComEd and PECO as of December 31, 2010 and 2009.

December 31, 2010	Exelon	ComEd	PECO
Regulatory assets			
Pension and other postretirement benefits	$2,763	$ —	$ 13
Deferred income taxes	852	23	829
Smart meter program expenses	17	—	17
Debt costs	123	108	15
Severance	74	74	—
Asset retirement obligations	86	61	25
MGP remediation costs	149	110	39
RTO start-up costs	10	10	—
Under-recovered uncollectible accounts	14	14	—
Financial swap with Generation—noncurrent	—	525	—
DSP Program costs	7	—	7
Other	45	22	23
Noncurrent regulatory assets	4,140	947	968
Financial swap with Generation—current	—	450	—
Under-recovered energy and transmission costs current asset	6	6	—
DSP Program electric procurement contracts—current	4	—	9
Total regulatory assets	$4,150	$1,403	$977
Regulatory liabilities			
Nuclear decommissioning	$2,267	$1,892	$375
Removal costs	1,211	1,211	—
Refund of PURTA taxes	4	—	4
Energy efficiency and demand response programs	69	31	38
Other	4	3	1
Noncurrent regulatory liabilities	3,555	3,137	418
Over-recovered energy and transmission costs current liability	44	19	25
Total regulatory liabilities	$3,599	$3,156	$443

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December 31, 2009	Exelon	ComEd	PECO
Regulatory assets			
Competitive transition charges	$ 883	$ —	$ 883
Pension and other postretirement benefits	2,634	—	19
Deferred income taxes	842	20	822
Debt costs	144	125	19
Severance	95	95	—
Asset retirement obligations	65	49	16
MGP remediation costs	143	103	40
RTO start-up costs	12	12	—
Financial swap with Generation—noncurrent	—	669	—
DSP Program electric procurement contracts	2	—	4
DSP Program costs	5	—	5
Other	47	23	26
Noncurrent regulatory assets	4,872	1,096	1,834
Financial swap with Generation—current	—	302	—
Under-recovered energy and transmission costs current asset	56	56	—
Total regulatory assets	$4,928	$1,454	$1,834
Regulatory liabilities			
Nuclear decommissioning	$2,229	$1,918	$ 311
Removal costs	1,212	1,212	—
Refund of PURTA taxes	4	—	4
Deferred taxes	30	—	—
Energy efficiency and demand response programs	15	15	—
Other	2	—	2
Noncurrent regulatory liabilities	3,492	3,145	317
Over-recovered energy and transmission costs current liability	33	11	22
Total regulatory liabilities	$3,525	$3,156	$ 339

Competitive transition charges. These charges represent PECO's stranded costs that the PAPUC determined would be recoverable under the Competition Act through electric generation rates, which included a 10.75% return on the unamortized balance, over the transition period. These costs were related to generation assets that would no longer be recoverable through regulated rates due to the deregulation of the generation portion of the electric utility business in Pennsylvania. These charges were fully amortized as of December 31, 2010, which coincided with the end of the transition period.

Pension and other postretirement benefits. As of December 31, 2010, $2,750 million represents regulatory assets related to the recognition of ComEd's and PECO's respective shares of the underfunded status of Exelon's defined benefit postretirement plans as a liability on Exelon's balance sheet. The regulatory asset is amortized in proportion to the recognition of prior service costs (gains), transition obligations and actuarial losses attributable to ComEd's pension plan and ComEd's and PECO's other postretirement benefit plans determined by the cost recognition provisions of the authoritative guidance for pensions and postretirement benefits. ComEd and PECO will recover these costs through base rates as allowed in their most recently approved regulated rate orders. See Note 13—Retirement Benefits for additional detail. In addition, $13 million is the result of PECO transitioning to the current authoritative guidance in 1993, which is recoverable in rates through 2012. ComEd and PECO are not earning a return on the recovery of these costs in base rates.

Deferred income taxes. These costs represent the difference between the method by which the regulator allows for the recovery of income taxes and how income taxes would be recorded under GAAP. Regulatory assets and liabilities associated with deferred income taxes, recorded in compliance with the authoritative guidance for accounting for certain types of regulation and income taxes, include the deferred tax effects associated principally with liberalized depreciation accounted for in accordance with the ratemaking policies of the ICC and PAPUC, as well as the revenue impacts thereon, and assume continued recovery of these costs in future transmission and distribution rates. See Note 11—Income Taxes for additional information. ComEd and PECO are not earning a return on the recovery of these costs.

Smart meter program expenses. These costs represent accelerated depreciation, filing and implementation costs relating to PECO's PAPUC approved Smart Meter Procurement and Installation Plan. The approved plan allows for recovery of filing and implementation costs incurred through December 31, 2010 during 2011 and 2012. In addition, the approved plan provides for recovery of program costs beginning in January 2011 on full and current basis, which includes interest income or expense of 6% on the under or over recovery, and recovery of accelerated depreciation on PECO's current meter reading assets over a 10 year period ending December 31, 2020. To the extent that PECO deploys smart meters sooner than required to replace existing meters and meter communication modules, it will incur accelerated depreciation on these existing meters and modules.

Debt costs. Consistent with rate recovery for ratemaking purposes, ComEd's and PECO's recoverable losses on reacquired long-term debt related to regulated operations are deferred and amortized to interest expense over the life of the new debt issued to finance the debt redemption or over the life of the original debt issuance if the debt is not refinanced. Interest-rate swap settlements are deferred and amortized over the period that the related debt is outstanding or the life of the original issuance retired. These debt costs are used in the determination of the weighted cost of capital applied to rate base in the rate-making process.

Severance. These costs represent previously incurred severance costs that ComEd was granted recovery of in the December 20, 2006 ICC rehearing rate order. The recovery period is through June 30, 2014. ComEd is not earning a return on these costs.

Asset retirement obligations. These costs represent future removal costs associated with ComEd's and PECO's existing asset retirement obligations. PECO will begin to earn a return on, and a recovery of, these costs once the removal activities have been performed. ComEd will recover these costs through future depreciation expense and will earn a return on these costs once the removal activities have been performed. See Note 12—Asset Retirement Obligations for additional information.

MGP remediation costs. Recovery of these items was granted to ComEd in the July 26, 2006 ICC rate order. For PECO, these costs are recoverable through rates as prescribed in the 2008 and 2010 approved natural gas distribution rate case settlements. The period of recovery for both ComEd and PECO will depend on the timing of the actual expenditures. ComEd and PECO are not earning a return on the recovery of these costs. See Note 18—Commitments and Contingencies for additional information.

RTO start-up costs. Recovery of these RTO start-up costs was approved by FERC. The recovery period is through March 31, 2015. ComEd is earning a return on these costs.

Under-recovered uncollectible accounts. As a result of the February 2010 ICC order approving recovery of ComEd's uncollectible accounts, ComEd has the ability to adjust its rates annually to reflect

the increases and decreases in annual uncollectible accounts expense starting with year 2008. ComEd recorded a regulatory asset for the cumulative under-collections in 2008 and 2009. Recovery of the initial regulatory asset will take place over an approximate 14-month time frame which began in April 2010. The recovery or refund of the difference in the uncollectible accounts expense applicable to the years starting with January 1, 2010, will take place over a 12–month time frame beginning in June of the following year. ComEd is not earning a return on these costs.

Financial swap with Generation. To fulfill a requirement of the Illinois Settlement Legislation, ComEd entered into a five-year financial swap contract with Generation that expires on May 31, 2013. Since the swap contract was deemed prudent by the Illinois Settlement Legislation, ensuring ComEd of full recovery in rates, the changes in fair value each period are recorded by ComEd as well as an offsetting regulatory asset or liability. ComEd does not earn (pay) a return on the regulatory asset (liability). The basis for the mark-to-market derivative asset or liability position is based on the difference between ComEd’s cost to purchase energy on the spot market and the contracted price. In Exelon’s consolidated financial statements, the fair value of the intercompany swap recorded by Generation and ComEd is eliminated.

Rate case costs. The ICC generally allows ComEd to receive recovery of rate case costs over three years. The ICC has issued orders allowing recovery of these costs on July 26, 2006 and September 10, 2008. The recovery period is through September 15, 2011. Pursuant to the approved settlement of the 2010 electric distribution rate case, PECO is allowed recovery of rate case costs over two years ending December 31, 2012. Pursuant to the approved settlements of the 2010 and 2008 natural gas distribution rate cases, PECO is allowed recovery of rate case costs over two years ending December 31, 2012 and 2010, respectively. ComEd and PECO do not earn a return on the recovery of these costs.

DSP Program electric procurement contracts. These amounts represent an offset to the mark-to-market liability position of PECO’s procurement contracts for electric supply following the expiration of its generation rate caps on December 31, 2010. Recovery of electric procurement costs through the GSA, adjusted quarterly, was granted to PECO in the PAPUC approval of their DSP Program and will begin in 2011. This regulatory asset will be unwound against the mark-to-market liability over the relevant contract period beginning January 1, 2011 therefore, no return is earned.

DSP Program costs. These amounts represent administrative costs incurred relating to filing, procurement, and information technology improvements associated with the procurement of electric supply following the expiration of PECO’s generation rate caps on December 31, 2010. Recovery of these costs was granted to PECO in the PAPUC approval of their DSP Program. The filing and implementation costs of the DSP Program are recoverable through the GSA over a 29-month period beginning January 1, 2011. The independent evaluator costs associated with conducting procurements is recoverable over a 12-month period beginning January 1, 2011. Costs relating to information technology improvements will be recovered over a 5-year period beginning January 1, 2011. PECO earns a 6% return on the recovery of information technology costs.

Under (over)-recovered energy and transmission costs current asset (liability). Starting in 2007, ComEd energy and transmission costs are recoverable (refundable) under ComEd’s ICC and/or FERC-approved rates. ComEd’s deferred energy and transmission costs are earning (paying) a rate of return. The PECO costs represent gas supply related costs recoverable (refundable) under PECO’s PAPUC-approved rates. PECO earns interest of 6% on the under-recovered energy costs and pays interest of 8% on over-recovered energy costs to customers.

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Nuclear decommissioning. These amounts represent future nuclear decommissioning costs that exceed (regulatory asset) or are less than (regulatory liability) the associated decommissioning trust fund assets. Exelon believes the trust fund assets, including prospective earnings thereon and any future collections from customers, will equal the associated future decommissioning costs at the time of decommissioning. See Note 12—Asset Retirement Obligations for additional information.

Removal costs. These amounts represent funds ComEd has received from customers to cover the future removal of property, plant and equipment which reduces rate base for ratemaking purposes.

Refund of PURTA taxes. In October 2009, PECO prevailed in a Pennsylvania Commonwealth Court case in which PECO had contested the assessment of a PURTA supplemental tax applicable to 1997. As a result, PECO will receive approximately $4 million of previously remitted real estate taxes in 2011 and must pass this refund on to customers. PECO will begin amortizing this regulatory liability and refunding the amount to customers in January 2011. No interest or return will be paid to customers.

Energy efficiency and demand response programs. These amounts represent costs recoverable (refundable) under ComEd's ICC approved Energy Efficiency and Demand Response Plan and PECO's PAPUC approved EE&C Plan. ComEd began recovering these costs or refunding over-collections of these costs on June 1, 2008 through a rider. ComEd earns a return on the capital investment incurred under the program but does not earn (pay) a return on under (over) collections. PECO began recovering these costs through a rider on full and current basis on January 1, 2010. Recovery will continue over the life of the program, which expires on May 31, 2013. As of December 31, 2010, PECO's revenues related to the EE&C exceeded program spend.

Operating and Maintenance for Regulatory Required Programs (Exelon, ComEd and PECO)

The following tables set forth costs for various legislative and/or regulatory programs that are recoverable from customers on a full and current basis through a rider for ComEd and PECO for the years ended December 31, 2010, 2009 and 2008. An equal and offsetting amount has been reflected in operating revenues during the periods.

For the Year Ended December 31, 2010	Exelon	ComEd	PECO
Energy efficiency and demand response programs	$ 135	$ 85[(a)]	$ 50[(b)]
Advanced metering infrastructure pilot program	5	5	—
Purchased power administrative costs	4	4	—
Consumer education program	3	—	3[(c)]
Total operating and maintenance for regulatory required programs	$ 147	$ 94	$ 53

For the Year Ended December 31, 2009	Exelon	ComEd	PECO
Energy efficiency and demand response programs	$ 59	$ 59[(a)]	$—
Purchased power administrative costs	4	4	—
Total operating and maintenance for regulatory required programs	$ 63	$ 63	$—

For the Year Ended December 31, 2008	Exelon	ComEd	PECO
Energy efficiency and demand response programs	$ 25	$ 25[(a)]	$—
Purchased power administrative costs	3	3	—
Total operating and maintenance for regulatory required programs	$ 28	$ 28	$—

(a) As a result of the Illinois Settlement, utilities are required to provide energy efficiency and demand response programs.
(b) Represents recovered costs under PECO's energy efficiency and conservation/demand plan, which began in 2010, that was designed to meet Act 129's energy efficiency and conservation/demand reduction targets.
(c) In 2009, the PAPUC authorized PECO to collect a surcharge to recover expenditures associated with PECO's approved consumer education plan related to the transition to competitive energy market prices.

3. Acquisition (Exelon and Generation)

On December 9, 2010, Generation completed the acquisition of all of the equity interests of John Deere Renewables, LLC (now known as Exelon Wind), a leading operator and developer of wind power. Under the terms of the agreement, Generation acquired 735 MWs of installed, operating wind capacity located in eight states. The acquisition builds on the Exelon's commitment to renewable energy as part of Exelon 2020, a business and environmental strategy to eliminate the equivalent of Exelon's 2001 carbon footprint.

The fair value of assets acquired and liabilities assumed was determined based upon the use of significant estimates and assumptions that are judgmental in nature. Some of the more significant estimates and assumptions used include: projected future cash flows (including timing); discount rates reflecting the risk inherent in the future cash flows; and future market prices. There were also judgments made to determine the expected useful lives assigned to each class of assets acquired and the duration of the liabilities assumed. Generation did not record any goodwill related to the acquisition of Exelon Wind.

The following table summarizes the fair value of consideration transferred to acquire Exelon Wind and the value of identified assets and liabilities assumed as of the acquisition date:

Fair Value of Consideration Transferred

Cash [(a)]	$893
Contingent consideration	32
Total fair value of consideration recorded	$925
Recognized amounts of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	$700
Intangible assets [(b)]	224
Working capital	18
Asset retirement obligations	(13)
Noncontrolling interest	(3)
Other	(1)
Total net identifiable assets	$925

(a) On September 30, 2010, Generation issued $900 million of senior notes, the proceeds of which were used to fund the acquisition. See Management's Discussion and Analysis of Financial Condition and Result of Operations, Liquidity and Capital Resources for additional information regarding the debt issuance.
(b) See Note 7—Intangible Assets for additional information.

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The contingent consideration arrangement requires that Generation pay up to $40 million related to three individual projects with a capacity of 230 MWs, which are currently in advanced stages of development, upon meeting certain contractual commitments related to the commencement of construction of each project. The fair value of the contingent consideration arrangement of $32 million was determined based upon a weighted average probability of meeting certain contractual commitments related to the commencement of construction of each project, which is considered an unobservable (Level 3) input pursuant to applicable accounting guidance. As of December 31, 2010, the amount recognized for the contingent consideration arrangement, the range of outcomes, and the assumptions used to develop the estimate had not changed since the December 9, 2010 acquisition date. Generation anticipates paying a portion of the contingent consideration within the next 12 months, and accordingly, has recorded $16 million of contingent consideration in other current liabilities within Exelon and Generation's Consolidated Balance Sheets. The remaining amount was recorded in other deferred credits and other liabilities within Exelon and Generation's Consolidated Balance Sheets.

The fair value of the assets acquired includes customer receivables of $24 million, which represent all amounts due under the related contracts as of the acquisition date. Generation expects these receivables to be collected in the normal course of business. Generation did not acquire any other receivables as part of the Exelon Wind acquisition.

The $3 million noncontrolling interest represents the noncontrolling members' proportionate share in the fair value of the assets acquired and liabilities assumed in the transaction.

Exelon Wind's revenue and operating income contribution to Exelon and Generation for the period from December 10, 2010 to December 31, 2010 was not material. The unaudited pro forma results for Exelon and Generation as if the Exelon Wind acquisition occurred on January 1, 2009 were not materially different from Exelon and Generation's financial results for years ended December 31, 2010 and December 31, 2009.

In 2010, Exelon and Generation incurred $11 million of acquisition-related costs associated with this transaction. These costs are included within operating and maintenance expense in Exelon and Generation's Consolidated Statements of Comprehensive Income.

4. Accounts Receivable (Exelon, Generation, ComEd and PECO)

Accounts receivable at December 31, 2010 and 2009 included estimated unbilled revenues, representing an estimate for the unbilled amount of energy or services provided to customers, and is net of an allowance for uncollectible accounts as follows:

2010	Exelon	Generation	ComEd	PECO
Unbilled revenues	$1,060	$ 407	$ 304	$ 349
Allowance for uncollectible accounts	(228)	(32)	(80)	(116)[(a)]

2009	Exelon	Generation	ComEd	PECO
Unbilled revenues	$1,035	$ 441	$ 289	$ 305
Allowance for uncollectible accounts	(225)	(31)	(77)	(117)

(a) Includes an allowance for uncollectible accounts of $19 million related to PECO's installment plan receivables described below.

PECO Installment Plan Receivables (Exelon and PECO). PECO enters into payment agreements with certain delinquent customers, primarily residential, seeking to restore their service, as required by the PAPUC. Customers with past due balances that meet certain income criteria are provided the option to enter into an installment payment plan, some of which have terms greater than one year, to repay past due balances in addition to paying for their ongoing service on a current basis. The receivable balance for these payment agreement receivables is recorded in accounts receivable for the current portion and other deferred debits and other assets for the noncurrent portion. The receivables balance for installment plans with terms greater than one year was $22 million, net of an allowance for uncollectible accounts of $19 million as of December 31, 2010. The allowance for uncollectible accounts reserve methodology and assessment of the credit quality of the installment plan receivables are consistent with the customer accounts receivable methodology discussed in Note 1—Significant Accounting Policies. The allowance for uncollectible accounts balance at December 31, 2010 of $19 million consists of $1 million, $5 million and $13 million for low risk, medium risk and high risk segments, respectively. The balance of the payment agreement is billed to the customer in equal monthly installments over the term of the agreement. Installment receivables outstanding as of December 31, 2010 include balances not yet presented on the customer bill, accounts currently billed and an immaterial amount of past due receivables. When a customer defaults under the payment agreement, the terms of which are defined by plan type, the entire balance under the agreement becomes due and the balance is reclassified to current customer accounts receivable and reserved for in accordance with the methodology discussed in Note 1—Significant Accounting Policies.

Accounts Receivable Agreement (Exelon and PECO). PECO is party to an agreement with a financial institution under which it sold an undivided interest, adjusted daily, in up to $225 million of designated accounts receivable which is accounted for as a secured borrowing. As of December 31, 2010, the financial institution's undivided interest in Exelon and PECO's gross accounts receivable was equivalent to $346 million, which is calculated under the terms of the agreement. See Note 10—Debt and Credit Agreements for additional information regarding the accounts receivable agreement.

5. Property, Plant and Equipment (Exelon, Generation, ComEd and PECO)

Exelon

The following table presents a summary of property, plant and equipment by asset category as of December 31, 2010 and 2009:

	Average Service Life (years)	2010	2009
Asset Category			
Electric—transmission and distribution	5-75	$20,389	$19,441
Electric—generation [(a)]	1-55	11,914	9,666
Gas—transportation and distribution	5-66	1,732	1,679
Common—electric and gas	5-50	534	517
Nuclear fuel [(b)]	1-8	3,725	3,340
Construction work in progress	N/A	1,290	1,263
Other property, plant and equipment [(c)]	4-50	421	458
Total property, plant and equipment		40,005	36,364
Less: accumulated depreciation [(d)]		10,064	9,023
Property, plant and equipment, net		$29,941	$27,341

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(a) Includes Exelon Wind assets. See Note 3 – Acquisition for additional information.
(b) Includes nuclear fuel that is in the fabrication and installation phase of $651 million and $711 million at December 31, 2010 and 2009, respectively.
(c) Includes Generation's buildings under capital lease with a net carrying value of $26 million and $29 million at December 31, 2010 and 2009, respectively. The original cost basis of the buildings was $53 million and total accumulated amortization was $27 million and $24 million as of December 31, 2010 and 2009, respectively. Also includes unregulated property at ComEd and PECO.
(d) Includes accumulated depreciation related to regulated property at ComEd and PECO of $4,955 million and $4,565 million as of December 31, 2010 and 2009, respectively. Includes accumulated amortization of nuclear fuel in the reactor core at Generation of $1,592 million and $1,383 million as of December 31, 2010 and 2009, respectively. On December 2, 2009, Generation announced its intention to permanently retire four of its fossil-fired generating units. Exelon recorded approximately $80 million and $32 million as of December 31, 2010 and 2009, respectively, of additional depreciation expense to reflect changes in useful lives for the plant assets that will be taken out of service prior to their previously estimated service period. See Note 14—Corporate Restructuring and Plant Retirements for additional information.

The following table presents the annual depreciation provisions as a percentage of average service life for each asset category.

Average Service Life Percentage by Asset Category	2010	2009	2008
Electric—transmission and distribution	2.53%	2.43%	2.42%
Electric—generation	2.86%	2.28%	2.02%
Gas	1.75%	1.75%	1.74%
Common—electric and gas	7.25%	6.41%	6.51%

Generation

The following table presents a summary of property, plant and equipment by asset category as of December 31, 2010 and 2009:

Asset Category	Average Service Life (years)	2010	2009
Electric—generation [(a)]	1-55	$11,914	$ 9,666
Nuclear fuel [(b)]	1-8	3,725	3,340
Construction work in progress	N/A	849	964
Other property, plant and equipment [(c)]	4-10	54	53
Total property, plant and equipment		16,542	14,023
Less: accumulated depreciation [(d)]		4,880	4,214
Property, plant and equipment, net		$11,662	$ 9,809

(a) Includes Exelon Wind assets. See Note 3—Acquisition for additional information.
(b) Includes nuclear fuel that is in the fabrication and installation phase of $651 million and $711 million at December 31, 2010 and 2009, respectively.
(c) Includes buildings under capital lease with a net carrying value of $26 million and $29 million at December 31, 2010 and 2009, respectively. The original cost basis of the buildings was $53 million and total accumulated amortization was $27 million and $24 million as of December 31, 2010 and 2009, respectively.
(d) Includes accumulated amortization of nuclear fuel in the reactor core of $1,592 million and $1,383 million as of December 31, 2010 and 2009, respectively. On December 2, 2009, Generation announced its intention to permanently retire four of its fossil-fired generating units. Generation recorded approximately $80 million and $32 million as of December 31, 2010 and 2009, respectively, of additional depreciation expense to reflect changes in useful lives for the plant assets that will be taken out of service prior to their previously estimated service period. See Note 14—Corporate Restructuring and Plant Retirements for additional information.

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The annual depreciation provisions as a percentage of average service life for electric generation assets were 2.86%, 2.28% and 2.02% for the years ended December 31, 2010, 2009 and 2008, respectively.

License Renewals. Generation's depreciation provisions are based on the estimated useful lives of its generating stations, which assume the renewal of the licenses for all nuclear generating stations except for Oyster Creek. See Note 18—Commitments and Contingencies for additional information regarding Oyster Creek. As a result, the receipt of license renewals has no impact on the Consolidated Statements of Operations. See Note 2—Regulatory Matters for additional information regarding license renewals.

Long-Lived Asset Impairments. Due to the continued decline in forward energy prices in the first quarter of 2009, Generation evaluated its Texas plants for recoverability as of March 31, 2009. As the estimated undiscounted future cash flows and fair value of the Handley and Mountain Creek stations were less than the stations' carrying values, the stations were determined to be impaired at March 31, 2009. LaPorte station was determined not to be impaired. Accordingly, the Handley and Mountain Creek stations were written down to fair value, and an impairment charge of $223 million was recorded in operating and maintenance expense in Exelon's and Generation's Consolidated Statements of Operations in the first quarter of 2009. The fair value of the stations was determined using the income (discounted cash flow), market (available comparables) and cost (replacement cost) valuation approaches.

ComEd

The following table presents a summary of property, plant and equipment by asset category as of December 31, 2010 and 2009:

	Average Service Life (years)	2010	2009
Asset Category			
Electric—transmission and distribution	5-75	$14,752	$14,031
Construction work in progress	N/A	207	178
Other property, plant and equipment [(a)]	50	47	45
Total property, plant and equipment		15,006	14,254
Less: accumulated depreciation [(b)]		2,428	2,129
Property, plant and equipment, net		$12,578	$12,125

(a) Represents unregulated property.
(b) Includes accumulated depreciation related to unregulated property of $2 million and $4 million as of December 31, 2010 and 2009, respectively.

The annual depreciation provisions as a percentage of average service life for electric transmission and distribution assets were 2.64%, 2.57% and 2.53% for the years ended December 31, 2010, 2009 and 2008, respectively.

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PECO

The following table presents a summary of property, plant and equipment by asset category as of December 31, 2010 and 2009:

	Average Service Life (years)	2010	2009
Asset Category			
Electric—transmission and distribution	5-65	$5,637	$5,410
Gas—transportation and distribution	5-66	1,732	1,679
Common—electric and gas	5-50	534	517
Construction work in progress	N/A	231	117
Other property, plant and equipment [(a)]	50	17	16
Total property, plant and equipment		8,151	7,739
Less: accumulated depreciation [(b)]		2,531	2,442
Property, plant and equipment, net		$5,620	$5,297

(a) Represents unregulated property.
(b) Includes accumulated depreciation related to unregulated property of $2 million and $2 million as of December 31, 2010 and 2009, respectively.

The following table presents the annual depreciation provisions as a percentage of average service life for each asset category.

Average Service Life Percentage by Asset Category	2010	2009	2008
Electric—transmission and distribution	2.17%	1.97%	2.03%
Gas	1.75%	1.75%	1.74%
Common—electric and gas	7.25%	6.41%	6.51%

See Note 1—Significant Accounting Polices for further information regarding property, plant and equipment policies and accounting for capitalized software costs for Exelon, Generation, ComEd and PECO. See Note 10—Debt and Credit Agreements for further information regarding Exelon's, ComEd's and PECO's property, plant and equipment subject to mortgage liens.

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6. Jointly Owned Electric Utility Plant (Exelon, Generation and PECO)

Exelon's, Generation's and PECO's undivided ownership interests in jointly owned electric plants and transmission facilities at December 31, 2010 and 2009 were as follows:

	Nuclear generation			Fossil fuel generation			Transmission		Other
	Quad Cities	Peach Bottom	Salem [(a)]	Keystone	Conemaugh	Wyman	PA [(b)]	DE/NJ [(c)]	Other [(d)]
Operator	Generation	Generation	PSEG Nuclear	Reliant	Reliant	FP&L	First Energy	PSEG	
Ownership interest	75.00%	50.00%	42.59%	20.99%	20.72%	5.89%	Various	42.55%	44.24%
Exelon's share at December 31, 2010:									
Plant	$ 709	$ 566	$ 395	$ 360	$ 247	$ 3	$ 8	$ 60	$ 1
Accumulated depreciation	124	274	96	128	152	2	5	29	—
Construction work in progress	63	88	72	3	11	0	—	—	—
Exelon's share at December 31, 2009:									
Plant	$ 570	$ 520	$ 386	$ 357	$ 236	$ 3	$ 5	$ 60	$ 1
Accumulated depreciation	101	263	79	119	151	2	4	28	—
Construction work in progress	107	56	46	1	11	—	—	—	—

(a) Generation also owns a proportionate share in the fossil fuel combustion turbine at Salem, which is fully depreciated. The gross book value was $3 million at December 31, 2010 and 2009.
(b) PECO owns a 22% share in 127 miles of 500,000 voltage lines located in Pennsylvania; PECO also owns a 20.7% share of a 500kv substation immediately outside of the Conemaugh fossil generating station which supplies power to the 500,000 voltage lines noted above.
(c) PECO owns a 42.55% share in 131 miles of 500,000 voltage lines located in Delaware and New Jersey.
(d) Generation has a 44.24% ownership interest in Merrill Creek Reservoir located in New Jersey.

Exelon's, Generation's and PECO's undivided ownership interests are financed with their funds and all operations are accounted for as if such participating interests were wholly owned facilities. Exelon's, Generation's and PECO's share of direct expenses of the jointly owned plants are included in fuel and operating and maintenance expenses on Exelon's and Generation's Consolidated Statements of Operations and in operating and maintenance expenses on PECO's Consolidated Statements of Operations.

7. Intangible Assets (Exelon, Generation, ComEd and PECO)

Goodwill

Exelon's and ComEd's gross amount of goodwill, accumulated impairment losses and carrying amount of goodwill for the years ended December 31, 2010 and 2009 were as follows:

	2010			2009		
	Gross Amount [(a)]	Accumulated Impairment Losses	Carrying Amount	Gross Amount [(a)]	Accumulated Impairment Losses	Carrying Amount
Balance, January 1	$ 4,608	$ 1,983	$ 2,625	$ 4,608	$ 1,983	$ 2,625
Impairment losses	—	—	—	—	—	—
Balance, December 31,	$ 4,608	$ 1,983	$ 2,625	$ 4,608	$ 1,983	$ 2,625

(a) Reflects goodwill recorded in 2000 from the PECO/Unicom merger net of amortization, resolution of tax matters and other non-impairment-related changes as allowed under previous authoritative guidance.

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Goodwill is not amortized, but is subject to an assessment for impairment at least annually, or more frequently if events or circumstances indicate that goodwill might be impaired. The impairment assessment is performed using a two-step, fair value based test. The first step compares the fair value of the reporting unit to its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its fair value, the second step is performed. The second step requires an allocation of fair value to the individual assets and liabilities using purchase price allocation in order to determine the implied fair value of goodwill. If the implied fair value of goodwill is less than the carrying amount, an impairment loss is recorded as a reduction to goodwill and a charge to operating expense.

Exelon assesses goodwill impairment at its ComEd reporting unit. Accordingly, any goodwill impairment charge at ComEd will affect Exelon's consolidated results of operations. As a result of new authoritative guidance for fair value measurement effective January 1, 2009, Exelon and ComEd now estimate the fair value of the ComEd reporting unit using a weighted combination of a discounted cash flow analysis and a market multiples analysis instead of the expected cash flow approach used in 2008 and prior years. The discounted cash flow analysis relies on a single scenario reflecting "base case" or "best estimate" projected cash flows for ComEd's business and includes an estimate of ComEd's terminal value based on these expected cash flows using the generally accepted Gordon Dividend Growth formula, which derives a valuation using an assumed perpetual annuity based on the entity's residual cash flows. The discount rate is based on the generally accepted Capital Asset Pricing Model and represents the weighted average cost of capital of comparable companies. The market multiples analysis utilizes multiples of business enterprise value to earnings, before interest, taxes, depreciation and amortization (EBITDA) of comparable companies in estimating fair value. Significant assumptions used in estimating the fair value include discount and growth rates, utility sector market performance and transactions, operating and capital expenditure requirements and the fair value of debt. Management performs a reconciliation of the sum of the estimated fair value of all Exelon reporting units to Exelon's enterprise value based on its trading price to corroborate the results of the discounted cash flow analysis and the market multiple analysis.

2010 Annual Goodwill Impairment Assessment. The 2010 annual goodwill impairment assessment was performed as of November 1, 2010. The first step of the annual impairment analysis, comparing the fair value of ComEd to its carrying value, including goodwill, indicated no impairment of goodwill, therefore the second step was not required. Although the fair value of the reporting unit currently exceeds its carrying value, adverse regulatory actions that could reduce ComEd's allowed long-term rate of return on common equity or a fully successful IRS challenge to Exelon's and ComEd's like-kind exchange income tax position could potentially result in a future impairment loss of ComEd's goodwill, which could be material. In addition, deterioration in market related factors used in the impairment review discussed above could also potentially cause a future impairment loss.

Prior Goodwill Impairment Assessments. The 2009 and 2008 annual goodwill impairment assessments were performed as of November 1, 2009 and November 1, 2008, respectively. In each case, the first step of the annual impairment analysis, comparing the fair value of ComEd to its carrying value, including goodwill, indicated no impairment of goodwill, therefore the second step was not required.

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Other Intangible Assets

Exelon's, Generation's and ComEd's other intangible assets, included in deferred debits and other assets in their Consolidated Balance Sheets, consisted of the following as of December 31, 2010:

	Gross	Accumulated Amortization	Net	Estimated amortization expense 2011	2012	2013	2014	2015
Generation								
Exelon Wind acquisition [(a)]	$224	$ (1)	$223	$12	$13	$14	$14	$14
ComEd								
Chicago settlement—1999 agreement [(b)]	100	(66)	34	3	3	3	3	3
Chicago settlement—2003 agreement [(c)]	62	(27)	35	4	4	4	4	4
Total intangible assets	$386	$ (94)	$292	$19	$20	$21	$21	$21

(a) Refer to Note 3—Acquisition for additional information regarding Exelon Wind.
(b) In March 1999, ComEd entered into a settlement agreement with the City of Chicago associated with ComEd's franchise agreement. Under the terms of the settlement, ComEd agreed to make payments to the City of Chicago each year from 1999 to 2002. The intangible asset recognized as a result of these payments is being amortized ratably over the remaining term of the franchise agreement, which ends in 2020.
(c) In February 2003, ComEd entered into separate agreements with the City of Chicago and with Midwest Generation, LLC (Midwest Generation). Under the terms of the settlement agreement with the City of Chicago, ComEd agreed to pay the City of Chicago a total of $60 million over a ten-year period, beginning in 2003. The intangible asset recognized as a result of the settlement agreement is being amortized ratably over the remaining term of the City of Chicago franchise agreement, which ends in 2020. As required by the settlement, ComEd also made a payment of $2 million to a third party on the City of Chicago's behalf.
Pursuant to the agreement discussed above, ComEd received payments of $32 million from Midwest Generation to relieve Midwest Generation's obligation under the 1999 fossil sale agreement with ComEd to build the generation facility in the City of Chicago. The payments received by ComEd, which have been recorded in other long-term liabilities, are being recognized ratably (approximately $2 million annually) as an offset to amortization expense over the remaining term of the franchise agreement.

The following table summarizes the amortization expense related to intangible assets for each of the years ended December 31, 2010, 2009 and 2008:

	Exelon	Generation	ComEd
2010	$ 8	$ 1	$ 7
2009	7	—	7
2008	7	—	7

John Deere Renewables. Accounting guidance requires that the acquirer must recognize separately identifiable intangible assets in the application of purchase accounting. The output of the acquired wind turbines has been sold under PPA contracts. The excess of the contract price of the PPAs over market prices was recognized as intangible assets. Generation determined that the estimated acquisition-date fair value of the intangible assets was approximately $224 million, which was recorded in other deferred debits and other assets within Exelon and Generation's Consolidated Balance Sheets. Included in this amount is $48 million related to the PPAs for the projects that are in the advanced stage of development. While Generation expects to perform under the PPAs once the construction of these projects is complete, there is a risk of impairment if the projects do not reach commercial operation. The valuation of the acquired intangible assets was estimated by applying the income approach, which is based upon discounted projected future cash flows associated with the PPA contracts. That measure is based upon certain unobservable inputs, which are considered Level 3

inputs, pursuant to applicable accounting guidance. Key assumptions include forecasted power prices and discount rate. The intangible assets will be amortized on a straight-line basis over the period in which the associated contract revenues are recognized. Generation determined that the unit of production amortization method would best reflect when the intangible assets' economic benefits would be consumed; however, the straight-line method approximates the equivalent of the unit of production method on an annual basis. The amortization expense will be reflected as a decrease in operating revenue within Exelon and Generation's Consolidated Statements of Operations and Comprehensive Income. The weighted-average amortization period for these intangibles is approximately 18 years.

Renewable Energy Credits and Alternative Energy Credits (Exelon, Generation and PECO). Exelon's, Generation's, and PECO's other intangible assets, included in other current assets and other deferred debits and other assets on the Consolidated Balance Sheets, include RECs (Exelon and Generation) and AECs (PECO). As of December 31, 2010, PECO had current and noncurrent AECs of $10 million and $11 million, respectively. As of December 31, 2009, PECO had noncurrent AECs of $13 million. As of December 31, 2010 and December 31, 2009, the balances of RECs for Generation, which are considered noncurrent, were $8 million and $6 million, respectively. See Note 2—Regulatory Matters and Note 18—Commitments and Contingencies for additional information on RECs and AECs.

8. Fair Value of Financial Assets and Liabilities (Exelon, Generation, ComEd and PECO)

Non-Derivative Financial Assets and Liabilities. As of December 31, 2010 and 2009, the Registrants' carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are representative of fair value because of the short-term nature of these instruments.

Fair Value of Financial Liabilities Recorded at the Carrying Amount

Exelon

The carrying amounts and fair values of Exelon's long-term debt and SNF obligation as of December 31, 2010 and 2009 were as follows:

	2010		2009	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt (including amounts due within one year)	$12,213	$12,960	$11,634	$12,223
Long-term debt to PETT due within one year	—	—	415	426
Long-term debt to financing trusts	390	350	390	325
Spent nuclear fuel obligation	1,018	876	1,017	832
Preferred securities of subsidiary	87	68	87	63

Fair values of long-term debt are determined by a valuation model, which is based on a conventional discounted cash flow methodology and utilizes assumptions of current market pricing curves. The fair value of preferred securities of subsidiaries is determined using observable market prices as these securities are actively traded. The carrying amount of Exelon's and Generation's SNF obligation resulted from a contract with the DOE to provide for disposal of SNF from Generation's nuclear generating stations. Exelon's and Generation's obligation to the DOE accrues at the 13-week Treasury rate and fair value was determined by comparing the carrying amount of the obligation at the

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13-week Treasury rate to the present value of the obligation discounted using the prevailing Treasury rate for a long-term obligation with an estimated maturity of 2020 (after being adjusted for Generation's credit risk).

Generation

The carrying amounts and fair values of Generation's long-term debt and SNF obligation as of December 31, 2010 and 2009 were as follows:

	2010		2009	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt (including amounts due within one year)	$3,679	$3,792	$2,993	$3,132
Spent nuclear fuel obligation	1,018	876	1,017	832

ComEd

The carrying amounts and fair values of ComEd's long-term debt as of December 31, 2010 and 2009 were as follows:

	2010		2009	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt (including amounts due within one year)	$5,001	$5,411	$4,711	$5,062
Long-term debt to financing trust	206	176	206	167

PECO

The carrying amounts and fair values of PECO's long-term debt and preferred securities as of December 31, 2010 and 2009 were as follows:

	2010		2009	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt (including amounts due within one year)	$2,222	$2,402	$2,221	$2,346
Long-term debt to PETT due within one year	—	—	415	426
Long-term debt to financing trusts	184	173	184	158
Preferred securities	87	68	87	63

Recurring Fair Value Measurements

To increase consistency and comparability in fair value measurements, the FASB established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1—quoted prices (unadjusted) in active markets for identical assets or liabilities that the Registrants have the ability to access as of the reporting date. Financial assets and liabilities utilizing Level 1 inputs include active exchange-traded equity securities, exchange-based derivatives, mutual funds and money market funds.
- Level 2—inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market

data. Financial assets and liabilities utilizing Level 2 inputs include fixed income securities, non-exchange-based derivatives, commingled investment funds priced at NAV per fund share and fair value hedges.

- Level 3—unobservable inputs, such as internally developed pricing models for the asset or liability due to little or no market activity for the asset or liability. Financial assets and liabilities utilizing Level 3 inputs include infrequently traded non-exchange-based derivatives.

There were no significant transfers between Level 1 and Level 2 during the years ended December 31, 2010 and 2009. See Note 13—Retirement Benefits for further information regarding the fair value and related valuation techniques for pension and postretirement plan assets.

Exelon

The following tables present assets and liabilities measured and recorded at fair value on Exelon's Consolidated Balance Sheets on a recurring basis and their level within the fair value hierarchy as of December 31, 2010 and 2009:

As of December 31, 2010	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents [a]	$1,473	$ —	$ —	$1,473
Nuclear decommissioning trust fund investments				
Cash equivalents	1	—	—	1
Equity securities [b]	1,513	—	—	1,513
Commingled funds [c]	—	2,212	—	2,212
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	504	96	—	600
Debt securities issued by states of the United States and political subdivisions of the states	—	451	—	451
Corporate debt securities	—	619	—	619
Federal agency mortgage-backed securities	—	804	—	804
Commercial mortgage-backed securities (non-agency)	—	114	—	114
Residential mortgage-backed securities (non-agency)	—	14	—	14
Other debt obligations	—	48	—	48
Nuclear decommissioning trust fund investments subtotal [d]	2,018	4,358	—	6,376
Pledged assets for Zion decommissioning				
Equity securities [b]	84	—	—	84
Commingled funds [c]	—	132	—	132
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	166	12	—	178
Debt securities issued by states of the United States and political subdivisions of the states	—	45	—	45
Corporate debt securities	—	263	—	263
Federal agency mortgage-backed securities	—	102	—	102
Commercial mortgage-backed securities (non-agency)	—	14	—	14
Other debt obligations	—	2	—	2
Pledged assets for Zion decommissioning subtotal [e]	250	570	—	820

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As of December 31, 2010	Level 1	Level 2	Level 3	Total
Rabbi trust investments				
Mutual funds [f]	36	—	—	36
Rabbi trust investments subtotal	36	—	—	36
Mark-to-market derivative assets				
Cash flow hedges	—	724	12	736
Other derivatives	2	1,709	57	1,768
Proprietary trading	—	235	46	281
Effect of netting and allocation of collateral [g]	(3)	(1,848)	(38)	(1,889)
Mark-to-market (liabilities) assets [h]	(1)	820	77	896
Total assets	3,776	5,748	77	9,601
Liabilities				
Mark-to-market derivative liabilities				
Cash flow hedges	—	(45)	—	(45)
Other derivatives	(2)	(667)	(29)	(698)
Proprietary trading	—	(233)	(21)	(254)
Effect of netting and allocation of collateral [g]	1	914	23	938
Mark-to-market liabilities [h]	(1)	(31)	(27)	(59)
Deferred compensation	—	(76)	—	(76)
Total liabilities	(1)	(107)	(27)	(135)
Total net assets	$3,775	$ 5,641	$ 50	$ 9,466

As of December 31, 2009	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents [a]	$1,845	$ —	$ —	$ 1,845
Nuclear decommissioning trust fund investments				
Cash equivalents	2	120	—	122
Equity securities [b]	1,528	—	—	1,528
Commingled funds [c]	—	2,086	—	2,086
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	511	119	—	630
Debt securities issued by states of the United States and political subdivisions of the states	—	454	—	454
Corporate debt securities	—	710	—	710
Federal agency mortgage-backed securities	—	887	—	887
Commercial mortgage-backed securities (non-agency)	—	91	—	91
Residential mortgage-backed securities (non-agency)	—	9	—	9
Other debt obligations	—	76	—	76
Nuclear decommissioning trust fund investments subtotal [d]	2,041	4,552	—	6,593
Rabbi trust investments				
Cash equivalents	28	—	—	28
Mutual funds [f]	13	—	—	13
Rabbi trust investments subtotal	41	—	—	41
Mark-to-market derivative net (liabilities) assets [g][h]	(4)	852	(44)	804
Total assets	3,923	5,404	(44)	9,283

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As of December 31, 2009	Level 1	Level 2	Level 3	Total
Liabilities				
Deferred compensation	—	(82)	—	(82)
Servicing liability	—	—	(2)	(2)
Total liabilities	—	(82)	(2)	(84)
Total net assets (liabilities)	$3,923	$5,322	$ (46)	$9,199

(a) Excludes certain cash equivalents considered to be held-to-maturity and not reported at fair value.
(b) Generation's NDT funds and Zion Station decommissioning pledged assets hold equity portfolios whose performance is benchmarked against established indices.
(c) Generation's NDT funds and Zion Station decommissioning pledged assets own commingled funds that invest in equity securities. Generation's NDT funds also own commingled funds that invest in fixed income securities. The commingled funds seek to out-perform certain established indices.
(d) Excludes net assets of $32 million and $76 million at December 31, 2010 and 2009, respectively. These items consist of receivables related to pending securities sales net of cash, interest receivables and payables related to pending securities purchases.
(e) Excludes net assets of $4 million at December 31, 2010. These items consist of receivables related to pending securities sales net of cash, interest receivables and payables related to pending securities purchases.
(f) Excludes $25 million and $23 million of the cash surrender value of life insurance investments at December 31, 2010 and December 31, 2009, respectively.
(g) Includes collateral postings received from counterparties. Collateral received from counterparties, net of collateral paid to counterparties, totaled $2 million, $934 million and $15 million allocated to Level 1, Level 2 and Level 3 mark-to-market derivatives, respectively, as of December 31, 2010. Collateral received from counterparties, net of collateral paid to counterparties, totaled $3 million, $941 million and $3 million allocated to Level 1, Level 2 and Level 3 mark-to-market derivatives, respectively, as of December 31, 2009.
(h) The Level 3 balance does not include current and noncurrent assets for Generation and current and noncurrent liabilities for ComEd of $450 million and $525 million at December 31, 2010 and $302 million and $669 million at December 31, 2009, respectively, related to the fair value of Generation's financial swap contract with ComEd; and a current asset for Generation and current liability for PECO of $5 million at December 31, 2010 and a noncurrent asset for Generation and noncurrent liability for PECO of $2 million at December 31, 2009, respectively, related to the fair value of Generation's block contracts with PECO, which eliminate upon consolidation in Exelon's Consolidated Financial Statements.

The following tables present the fair value reconciliation of Level 3 assets and liabilities measured at fair value on a recurring basis during the years ended December 31, 2010 and 2009:

For the Year Ended December 31, 2010 [(a)]	Servicing Liability	Nuclear Decommissioning Trust Fund Investments	Mark-to-Market Derivatives	Total
Balance as of January 1, 2010	$ (2)	$ —	$ (44)	$(46)
Total realized / unrealized gains				
Included in income	2[(d)]	—	46[(b)]	48
Included in other comprehensive income	—	—	16[(c)]	16
Included in regulatory assets/liabilities	—	—	2	2
Change in collateral	—	—	(10)	(10)
Purchases, sales, issuances and settlements				
Purchases	—	13	15	28
Sales	—	(1)	—	(1)
Transfers out of Level 3	—	(12)	25	13
Balance as of December 31, 2010	$ —	$ —	$ 50	$ 50
The amount of total gains included in income attributed to the change in unrealized gains related to assets and liabilities held for the year ended December 31, 2010	$ —	$ —	$ 54	$ 54

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(a) Effective December 31, 2009, Exelon categorizes its NDT commingled funds within the Level 2 fair value hierarchy.
(b) Includes the reclassification of $8 million of realized losses due to settlements of derivative contracts recorded in results of operations.
(c) Excludes increases in fair value of $375 million and realized losses reclassified from OCI due to settlements of $371 million associated with Generation's financial swap contract with ComEd for the year ended December 31, 2010. The PECO block contracts were designated as normal sales as of May 31, 2010. As such, there were no effective changes in the fair value of the block contracts with PECO after that point, as the mark-to-market balances previously recorded will be amortized over the term of the contracts. The increase in fair value was $3 million through May 31, 2010. All items eliminate upon consolidation in Exelon's Consolidated Financial Statements.
(d) The servicing liability related to PECO's accounts receivable agreement was released in accordance with new guidance on accounting for transfers of financial assets that was adopted on January 1, 2010. See Note 10—Debt and Credit Agreements for additional information.

For the Year Ended December 31, 2009	Servicing Liability	Nuclear Decommissioning Trust Fund Investments [e]	Mark-to-Market Derivatives	Total
Balance as of January 1, 2009	$ (2)	$ 1,220	$ 106	$ 1,324
Total realized / unrealized gains (losses)				
Included in income	—	119	(134)[a]	(15)
Included in other comprehensive income	—	—	5[b]	5
Included in regulatory assets/liabilities	—	275	(2)	273
Change in collateral	—	—	(2)	(2)
Purchases, sales, issuances and settlements, net	—	337	—	337
Transfers out of Level 3	—	(1,951)[c]	(17)	(1,968)
Balance as of December 31, 2009	$ (2)	$ —	$ (44)	$ (46)
The amount of total losses included in income attributed to the change in unrealized losses related to assets and liabilities held for the year ended December 31, 2009	$ —	$ —	$ (79)	$ (79)

(a) Includes the reclassification of $55 million of realized losses due to settlements of derivative contracts recorded in results of operations.
(b) Excludes $782 million of changes in the fair value and $267 million of realized losses due to settlements associated with Generation's financial swap contract with ComEd, and $2 million of changes in the fair value of Generation's block contracts with PECO. All items eliminated upon consolidation in Exelon's Consolidated Financial Statements.
(c) As of December 31, 2009, investments in NDT commingled funds, stated at NAV, were transferred out of Level 3 and into Level 2 in accordance with FASB issued authoritative guidance noted above.

The following table presents total realized and unrealized gains (losses) included in income for Level 3 assets and liabilities measured at fair value on a recurring basis during the years ended December 31, 2010 and 2009:

	Operating Revenue	Purchased Power	Fuel	Other, net
Total gains included in income for the year ended December 31, 2010	$ 3	$ 7	$36	$ —
Change in the unrealized gains relating to assets and liabilities held for the year ended December 31, 2010	$ 22	$ 4	$28	$ —

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

	Operating Revenue	Purchased Power	Fuel	Other, net [(a)]
Total gains (losses) included in income for the year ended December 31, 2009	$ (86)	$ (11)	$(37)	$ 119
Change in the unrealized losses relating to assets and liabilities held for the year ended December 31, 2009	$ (2)	$ (8)	$(69)	$ —

(a) Other, net activity consists of realized and unrealized gains included in income for the NDT funds held by Generation. Pursuant to the original authoritative guidance for fair value measurements, commingled funds within the NDT funds were classified in Level 3 of the fair value hierarchy. As a result of authoritative guidance issued in the third quarter of 2009 and noted above, the commingled funds were reclassified to Level 2 as of December 31, 2009.

Generation

The following table presents assets and liabilities measured and recorded at fair value on Generation's Consolidated Balance Sheets on a recurring basis and their level within the fair value hierarchy as of December 31, 2010 and 2009:

As of December 31, 2010	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents [(a)]	$ 419	$ —	$ —	$ 419
Nuclear decommissioning trust fund investments				
Cash equivalents	1	—	—	1
Equity securities [(b)]	1,513	—	—	1,513
Commingled funds [(c)]	—	2,212	—	2,212
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	504	96	—	600
Debt securities issued by states of the United States and political subdivisions of the states	—	451	—	451
Corporate debt securities	—	619	—	619
Federal agency mortgage-backed securities	—	804	—	804
Commercial mortgage-backed securities (non-agency)	—	114	—	114
Residential mortgage-backed securities (non-agency)	—	14	—	14
Other debt obligations	—	48	—	48
Nuclear decommissioning trust fund investments subtotal [(d)]	2,018	4,358	—	6,376
Pledged assets for Zion Station decommissioning				
Equity securities [(b)]	84	—	—	84
Commingled funds [(c)]	—	132	—	132
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	166	12	—	178
Debt securities issued by states of the United States and political subdivisions of the states	—	45	—	45
Corporate debt securities	—	263	—	263
Federal agency mortgage-backed securities	—	102	—	102
Commercial mortgage-backed securities (non-agency)	—	14	—	14
Other debt obligations	—	2	—	2
Pledged assets for Zion Station decommissioning subtotal [(e)]	250	570	—	820

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

As of December 31, 2010	Level 1	Level 2	Level 3	Total
Rabbi trust investments (f)(g)	4	—	—	4
Mark-to-market derivative assets				
Cash flow hedges	—	724	992	1,716
Other derivatives	2	1,695	53	1,750
Proprietary trading	—	235	46	281
Effect of netting and allocation of collateral (h)	(3)	(1,848)	(38)	(1,889)
Mark-to-market (liabilities) assets (i)	(1)	806	1,053	1,858
Total assets	2,690	5,734	1,053	9,477
Liabilities				
Mark-to-market derivative liabilities				
Cash flow hedges	—	(45)	—	(45)
Other derivatives	(2)	(667)	(25)	(694)
Proprietary trading	—	(233)	(21)	(254)
Effect of netting and allocation of collateral (h)	1	914	23	938
Mark-to-market liabilities	(1)	(31)	(23)	(55)
Deferred compensation	—	(20)	—	(20)
Total liabilities	(1)	(51)	(23)	(75)
Total net assets	$2,689	$ 5,683	$1,030	$ 9,402

As of December 31, 2009	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents (a)	$1,040	$ —	$ —	$ 1,040
Nuclear decommissioning trust fund investments				
Cash equivalents	2	120	—	122
Equity securities (b)	1,528	—	—	1,528
Commingled funds (c)	—	2,086	—	2,086
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	511	119	—	630
Debt securities issued by states of the United States and political subdivisions of the states	—	454	—	454
Corporate debt securities	—	710	—	710
Federal agency mortgage-backed securities	—	887	—	887
Commercial mortgage-backed securities (non-agency)	—	91	—	91
Residential mortgage-backed securities (non-agency)	—	9	—	9
Other debt obligations	—	76	—	76
Nuclear decommissioning trust fund investments subtotal (d)	2,041	4,552	—	6,593
Rabbi trust investments (f)(g)	4	—	—	4
Mark-to-market derivative net assets (h)(i)	(4)	842	931	1,769
Total assets	3,081	5,394	931	9,406
Liabilities				
Deferred compensation	—	(23)	—	(23)
Total liabilities	—	(23)	—	(23)
Total net assets	$3,081	$ 5,371	$ 931	$ 9,383

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

(a) Excludes certain cash equivalents considered to be held-to-maturity and not reported at fair value.
(b) Generation's NDT funds and Zion Station decommissioning pledged assets hold equity portfolios whose performance is benchmarked against established indices.
(c) Generation's NDT funds and Zion Station decommissioning pledged assets own commingled funds that invest in equity securities. Generation's NDT funds also own commingled funds that invest in fixed income securities. The commingled funds seek to out-perform certain established indices.
(d) Excludes net assets of $32 million and $76 million at December 31, 2010 and December 31, 2009, respectively. These items consist of receivables related to pending securities sales net of cash, interest receivables and payables related to pending securities purchases net of cash.
(e) Excludes net assets of $4 million at December 31, 2010. These items consist of receivables related to pending securities sales net of cash, interest receivables and payables related to pending securities purchases net of cash.
(f) The mutual funds held by the Rabbi trusts that are invested in common stock of Standard and Poor's 500 companies and Pennsylvania municipal bonds are primarily rated as investment grade.
(g) Excludes $7 million and $7 million of the cash surrender value of life insurance investments at December 31, 2010 and December 31, 2009, respectively.
(h) Includes collateral postings received from counterparties. Collateral received from counterparties, net of collateral paid to counterparties, totaled $2 million, $934 million and $15 million allocated to Level 1, Level 2 and Level 3 mark-to-market derivatives, respectively, as of December 31, 2010. Collateral received from counterparties, net of collateral paid to counterparties, totaled $3 million, $941 million and $3 million allocated to Level 1, Level 2 and Level 3 mark-to-market derivatives, respectively, as of December 31, 2009.
(i) The Level 3 balance includes current and noncurrent assets for Generation of $450 million and $525 million at December 31, 2010 and $302 million and $669 million at December 31, 2009, respectively, related to the fair value of Generation's financial swap contract with ComEd; and a current asset of $5 million at December 31, 2010, and a noncurrent asset of $2 million at December 31, 2009, related to the fair value of Generation's block contracts with PECO. All of the mark-to-market balances Generation carries associated with the financial swap contract with ComEd and the block contracts with PECO eliminate upon consolidation in Exelon's Consolidated Financial Statements.

The following tables present the fair value reconciliation of Level 3 assets and liabilities measured at fair value on a recurring basis during the years ended December 31, 2010 and 2009:

Year Ended December 31, 2010	Nuclear Decommissioning Trust Fund Investments	Mark-to-Market Derivatives	Total
Balance as of January 1, 2010	$ —	$ 931	$ 931
Total unrealized / realized gains			
Included in income	—	46[(a)]	46
Included in other comprehensive income	—	23[(b)]	23
Change in collateral	—	(10)	(10)
Purchases, sales, issuances and settlements			
Purchases	13	15	28
Sales	(1)	—	(1)
Transfers out of Level 3	(12)	25	13
Balance as of December 31, 2010	$ —	$ 1,030	$1,030
The amount of total gains included in income attributed to the change in unrealized gains related to assets and liabilities held for the year ended December 31, 2010	$ —	$ 54	$ 54

(a) Includes the reclassification of $8 million of realized losses due to settlements of derivative contracts recorded in results of operations.
(b) Includes increases in fair value of $375 million and realized losses reclassified from OCI due to settlements of $371 million associated with Generation's financial swap contract with ComEd for the year ended December 31, 2010. The PECO block contracts were designated as normal sales as of May 31, 2010. As such, there were no effective changes in the fair value of

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

the block contracts with PECO after that point, as the mark-to-market balances previously recorded will be amortized over the term of the contracts. The increase in fair value was $3 million through May 31, 2010. All items eliminate upon consolidation in Exelon's Consolidated Financial Statements.

Year Ended December 31, 2009	Nuclear Decommissioning Trust Fund Investments	Mark-to-Market Derivatives	Total
Balance as of January 1, 2009	$ 1,220	$ 562	$ 1,782
Total unrealized / realized gains (losses)			
Included in income	119	(134)[(a)]	(15)
Included in other comprehensive income	—	522[(b)]	522
Included in noncurrent payables to affiliates	275	—	275
Change in collateral	—	(2)	(2)
Purchases, sales, issuances and settlements, net	337	—	337
Transfers out of Level 3	(1,951)[(c)]	(17)	(1,968)
Balance as of December 31, 2009	$ —	$ 931	$ 931
The amount of total losses included in income attributed to the change in unrealized losses related to assets and liabilities held for the year ended December 31, 2009	$ —	$ (79)	$ (79)

(a) Includes the reclassification of $55 million of realized losses due to settlements of derivative contracts recorded in results of operations.
(b) Includes $782 million of changes in the fair value and $267 million of realized losses due to settlements associated with Generation's financial swap contract with ComEd. Also includes $2 million of changes in the fair value of Generation's block contracts with PECO. All items eliminate upon consolidation in Exelon's Consolidated Financial Statements.
(c) As of December 31, 2009, investments in NDT commingled funds, stated at NAV, were transferred out of Level 3 and into Level 2, in accordance with FASB authoritative guidance noted above.

The following table presents total realized and unrealized gains (losses) included in income for Level 3 assets and liabilities measured at fair value on a recurring basis during the years ended December 31, 2010 and 2009:

	Operating Revenue	Purchased Power	Fuel	Other, net
Total gains included in income for the year ended December 31, 2010	$ 3	$ 7	$ 36	$—
Change in the unrealized gains relating to assets and liabilities held for the year ended December 31, 2010	$ 22	$ 4	$ 28	$—

	Operating Revenue	Purchased Power	Fuel	Other, net [(a)]
Total gains (losses) included in income for the year ended December 31, 2009	$ (86)	$ (11)	$(37)	$119
Change in the unrealized losses relating to assets and liabilities held for the year ended December 31, 2009	$ (2)	$ (8)	$(69)	$—

(a) Other, net activity consists of realized and unrealized gains included in income for the NDT funds held by Generation. Pursuant to the original authoritative guidance for fair value measurements, commingled funds within the NDT funds were classified in Level 3 of the fair value hierarchy. As a result of the authoritative guidance issued by the FASB in the third quarter of 2009 noted above, the commingled funds were reclassified to Level 2 as of December 31, 2009.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

ComEd

The following table presents assets measured and recorded at fair value on ComEd's Consolidated Balance Sheets on a recurring basis and their level within the fair value hierarchy as of December 31, 2010 and 2009:

As of December 31, 2010	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents (a)	$ 1	$ —	$ —	$ 1
Rabbi trust investments				
Mutual funds	23	—	—	23
Rabbi trust investments subtotal	23	—	—	23
Mark-to-market derivative assets (b)	—	—	4	4
Total assets	24	—	4	28
Liabilities				
Deferred compensation obligation	—	(8)	—	(8)
Mark-to-market derivative liabilities (c)	—	—	(975)	(975)
Total liabilities	—	(8)	(975)	(983)
Total net assets (liabilities)	$ 24	$ (8)	$ (971)	$ (955)

As of December 31, 2009	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents (a)	$ 25	$ —	$ —	$ 25
Rabbi trust investments				
Cash equivalents	28	—	—	28
Total assets	53	—	—	53
Liabilities				
Deferred compensation obligation	—	(8)	—	(8)
Mark-to-market derivative liabilities (c)	—	—	(971)	(971)
Total liabilities	—	(8)	(971)	(979)
Total net assets (liabilities)	$ 53	$ (8)	$ (971)	$ (926)

(a) Excludes certain cash equivalents considered to be held-to-maturity and not reported at fair value.
(b) Derivative assets relating to floating-to-fixed energy swap contracts with unaffiliated suppliers were recorded in Other deferred debits and other assets on ComEd's Consolidated Balance Sheets.
(c) The Level 3 balance is comprised of the current and noncurrent liability of $450 million and $525 million at December 31, 2010, respectively, and $302 million and $669 million at December 31, 2009, respectively, related to the fair value of ComEd's financial swap contract with Generation, which eliminates upon consolidated in Exelon's Consolidated Financial Statements.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

The following tables present the fair value reconciliation of Level 3 assets and liabilities measured at fair value on a recurring basis during the years ended December 31, 2010 and 2009:

For the Year Ended December 31, 2010	Mark-to-Market Derivatives
Balance as of January 1, 2010	$ (971)
Total realized / unrealized gains / losses included in regulatory assets [a][b]	—
Balance as of December 31, 2010	$ (971)

(a) Includes decreases in fair value of $375 million and realized gains due to settlements of $371 million associated with ComEd's financial swap contract with Generation. All items eliminated upon consolidated in Exelon's Consolidated Financial Statements.
(b) Includes an increase in fair value of $4 million associated with floating-to-fixed energy swap contracts with unaffiliated suppliers.

For the Year Ended December 31, 2009	Mark-to-Market Derivatives
Balance as of January 1, 2009	$ (456)
Total realized / unrealized losses included in regulatory assets [a]	(515)
Balance as of December 31, 2009	$ (971)

(a) Includes decreases in fair value of $782 million and realized gains due to settlements of $267 million associated with ComEd's financial swap contract with Generation. All items eliminated upon consolidated in Exelon's Consolidated Financial Statements.

PECO

The following table presents assets and liabilities measured and recorded at fair value on PECO's Consolidated Balance Sheets on a recurring basis and their level within the fair value hierarchy as of December 31, 2010 and 2009:

December 31, 2010	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents [a]	$ 499	$ —	$ —	$499
Rabbi trust investments—mutual funds [b][c]	7	—	—	7
Total assets	506	—	—	506
Liabilities				
Deferred compensation obligation	—	(23)	—	(23)
Current mark-to-market derivative liabilities [d]	—	—	(9)	(9)
Total liabilities	—	(23)	(9)	(32)
Total net assets (liabilities)	$ 506	$ (23)	$ (9)	$474

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

As of December 31, 2009	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents [(a)]	$ 281	$ —	$ —	$281
Rabbi trust investments—mutual funds [(b)(c)]	7	—	—	7
Total assets	288	—	—	288
Liabilities				
Deferred compensation obligation	—	(25)	—	(25)
Noncurrent mark-to-market derivative liabilities [(d)]	—	—	(4)	(4)
Servicing liability	—	—	(2)	(2)
Total liabilities	—	(25)	(6)	(31)
Total net assets (liabilities)	$ 288	$ (25)	$ (6)	$257

(a) Excludes certain cash equivalents considered to be held-to-maturity and not reported at fair value.
(b) The mutual funds held by the Rabbi trusts invest in common stock of Standard and Poor's 500 companies and Pennsylvania municipal bonds that are primarily rated as investment grade.
(c) Excludes $13 million and $12 million of the cash surrender value of life insurance investments at December 31, 2010 and December 31, 2009, respectively.
(d) The Level 3 balances include a current liability of $5 million at December 31, 2010 and a noncurrent liability of $2 million at December 31, 2009, related to the fair value of PECO's block contracts with Generation that eliminate upon consolidation in Exelon's Consolidated Financial Statements.

The following tables present the fair value reconciliation of Level 3 assets measured at fair value on a recurring basis during the years ended December 31, 2010 and 2009:

For the Year Ended December 31, 2010	Mark-to-Market Derivatives	Servicing Liability	Total
Balance as of January 1, 2010	$ (4)	$ (2)	$ (6)
Total realized/unrealized gains (losses)			
Included in net income	—	2[(a)]	2
Included in regulatory assets	(5)[(b)]	—	(5)
Balance as of December 31, 2010	$ (9)	$ —	$ (9)

(a) The servicing liability related to PECO's accounts receivable agreement was released in accordance with new authoritative guidance on accounting for transfers of financial assets that was adopted on January 1, 2010. See Note 10—Debt and Credit Agreements for additional information.
(b) Includes a decrease in fair value of $3 million associated with PECO's block contract with Generation, which eliminates upon consolidation in Exelon's Consolidated Financial Statements.

For the Year Ended December 31, 2009	Mark-to-Market Derivatives	Servicing Liability	Total
Balance as of January 1, 2009	$ —	$ (2)	$ (2)
Total unrealized losses included in regulatory assets	(4)	—	(4)
Balance as of December 31, 2009	$ (4)	$ (2)	$ (6)

Valuation Techniques Used to Determine Fair Value

The following describes the valuation techniques used to measure the fair value of the assets and liabilities shown in the tables above.

Cash Equivalents (Exelon, Generation, ComEd and PECO). The Registrants' cash equivalents include investments with maturities of three months or less when purchased. The cash equivalents shown in the fair value tables are comprised of investments in mutual and money market funds. The fair values of the shares of these funds are based on observable market prices and, therefore, have been categorized in Level 1 in the fair value hierarchy.

Nuclear Decommissioning Trust Fund Investments and Pledged Assets for Zion Station Decommissioning (Exelon and Generation). The trust fund investments have been established to satisfy Exelon's and Generation's nuclear decommissioning obligations as required by the NRC. The NDT funds hold debt and equity securities directly and indirectly through commingled funds. Generation's investment policies place limitations on the types and investment grade ratings of the securities that may be held by the trusts. Assets pledged for Zion Station decommissioning are not controlled by Generation and as a result, its investment activities are not subject to Generation's policies. Investments with maturities of three months or less when purchased, including certain short-term fixed income securities, are considered cash equivalents and included in the recurring fair value measurements hierarchy as Level 1 or Level 2.

With respect to individually held equity securities, the trustees obtain prices from pricing services, whose prices are obtained from direct feeds from market exchanges, which Generation is able to independently corroborate. The fair values of equity securities held directly by the trust funds are based on quoted prices in active markets and are categorized in Level 1. Equity securities held individually are primarily traded on the New York Stock Exchange and NASDAQ-Global Select Market, which contain only actively traded securities due to the volume trading requirements imposed by these exchanges.

For fixed income securities, multiple prices from pricing services are obtained from pricing vendors whenever possible, which enables cross-provider validations in addition to checks for unusual daily movements. A primary price source is identified based on asset type, class or issue for each security. The trustees monitor prices supplied by pricing services and may use a supplemental price source or change the primary price source of a given security if the portfolio managers challenge an assigned price and the trustees determine that another price source is considered to be preferable. Generation has obtained an understanding of how these prices are derived, including the nature and observability of the inputs used in deriving such prices. Additionally, Generation selectively corroborates the fair values of securities by comparison to other market-based price sources. U.S. Treasury securities are categorized as Level 1 because they trade in a highly liquid and transparent market. The fair values of fixed income securities, excluding U.S. Treasury securities, are based on evaluated prices that reflect observable market information, such as actual trade information or similar securities, adjusted for observable differences and are categorized in Level 2.

Commingled funds, which are similar to mutual funds, are maintained by investment companies and hold certain investments in accordance with a stated set of fund objectives. The fair values of short-term commingled funds held within the trust funds, which generally hold short-term fixed income securities and are not subject to restrictions regarding the purchase or sale of shares, are derived from observable prices. The objectives of the remaining commingled funds in which Exelon and Generation

invest primarily seek to track the performance of certain equity indices by purchasing equity securities to replicate the capitalization and characteristics of the indices. In general, equity commingled funds are redeemable on the 15th of the month and the last business day of the month; however, the fund manager may designate any day as a valuation date for the purpose of purchasing or redeeming units. Effective December 31, 2009, commingled funds are categorized in Level 2 because the fair value of the funds are based on NAVs per fund share (the unit of account), primarily derived from the quoted prices in active markets on the underlying equity securities. See Note 12—Asset Retirement Obligations for further discussion on the NDT fund investments.

Rabbi Trust Investments (Exelon, Generation, ComEd and PECO). The Rabbi trusts were established to hold assets related to deferred compensation plans existing for certain active and retired members of Exelon's executive management and directors. The investments in the Rabbi trusts are included in investments in the Registrants' Consolidated Balance Sheets. The fair values of the shares of the funds are based on observable market prices and, therefore, have been categorized in Level 1 in the fair value hierarchy.

Mark-to-Market Derivatives (Exelon, Generation, ComEd and PECO). Derivative contracts are traded in both exchange-based and non-exchange-based markets. Exchange-based derivatives that are valued using unadjusted quoted prices in active markets are categorized in Level 1 in the fair value hierarchy. Certain non-exchange-based derivatives are valued using indicative price quotations available through brokers or over-the-counter, on-line exchanges and are categorized in Level 2. These price quotations reflect the average of the bid-ask, mid-point prices and are obtained from sources that the Registrants believe provide the most liquid market for the commodity. The price quotations are reviewed and corroborated to ensure the prices are observable and representative of an orderly transaction between market participants. This includes consideration of actual transaction volumes, market delivery points, bid-ask spreads and contract duration. The remainder of non-exchange-based derivative contracts is valued using the Black model, an industry standard option valuation model. The Black model takes into account inputs such as contract terms, including maturity, and market parameters, including assumptions of the future prices of energy, interest rates, volatility, credit worthiness and credit spread. For non-exchange-based derivatives that trade in liquid markets, such as generic forwards, swaps and options, model inputs are generally observable. Such instruments are categorized in Level 2. The Registrants' non-exchange-based derivatives are predominately at liquid trading points. For non-exchange-based derivatives that trade in less liquid markets with limited pricing information, such as the financial swap contract between Generation and ComEd, model inputs generally would include both observable and unobservable inputs. These valuations may include an estimated basis adjustment from an illiquid trading point to a liquid trading point for which active price quotations are available. For valuations that include both observable and unobservable inputs, if the unobservable input is determined to be significant to the overall inputs, the entire valuation is categorized in Level 3. This includes derivatives valued using indicative price quotations whose contract tenure extends into unobservable periods. In instances where observable data is unavailable, consideration is given to the assumptions that market participants would use in valuing the asset or liability. This includes assumptions about market risks such as liquidity, volatility and contract duration. Such instruments are categorized in Level 3 as the model inputs generally are not observable. The Registrants consider credit and nonperformance risk in the valuation of derivative contracts categorized in Level 1, 2 and 3, including both historical and current market data in its assessment of credit and nonperformance risk by counterparty. The impacts of credit and nonperformance risk were not material to the financial statements. Transfers in and out of levels are recognized as of the beginning of the month the transfer occurred. Given derivatives categorized within

Level 1 are valued using exchange-based quoted prices within observable periods, transfers between Level 2 and Level 1 generally do not occur. Transfers in and out of Level 2 and Level 3 generally occur when the contract tenure becomes more observable.

Exelon may utilize fixed-to-floating interest rate swaps, which are typically designated as fair value hedges, as a means to achieve its targeted level of variable-rate debt as a percent of total debt. In addition, the Registrants may utilize interest rate derivatives to lock in interest rate levels in anticipation of future financings. These interest rate derivatives are typically designated as cash flow hedges. Exelon uses a calculation of future cash inflows and estimated future outflows related to the swap agreements, which are discounted and netted to determine the current fair value. Additional inputs to the present value calculation include the contract terms, counterparty credit risk and market parameters such as interest rates and volatility. As these inputs are based on observable data and valuations of similar instruments, the interest rate swaps are categorized in Level 2 in the fair value hierarchy. See Note 9—Derivative Financial Instruments for further discussion on mark-to-market derivatives.

Deferred Compensation Obligations (Exelon, Generation, ComEd and PECO). The Registrants' deferred compensation plans allow participants to defer certain cash compensation into a notional investment account. The Registrants include such plans in other current and noncurrent liabilities in their Consolidated Balance Sheets. The value of the Registrants' deferred compensation obligations is based on the market value of the participants' notional investment accounts. The notional investments are comprised primarily of mutual funds, which are based on observable market prices. However, since the deferred compensation obligations themselves are not exchanged in an active market, they are categorized in Level 2 in the fair value hierarchy.

Servicing Liability (Exelon and PECO). PECO is party to an agreement with a financial institution under which it transferred an undivided interest, adjusted daily, in customer accounts receivables designated under the agreement in exchange for proceeds of $225 million, which PECO accounted for as a sale under previous guidance on accounting for transfers of financial assets. A servicing liability was recorded for the agreement in accordance with the applicable authoritative guidance for servicing of financial assets. The servicing liability was included in other current liabilities in Exelon's and PECO's Consolidated Balance Sheets. The fair value of the liability was determined using internal estimates based on provisions in the agreement, which were categorized as Level 3 inputs in the fair value hierarchy. The servicing liability was released in accordance with new guidance on accounting for transfers of financial assets that was adopted on January 1, 2010. See Note 10—Debt and Credit Agreements for additional information.

9. Derivative Financial Instruments (Exelon, Generation, ComEd and PECO)

The Registrants are exposed to certain risks related to ongoing business operations. The primary risks managed by using derivative instruments are commodity price risk and interest rate risk. Exposure to interest rate risk exists as a result of the issuance of variable and fixed-rate debt, commercial paper and commitment fees under credit facilities. To the extent the amount of energy Exelon generates differs from the amount of energy it has contracted to sell, the Registrants are exposed to market fluctuations in the prices of electricity, fossil fuels, and other commodities. The Registrants employ established policies and procedures to manage their risks associated with market fluctuations by entering into physical contracts as well as financial derivative contracts including swaps, futures, forwards, options and short-term and long-term commitments to purchase and sell energy and energy-related products. The Registrants believe these instruments, which are classified as either economic hedges or non-derivatives, mitigate exposure to fluctuations in commodity prices.

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Derivative accounting guidance requires that derivative instruments be recognized as either assets or liabilities at fair value. Under these provisions, economic hedges are recognized on the balance sheet at their fair value unless they qualify for the normal purchases and normal sales scope exception. The Registrants have applied the normal purchases and normal sales scope exception to certain derivative contracts for the forward sale of generation, power procurement agreements, and natural gas supply agreements. For economic hedges that qualify and are designated as cash flow hedges, the portion of the derivative gain or loss that is effective in offsetting the change in value of the underlying exposure is deferred in accumulated OCI and later reclassified into earnings when the underlying transaction occurs. For economic hedges that do not qualify or are not designated as cash flow hedges, changes in the fair value of the derivative are recognized in earnings each period and are classified as other derivatives in the following tables. Non-derivative contracts for access to additional generation and for sales to load-serving entities are accounted for primarily under the accrual method of accounting, which is further discussed in Note 18—Commitments and Contingencies. Additionally, Generation is exposed to certain market risks through its proprietary trading activities. The proprietary activities are a complement to Generation's energy marketing portfolio but represent a small portion of Generation's overall energy marketing activities.

Commodity Price Risk (Exelon, Generation, ComEd and PECO)

Economic Hedging. The Registrants are exposed to commodity price risk primarily relating to changes in the market price of electricity, fossil fuels, and other commodities associated with price movements resulting from changes in supply and demand, fuel costs, market liquidity, weather conditions, governmental regulatory and environmental policies, and other factors. Within Exelon, Generation has the most exposure to commodity price risk. Generation uses a variety of derivative and non-derivative instruments to manage the commodity price risk of its electric generation facilities, including power sales, fuel and energy purchases, and other energy-related products marketed and purchased. In order to manage these risks, Generation may enter into fixed-price derivative or non-derivative contracts to hedge the variability in future cash flows from forecasted sales of energy and purchases of fuel and energy. The objectives for entering into such hedges include fixing the price for a portion of anticipated future electricity sales at a level that provides an acceptable return on electric generation operations, fixing the price of a portion of anticipated fuel purchases for the operation of power plants, and fixing the price for a portion of anticipated energy purchases to supply load-serving customers. The portion of forecasted transactions hedged may vary based upon management's policies and hedging objectives, the market, weather conditions, operational and other factors. Generation is also exposed to differences between the locational settlement prices of certain economic hedges and the hedged generating units. This price difference is actively managed through other instruments which include financial transmission rights, whose changes in fair value are recognized in earnings each period, and auction revenue rights.

In general, increases and decreases in forward market prices have a positive and negative impact, respectively, on Generation's owned and contracted generation positions which have not been hedged. Generation hedges commodity risk on a ratable basis over three-year periods. As of December 31, 2010, the percentage of expected generation hedged was 90%-93%, 67%-70%, and 32%-35% for 2011, 2012 and 2013, respectively. The percentage of expected generation hedged is the amount of equivalent sales divided by the expected generation. Expected generation represents the amount of energy estimated to be generated or purchased through owned or contracted capacity. Equivalent sales represent all hedging products, which include cash flow hedges, other derivatives and certain non-derivative contracts including sales to ComEd and PECO to serve their retail load.

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ComEd has locked in a fixed price for a significant portion of its commodity price risk through the five-year financial swap contract with Generation that expires on May 31, 2013, which is discussed in more detail below. In addition, the contracts that Generation has entered into with ComEd and that ComEd has entered into with Generation and other suppliers as part of the ComEd power procurement agreements, which are further discussed in Note 2—Regulatory Matters, qualify for the normal purchases and normal sales scope exception. Based on the Illinois Settlement Legislation and ICC-approved procurement methodologies permitting ComEd to recover its electricity procurement costs from retail customers with no mark-up, ComEd's price risk related to power procurement is limited.

In order to fulfill a requirement of the Illinois Settlement, Generation and ComEd entered into a five-year financial swap contract effective August 28, 2007. The financial swap is designed to hedge spot market purchases, which along with ComEd's remaining energy procurement contracts, meet its load service requirements. The remaining swap contract volumes are 3,000 MW from January 2011 through May 2013. The terms of the financial swap contract require Generation to pay the around-the-clock market price for a portion of ComEd's electricity supply requirement, while ComEd pays a fixed price. The contract is to be settled net, for the difference between the fixed and market pricing, and the financial terms only cover energy costs and do not cover capacity or ancillary services. The financial swap contract is a derivative financial instrument that has been designated by Generation as a cash flow hedge. Consequently, Generation records the fair value of the swap on its balance sheet and records changes in fair value to OCI. ComEd has not elected hedge accounting for this derivative financial instrument. ComEd records the fair value of the swap on its balance sheet, however, since the financial swap contract was deemed prudent by the Illinois Settlement Legislation, ComEd receives full cost recovery for the contract in rates and the change in fair value each period is recorded by ComEd as a regulatory asset or liability. See Note 2—Regulatory Matters for additional information regarding the Illinois Settlement. In Exelon's consolidated financial statements, all financial statement effects of the financial swap recorded by Generation and ComEd are eliminated.

On December 17, 2010, ComEd entered into several 20-year floating-to-fixed energy swap contracts with unaffiliated suppliers for the procurement of long-term renewable energy and associated RECs. Delivery under the contracts begins in June 2012. These contracts are designed to lock in a portion of the long-term commodity price risk resulting from the renewable energy resource procurement requirements in the Illinois Settlement Legislation. ComEd has not elected hedge accounting for these derivative financial instruments. ComEd records the fair value of the swap contracts on its balance sheet. Because ComEd receives full cost recovery for energy procurement and related costs from retail customers, the change in fair value each period is recorded by ComEd as a regulatory asset or liability.

Prior to January 1, 2011, PECO had transferred substantially all of its commodity price risk related to its procurement of electric supply to Generation through a PPA that expired on December 31, 2010. The PPA was not considered a derivative under current derivative authoritative guidance. PECO has entered into contracts to procure electric supply through a competitive RFP process as outlined in its PAPUC-approved DSP Program, which is further discussed in Note 2—Regulatory Matters. Based on Pennsylvania legislation and the DSP Program permitting PECO to recover its electric supply procurement costs from retail customers with no mark-up, PECO's price risk related to electric supply procurement is limited. PECO locked in fixed prices for a significant portion of its commodity price risk following the expiration of the electric generation rate caps through full requirements contracts and block contracts. PECO's full requirements contracts and block contracts, which are considered derivatives, qualify for the normal purchases and normal sales scope exception under current

derivative authoritative guidance. For block contracts designated as normal purchases after inception, the mark-to-market balances previously recorded will remain unchanged on PECO's Consolidated Balance Sheet and will be amortized over the terms of the contracts.

PECO's natural gas procurement policy is designed to achieve a reasonable balance of long-term and short-term gas purchases under different pricing approaches in order to achieve system supply reliability at the least cost. PECO's reliability strategy is two-fold. First, PECO must assure that there is sufficient transportation capacity to satisfy deliverability requirements. Second, PECO must ensure that a firm source of supply exists to utilize the capacity resources. All of PECO's natural gas supply and management agreements that are derivatives qualify for the normal purchases and normal sales exception. Additionally, in accordance with the 2009 and 2010 PAPUC PGC settlements and to reduce the exposure of PECO and its customers to natural gas price volatility, PECO has continued its program to purchase natural gas for both winter and summer supplies using a layered approach of locking-in prices ahead of each season with long-term gas purchase agreements (those with primary terms of at least twelve months). Under the terms of the 2009 and 2010 PGC settlement, PECO is required to lock in (i.e. economically hedge) the price of a minimum volume of its long-term gas commodity purchases. PECO's gas-hedging program covers 22% to 29% of planned natural gas purchases in support of projected firm sales. The hedging program for natural gas procurement has no direct impact on PECO's financial position or results of operations as natural gas costs are fully recovered from customers under the PGC.

Proprietary Trading. Generation also enters into certain energy-related derivatives for proprietary trading purposes. Proprietary trading includes all contracts entered into purely to profit from market price changes as opposed to hedging an exposure and is subject to limits established by Exelon's RMC. The proprietary trading activities which included physical volumes of 3,625 GWh, 7,578 GWh and 8,891 GWh for years ended December 31, 2010, 2009 and 2008, respectively, are a complement to Generation's energy marketing portfolio but represent a small portion of Generation's revenue from energy marketing activities. Neither ComEd nor PECO enter into derivatives for proprietary trading purposes.

Interest Rate Risk (Exelon, Generation and ComEd)

The Registrants use a combination of fixed-rate and variable-rate debt to manage interest rate exposure. The Registrants may also utilize fixed-to-floating interest rate swaps, which are typically designated as fair value hedges, as a means to manage their interest rate exposure. In addition, the Registrants may utilize interest rate derivatives to lock in interest rate levels in anticipation of future financings, which are typically designated as cash flow hedges. These strategies are employed to achieve a lower cost of capital. A hypothetical 10% increase in the interest rates associated with variable-rate debt would result in less than a $1 million decrease in Exelon's, Generation's, and ComEd's pre-tax income for the year ended December 31, 2010.

Combined Notes to Consolidated Financial Statements—(Continued)
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Fair Value Hedges. For derivative instruments that are designated and qualify as fair value hedges, the gain or loss on the derivative as well as the offsetting loss or gain on the hedged item attributable to the hedged risk are recognized in current earnings. Exelon includes the gain or loss on the hedged items and the offsetting loss or gain on the related interest rate swaps in interest expense as follows for the year ended December 31, 2010:

Income Statement Classification	Gain (Loss) on Swaps December 31, 2010	2009	2008	Gain (Loss) on Borrowings December 31, 2010	2009	2008
Interest expense	$ 4	$ (7)	$ 13	$ (4)	$ 7	$ (13)

At December 31, 2010 and 2009, Exelon had $100 million of notional amounts of fair value hedges outstanding related to interest rate swaps, with fair value assets of $14 million and $10 million, respectively. During the years ended December 31, 2010 and 2009, there was no impact on the results of operations as a result of ineffectiveness from fair value hedges.

Cash Flow Hedges. On September 30, 2010, Generation issued and sold $350 million of senior notes due October 1, 2041. In connection with this debt issuance, Generation entered into treasury rate locks in the aggregate notional amount of $240 million. The treasury rate locks were settled on September 27, 2010. Treasury rate locks are derivative instruments used to lock in the interest rate prior to the issuance of debt. As a result of a decrease in interest rates during the period between the inception and settlement of the treasury rate locks, Generation recorded a pre-tax loss of approximately $4 million. The loss was recorded to other comprehensive income within Generation's Consolidated Balance Sheets and will be amortized as an increase to interest expense over the life of the related debt as interest payments are made on the debt.

In connection with Generation's September 2009 $1.5 billion debt issuance, Generation entered into forward-starting interest rate swaps in the aggregate notional amount of $1.1 billion. The interest rate swaps were settled on September 16, 2009 with Generation recording a $7 million pre-tax gain. The gain was recorded to OCI within Generation's Consolidated Balance Sheets and is amortized to income over the life of the related debt as a reduction in interest expense.

In connection with its August 2, 2010 issuance of First Mortgage Bonds, ComEd entered into treasury rate locks in the aggregate notional amount of $350 million. The treasury rate locks were settled on July 27, 2010. As interest rates decreased since the inception of the treasury rate locks, ComEd recorded a pre-tax loss of approximately $4 million. Under the authoritative accounting guidance for regulated operations, the loss was recorded as a regulatory asset within ComEd's Consolidated Balance Sheets at settlement and will be amortized as an increase to interest expense over the life of the related debt as interest payments are made on the debt.

Other Derivatives. On September 30, 2010, Generation issued and sold $550 million of 10-year Senior Notes. In connection with this debt issuance, Generation entered into treasury rate locks in the aggregate notional amount of approximately $360 million. As a result of a decrease in interest rates during the period between the inception and settlement of the treasury rate locks, Generation recorded a pre-tax loss of approximately $5 million. The debt associated with these treasury rate locks, which was used to fund a portion of the Exelon Wind acquisition, was subject to a mandatory redemption provision in the event the acquisition was not consummated on or prior to March 31, 2011. As a result, these treasury rate locks did not qualify for cash flow hedge accounting treatment and the associated loss was recorded to interest expense within Generation's Consolidated Income Statements. See Note 10—Debt and Credit Agreements for additional information on the redemption provision of this debt issuance.

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Fair Value Measurement (Exelon, Generation, ComEd and PECO)

Fair value accounting guidance requires the fair value of derivative instruments to be shown in the Notes to the Consolidated Financial Statements on a gross basis, even when the derivative instruments are subject to master netting agreements and qualify for net presentation in the Consolidated Balance Sheet. In the table below, Generation's cash flow hedges, other derivatives and proprietary trading derivatives are shown gross and the impact of the netting of fair value balances with the same counterparty, as well as netting of collateral, is aggregated in the collateral and netting column. Excluded from the tables below are economic hedges that qualify for the normal purchases and normal sales exception and other non-derivative contracts that are accounted for under the accrual method of accounting.

The following table provides a summary of the derivative fair value balances recorded by the Registrants as of December 31, 2010:

	Generation					ComEd	PECO	Other		Exelon
Derivatives	**Cash Flow Hedges (a)(d)**	**Other Derivatives**	**Proprietary Trading**	**Collateral and Netting (b)**	**Subtotal (c)**	**Other Derivatives (a)(e)**	**Other Derivatives (d)**	**Other Derivatives**	**Intercompany Elimination (a)(d)**	**Total Derivatives**
Mark-to-market derivative assets (current assets)	$ 532	$ 1,203	$ 225	$ (1,473)	$ 487	$ —	$ —	$ —	$ —	$ 487
Mark-to-market derivative assets with affiliate (current assets)	455	—	—	—	455	—	—	—	(455)	—
Mark-to-market derivative assets (noncurrent assets)	204	547	56	(416)	391	4	—	14	—	409
Mark-to-market derivative assets with affiliate (noncurrent assets)	525	—	—	—	525	—	—	—	(525)	—
Total mark-to-market derivative assets	$ 1,716	$ 1,750	$ 281	$ (1,889)	$ 1,858	$ 4	$ —	$ 14	$ (980)	$ 896
Mark-to-market derivative liabilities (current liabilities)	$ (21)	$ (551)	$ (200)	$ 738	$ (34)	$ —	(4)	$ —	$ —	$ (38)
Mark-to-market derivative liability with affiliate (current liabilities)	—	—	—	—	—	(450)	(5)	—	455	—
Mark-to-market derivative liabilities (noncurrent liabilities)	(24)	(143)	(54)	200	(21)	—	—	—	—	(21)
Mark-to-market derivative liabilities with affiliate (noncurrent liabilities)	—	—	—	—	—	(525)	—	—	525	—
Total mark-to-market derivative liabilities	(45)	(694)	(254)	938	(55)	(975)	(9)	—	980	(59)
Total mark-to-market derivative net assets (liabilities)	$ 1,671	$ 1,056	$ 27	$ (951)	$ 1,803	$ (971)	$ (9)	$ 14	$ —	$ 837

(a) Includes current and noncurrent assets for Generation and current and noncurrent liabilities for ComEd of $450 million and $525 million, respectively, related to the fair value of the five-year financial swap contract between Generation and ComEd, as described above.
(b) Represents the netting of fair value balances with the same counterparty and the application of collateral.
(c) Current and noncurrent assets are shown net of collateral of $725 million and $199 million, respectively, and current and noncurrent liabilities are shown inclusive of collateral of $10 million and $17 million, respectively. The total cash collateral received net of cash collateral posted and offset against mark-to-market assets and liabilities was $951 million at December 31, 2010.
(d) Includes current assets for Generation and current liabilities for PECO of $5 million related to the fair value of PECO's block contracts with Generation. There were no netting adjustments or collateral received as of December 31, 2010. The PECO block contracts were designated as normal as of May 31, 2010. As such, there were no effective changes in fair value of PECO's block contracts for the remainder of 2010 as the mark-to-market balances previously recorded will be amortized over the term of the contract.
(e) Includes noncurrent assets relating to floating-to-fixed energy swap contracts with unaffiliated suppliers recorded in other deferred debits and other assets on ComEd's Consolidated Balance Sheets.

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The following table provides a summary of the derivative fair value balances recorded by the Registrants as of December 31, 2009:

Derivatives	Generation					ComEd	PECO	Other		Exelon
	Cash Flow Hedges [a]	Other Derivatives	Proprietary Trading	Collateral and Netting [b]	Subtotal [c]	Other Derivatives [a]	Other Derivatives [d]	Other Derivatives	Intercompany Eliminations [a][d]	Total Derivatives
Mark-to-market derivative assets (current assets)	$ 576	$ 913	$ 193	$ (1,306)	$ 376	$ —	$ —	$ —	$ —	$ 376
Mark-to-market derivative assets with affiliate (current assets)	302	—	—	—	302	—	—	—	(302)	—
Mark-to-market derivative assets (noncurrent assets)	423	792	102	(678)	639	—	—	10	—	649
Mark-to-market derivative assets with affiliate (noncurrent assets)	671	—	—	—	671	—	—	—	(671)	—
Total mark-to- market derivative assets	$ 1,972	$ 1,705	$ 295	$ (1,984)	$ 1,988	$ —	$ —	$ 10	$ (973)	$ 1,025
Mark-to-market derivative liabilities (current liabilities)	$ (18)	$ (743)	$ (172)	$ 735	$ (198)	$ —	$ —	$ —	$ —	$ (198)
Mark-to-market derivative liability with affiliate (current liabilities)	—	—	—	—	—	(302)	—	—	302	—
Mark-to-market derivative liabilities (noncurrent liabilities)	(42)	(183)	(98)	302	(21)	—	(2)	—	—	(23)
Mark-to-market derivative liability with affiliate (noncurrent liabilities)	—	—	—	—	—	(669)	(2)	—	671	—
Total mark-to- market derivative liabilities	(60)	(926)	(270)	1,037	(219)	(971)	(4)	—	973	(221)
Total mark-to- market derivative net assets (liabilities)	$ 1,912	$ 779	$ 25	$ (947)	$ 1,769	$ (971)	$ (4)	$ 10	$ —	$ 804

(a) Includes current and noncurrent assets for Generation and current and noncurrent liabilities for ComEd of $302 million and $669 million, respectively, related to the fair value of the five-year financial swap contract between Generation and ComEd, as described above.
(b) Represents the netting of fair value balances with the same counterparty and the application of collateral.
(c) Current and noncurrent assets are shown net of collateral of $502 million and $376 million, respectively, and current liabilities are shown inclusive of collateral of $69 million, respectively. The allocation of collateral had no impact to noncurrent liabilities. The total cash collateral received net of cash collateral posted and offset against mark-to-market assets and liabilities was $947 million at December 31, 2009.
(d) Includes a noncurrent asset for Generation and a noncurrent liability for PECO of $2 million related to the fair value of PECO's block contracts with Generation. There were no netting adjustments or collateral received as of December 31, 2009.

Cash Flow Hedges (Exelon and Generation). Economic hedges that qualify as cash flow hedges primarily consist of forward power sales and power swaps on base load generation. At December 31, 2010, Generation had net unrealized pre-tax gains on effective cash flow hedges of $ 1,670 million being deferred within accumulated OCI, including approximately $975 million related to the financial swap with ComEd. Amounts recorded in accumulated OCI related to changes in energy commodity cash flow hedges are reclassified to results of operations when the forecasted purchase or sale of the energy commodity occurs. Reclassifications from OCI are included in operating revenues, purchased power and fuel in Exelon and Generation's Consolidated Statements of Operations, depending on the commodities involved in the hedged transaction. Based on market prices at December 31, 2010, approximately $966 million of these net pre-tax unrealized gains within accumulated OCI are expected to be reclassified from accumulated OCI during the next twelve months by

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Generation, including approximately $450 million related to the financial swap with ComEd and $5 million related to PECO's block contracts with Generation. However, the actual amount reclassified from accumulated OCI could vary due to future changes in market prices. Generation expects the settlement of the majority of its cash flow hedges, including the ComEd financial swap contract, will occur during 2011 through 2013.

Exelon discontinues hedge accounting prospectively when it determines that the derivative is no longer effective in offsetting changes in the cash flows of a hedged item, in the case of forward-starting hedges, or when it is no longer probable that the forecasted transaction will occur. For the year ended December 31, 2010, amounts reclassified into earnings as a result of the discontinuance of cash flow hedges were immaterial.

The table below provides the activity of accumulated OCI related to cash flow hedges for the years ended December 31, 2010 and 2009, containing information about the changes in the fair value of cash flow hedges and the reclassification from accumulated OCI into results of operations. The amounts reclassified from accumulated OCI, when combined with the impacts of the actual physical power sales, result in the ultimate recognition of net revenues at the contracted price.

		Total Cash Flow Hedge OCI Activity, Net of Income Tax	
		Generation	Exelon
	Income Statement Location	Energy Related Hedges	Total Cash Flow Hedges
Accumulated OCI derivative gain at January 1, 2009		$ 855[(a)]	$ 563
Effective portion of changes in fair value		1,227[(b)]	757
Reclassifications from accumulated OCI to net income	Operating Revenue	(939)[(c)]	(778)
Ineffective portion recognized in income	Purchased Power	9	9
Accumulated OCI derivative gain at December 31, 2009		$ 1,152[(a)(d)]	$ 551
Effective portion of changes in fair value		541[(b)]	304[(e)]
Reclassifications from accumulated OCI to net income	Operating Revenue	(681)[(c)]	(454)[(f)]
Ineffective portion recognized in income	Purchased Power	(1)	(1)
Accumulated OCI derivative gain at December 31, 2010		$ 1,011[(a)(d)]	$ 400

(a) Includes $589 million, $585 million and $275 million of gains, net of taxes, related to the fair value of the five-year financial swap contract with ComEd for the years ended December 31, 2010, 2009 and 2008, respectively, and $3 million and $1 million of gains, net of taxes, related to the fair value of the block contracts with PECO for the years ended December 31, 2010 and 2009, respectively.

(b) Includes $228 million and $471 million of gains, net of taxes, related to the effective portion of changes in fair value of the five-year financial swap contract with ComEd for the years ended December 31, 2010 and 2009, respectively, and $2 million and $1 million of gains, net of taxes, of the effective portion of changes in fair value of the block contracts with PECO for the year ended December 31, 2010 and 2009, respectively. The PECO block contracts were designated as normal sales as of May 31, 2010. As such, there were no effective changes in fair value of the block contracts with PECO for the remainder of 2010 as the mark-to-market balances previously recorded will be amortized over the terms of the contracts.

(c) Includes $224 million and $161 million losses, net of taxes, reclassified from accumulated OCI to recognize gains in net income related to settlements of the five-year financial swap contract with ComEd for the years ended December 31, 2010 and 2009, respectively.

(d) Excludes $2 million of gains, net of taxes, related to interest rate swaps and treasury rate locks for the year ended December 31, 2010 and $5 million of gains, net of taxes, related to interest rate swaps for the year ended 2009. See Note 10—Debt and Credit Agreements for further information.

(e) Includes $3 million of losses, net of taxes, related to the effective portion of changes in fair value of treasury rate locks at Generation and ComEd, respectively.
(f) Reflects the reclassifications of $4 million to regulatory assets and $1 million to deferred income tax liabilities within Exelon's and ComEd's Consolidated Balance Sheets associated with settled treasury rate locks at ComEd.

During the years ended December 31, 2010, 2009 and 2008, Generation's cash flow hedge activity impact to pre-tax earnings based on the reclassification adjustment from accumulated OCI to earnings was a $1,125 million and $1,559 million pre-tax gain, and a $544 million pre-tax loss, respectively. Given that the cash flow hedges primarily consist of forward power sales and power swaps and do not include gas options or sales, the ineffectiveness of Generation's cash flow hedges is primarily the result of differences between the locational settlement prices of the cash flow hedges and the hedged generating units. This price difference is actively managed through other instruments which include financial transmission rights, whose changes in fair value are recognized in earnings each period, and auction revenue rights. Changes in cash flow hedge ineffectiveness, primarily due to changes in market prices, were $1 million, $15 million and $44 million for the years ended December 31, 2010, 2009, and 2008, respectively, none of which was related to Generation's financial swap contract with ComEd or Generation's block contracts with PECO. At December 31, 2010, cash flow hedge ineffectiveness resulted in an adjustment of $1 million to accumulated OCI on the balance sheet in order to reflect the effective portion of derivative gains or losses. At December 31, 2009, cash flow hedge ineffectiveness was not significant.

Exelon's energy related cash flow hedge activity impact to pre-tax earnings based on the reclassification adjustment from accumulated OCI to earnings was a $754 million and $1,292 million pre-tax gain and a $521 million pre-tax loss for the years ended December 31, 2010, 2009 and 2008, respectively. Changes in cash flow hedge ineffectiveness, primarily due to changes in market prices, were $1 million, $15 million and $44 million for the years ended December 31, 2010, 2009 and 2008, respectively. At December 31, 2010, cash flow hedge ineffectiveness resulted in an adjustment of $1 million to accumulated OCI on the balance sheet in order to reflect the effective portion of derivative gains or losses. At December 31, 2009, cash flow hedge ineffectiveness was not significant.

Other Derivatives (Exelon and Generation). Other derivative contracts are those that do not qualify or are not designated for hedge accounting. These instruments represent economic hedges that mitigate exposure to fluctuations in commodity prices and include financial options, futures, swaps, and forward sales. For the years ended December 31, 2010, 2009 and 2008, the following net pre-tax mark-to-market gains (losses) of certain purchase and sale contracts were reported in fuel and purchased power expense at Exelon and Generation in the Consolidated Statements of Operations and Comprehensive Income and are included in "Net fair value changes related to derivatives" in Exelon's and Generation's Consolidated Statements of Cash Flows. In the tables below, "Change in fair value" represents the change in fair value of the derivative contracts held at the reporting date. The "Reclassification to realized at settlement" represents the recognized change in fair value that was reclassified to realized due to settlement of the derivative during the period.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

For the Year Ended December 31, 2010	Exelon and Generation Purchased Power	Fuel	Total
Change in fair value	$ 288	$ 101	$ 389
Reclassification to realized at settlement	(292)	(12)	(304)
Net mark-to-market gains (losses)	$ (4)	$ 89	$ 85

For the Year Ended December 31, 2009	Exelon and Generation Purchased Power	Fuel	Total
Change in fair value	$ 206	$ (72)	$ 134
Reclassification to realized at settlement	(97)	159	62
Net mark-to-market gains	$ 109	$ 87	$ 196

For the Year Ended December 31, 2008	Exelon and Generation Purchased Power	Fuel	Total
Change in fair value	$ 315	$ 180	$ 495
Reclassification to realized at settlement	55	(143)	(88)
Net mark-to-market gains	$ 370	$ 37	$ 407

Proprietary Trading Activities (Exelon and Generation). For the years ended December 31, 2010, 2009 and 2008, Exelon and Generation recognized the following net unrealized mark-to-market gains (losses), net realized mark-to-market gains (losses) and total net mark-to-market gains (losses) (before income taxes) relating to mark-to-market activity on derivative instruments entered into for proprietary trading purposes. Gains and losses associated with proprietary trading are reported as operating revenue in Exelon's and Generation's Consolidated Statements of Operations and Comprehensive Income and are included in "Net fair value changes related to derivatives" in Exelon's and Generation's Consolidated Statements of Cash Flows. In the tables below, "Change in fair value" represents the change in fair value of the derivative contracts held at the reporting date. The "Reclassification to realized at settlement" represents the recognized change in fair value that was reclassified to realized due to settlement of the derivative during the period.

	Location on Income Statement	For the Year Ended December 31, 2010	2009	2008
Change in fair value	Operating Revenue	$ 26	$ 3	$106
Reclassification to realized at settlement	Operating Revenue	(24)	(86)	(43)
Net mark-to-market gains (losses)	Operating Revenue	$ 2	$(83)	$ 63

Credit Risk (Exelon, Generation, ComEd and PECO)

The Registrants would be exposed to credit-related losses in the event of non-performance by counterparties that enter into derivative instruments. The credit exposure of derivative contracts, before collateral, is represented by the fair value of contracts at the reporting date. For energy-related derivative instruments, Generation enters into enabling agreements that allow for payment netting with its counterparties, which reduces Generation's exposure to counterparty risk by providing for the offset

of amounts payable to the counterparty against amounts receivable from the counterparty. Typically, each enabling agreement is for a specific commodity and so, with respect to each individual counterparty, netting is limited to transactions involving that specific commodity product, except where master netting agreements exist with a counterparty that allow for cross-product netting. In addition to payment netting language in the enabling agreement, Generation's credit department establishes credit limits, margining thresholds and collateral requirements for each counterparty, which are defined in the derivative contracts. Counterparty credit limits are based on an internal credit review that considers a variety of factors, including the results of a scoring model, leverage, liquidity, profitability, credit ratings and risk management capabilities. To the extent that a counterparty's margining thresholds are exceeded, the counterparty is required to post collateral with Generation as specified in each enabling agreement. Generation's credit department monitors current and forward credit exposure to counterparties and their affiliates, both on an individual and an aggregate basis.

The following tables provide information on Generation's credit exposure for all derivative instruments, which includes contracts that qualify for the normal purchases and normal sales exception, and applicable payables and receivables, net of collateral and instruments that are subject to master netting agreements, as of December 31, 2010. The tables further delineate that exposure by credit rating of the counterparties and provide guidance on the concentration of credit risk to individual counterparties and an indication of the maturity of a company's credit risk by credit rating of the counterparties. The figures in the tables below do not include credit risk exposure from uranium procurement contracts or exposure through RTOs, ISOs and NYMEX and ICE commodity exchanges, which are discussed below. Additionally, the figures in the tables below do not include exposures with affiliates, including net receivables with ComEd and PECO of $58 million and $248 million, respectively. See Note 21—Related-Party Transactions for further information.

Rating as of December 31, 2010	Total Exposure Before Credit Collateral	Credit Collateral	Net Exposure	Number of Counterparties Greater than 10% of Net Exposure	Net Exposure of Counterparties Greater than 10% of Net Exposure
Investment grade	$ 1,495	$ 563	$ 932	1	$ 102
Non-investment grade	9	3	6	—	—
No external ratings					
Internally rated—investment grade	42	5	37	—	—
Internally rated—non-investment grade	1	1	—	—	—
Total	$ 1,547	$ 572	$ 975	1	$ 102

Net Credit Exposure by Type of Counterparty	December 31, 2010
Financial institutions	$ 280
Investor-owned utilities, marketers and power producers	515
Other	180
Total	$ 975

ComEd's power procurement contracts provide suppliers with a certain amount of unsecured credit. The credit position is based on forward market prices compared to the benchmark prices. The benchmark prices are the forward prices of energy projected through the contract term and are set at the point of supplier bid submittals. If the forward market price of energy exceeds the benchmark price, the suppliers are required to post collateral for the secured credit portion. The unsecured credit used by the suppliers represents ComEd's net credit exposure. As of December 31, 2010, ComEd's credit exposure to suppliers was immaterial.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

ComEd is permitted to recover its costs of procuring energy through the Illinois Settlement Legislation as well as the ICC-approved procurement tariffs. ComEd's counterparty credit risk is mitigated by its ability to recover realized energy costs through customer rates. See Note 2—Regulatory Matters for further information.

PECO's supplier master agreements that govern the terms of its DSP program contracts and define a supplier's performance assurance requirements, allow a supplier to meet its credit requirements with a certain amount of unsecured credit. The amount of unsecured credit is determined based on the supplier's lowest credit rating from S&P, Fitch or Moody's and the supplier's tangible net worth. The credit position is based on the initial market price, which is the forward price of energy on the day a transaction is executed, compared to the current forward price curve for energy. To the extent that the forward price curve for energy exceeds the initial market price, the supplier is required to post collateral to the extent the credit exposure is greater than the supplier's unsecured credit limit. As of December 31, 2010, PECO's net credit exposure to suppliers was immaterial and did not exceed the allowed unsecured credit levels.

PECO is permitted to recover its costs of procuring electric generation after December 31, 2010, through its PAPUC-approved DSP program. PECO's counterparty credit risk is mitigated by its ability to recover realized energy costs through customer rates. See Note 2—Regulatory Matters for further information.

PECO's natural gas procurement plan is reviewed and approved annually on a prospective basis by the PAPUC. PECO's counterparty credit risk under its natural gas supply and management agreements is mitigated by its ability to recover its natural gas costs through the PGC, which allows PECO to adjust rates quarterly to reflect realized natural gas prices. PECO does not obtain collateral from suppliers under its natural gas supply and management agreements. As of December 31, 2010, PECO had credit exposure of $10 million under its natural gas supply and management agreements.

Collateral and Contingent-Related Features (Exelon, Generation, ComEd, and PECO)

As part of the normal course of business, Generation routinely enters into physical and financial contracts for the purchase and sale of electricity, fossil fuels, and other commodities. Certain of Generation's derivative instruments contain provisions that require Generation to post collateral. This collateral may be posted in the form of cash or credit support with thresholds contingent upon Generation's credit rating from each of the major credit rating agencies. The collateral and credit support requirements vary by contract and by counterparty. These credit-risk-related contingent features stipulate that if Generation were to be downgraded or lose its investment grade credit rating (based on its senior unsecured debt rating), it would be required to provide additional collateral. This incremental collateral requirement allows for the offsetting of derivative instruments that are assets with the same counterparty, where the contractual right of offset exists under applicable master netting agreements. Generation also enters into commodity transactions on NYMEX and ICE. The NYMEX and ICE clearing houses act as the counterparty to each trade. Transactions on the NYMEX and ICE must adhere to comprehensive collateral and margining requirements.

The aggregate fair value of all derivative instruments with credit-risk-related contingent features in a liability position that are not fully collateralized (excluding transactions on NYMEX and ICE that are fully collateralized) was $742 million and $894 million as of December 31, 2010 and December 31, 2009, respectively. As of December 31, 2010 and 2009, Generation had the contractual right of offset

of $717 million and $778 million, respectively, related to derivative instruments that are assets with the same counterparty under master netting agreements, resulting in a net liability position of $25 million and $116 million, respectively. If Generation had been downgraded to the investment grade rating of BBB- and Baa3, or lost its investment grade credit rating, it would have been required to provide incremental collateral of approximately $57 million or $944 million, respectively, as of December 31, 2010 and approximately $60 million or $673 million, respectively, as of December 31, 2009 related to its financial instruments, including derivatives, non-derivatives, normal purchase normal sales contracts and applicable payables and receivables, net of the contractual right of offset under master netting agreements and the application of collateral. See Note 18—Commitments and Contingencies for information regarding the letters of credit supporting the cash collateral.

Generation entered into SFCs with certain utilities, including PECO, with one-sided collateral postings only from Generation. If market prices fall below the benchmark price levels in these contracts, the utilities are not required to post collateral. However, when market prices rise above the benchmark price levels, counterparty suppliers, including Generation, are required to post collateral once certain unsecured credit limits are exceeded. Under the terms of the financial swap contract between Generation and ComEd, if a party is downgraded below investment grade by Moody's or S&P, collateral postings would be required by that party depending on how market prices compare to the benchmark price levels. Under the terms of the financial swap contract, collateral postings will never exceed $200 million from either ComEd or Generation. Beginning in June 2009, under the terms of ComEd's standard block energy contracts, collateral postings are one-sided from suppliers, including Generation, should exposures between market prices and benchmark prices exceed established unsecured credit limits outlined in the contracts. As of December 31, 2010, there was no cash collateral or letters of credit posted between energy suppliers, including Generation, and ComEd, under any of the above-mentioned contracts. As of December 31, 2010, ComEd did not hold any cash or letters of credit for the purpose of collateral from any of the suppliers in association with energy procurement contracts. Beginning in June 2010, under the terms of ComEd's annual renewable energy contracts, collateral postings are required to cover a fixed value for RECs only. In addition, beginning in December 2010, under the terms of ComEd's long-term renewable energy contracts, collateral postings are required from suppliers for both RECs and energy. The REC portion is a fixed value and the energy portion is one-sided from suppliers should the forward market prices exceed contract prices. As of December 31, 2010, ComEd held approximately $20 million in the form of cash and letters of credit as margin for both the annual and long-term REC obligations. See Note 2—Regulatory Matters for further information.

PECO's supplier master agreements that govern the terms of its DSP program contracts do not contain provisions that would require PECO to post collateral.

PECO's natural gas procurement contracts contain provisions that could require PECO to post collateral. This collateral may be posted in the form of cash or credit support with thresholds contingent upon PECO's credit rating from Moody's and S&P. The collateral and credit support requirements vary by contract and by counterparty. As of December 31, 2010, PECO was not required to post collateral for any of these agreements. If PECO lost its investment grade credit rating as of December 31, 2010, PECO could have been required to post approximately $68 million of collateral to its counterparties.

Exelon's interest rate swaps contain provisions that, in the event of a merger, require that Exelon's debt maintain an investment grade credit rating from Moody's or S&P. If Exelon's debt were to fall below investment grade, it would be in violation of these provisions, resulting in the ability of the

counterparty to terminate the agreement prior to maturity. Collateralization would not be required under any circumstance. Termination of the agreement could result in a settlement payment by Exelon or the counterparty. The settlement amount would be equal to the fair value of the swap on the termination date. As of December 31, 2010, Exelon's interest rate swap was in an asset position, with a fair value of $14 million.

Accounting for the Offsetting of Amounts Related to Certain Contracts (Exelon and Generation)

As of December 31, 2010 and 2009, $1 million and $6 million, respectively, of cash collateral received was not offset against net derivative positions, as they were not associated with energy-related derivatives.

10. Debt and Credit Agreements (Exelon, Generation, ComEd and PECO)

Short-Term Borrowings

Exelon meets its short-term liquidity requirements primarily through the issuance of commercial paper. Generation and PECO meet their short-term liquidity requirements primarily through the issuance of commercial paper and borrowings from the intercompany money pool. ComEd meets its short-term liquidity requirements primarily through the issuance of commercial paper and borrowings under its credit facility.

Exelon, Generation, ComEd and PECO had the following amounts of commercial paper and credit facility borrowings outstanding at December 31, 2010 and 2009:

Commercial Paper Issuer	Maximum Program Size at December 31, 2010 (a)	Maximum Program Size at December 31, 2009 (a)	Outstanding Commercial Paper at December 31, 2010	Outstanding Commercial Paper at December 31, 2009	Average Interest Rate on Commercial Paper Borrowings for the year ended December 31, 2010	Average Interest Rate on Commercial Paper Borrowings for the year ended December 31, 2009
Exelon Corporate	$ 957	$ 957	$ —	$ —	—	0.72%
Generation	4,834	4,834	—	—	—	—
ComEd	1,000	952	—	—	0.74%	—
PECO	574	574	—	—	—	0.67%
Total	$ 7,365	$ 7,317	$ —	$ —	0.74%	0.71%

(a) Equals aggregate bank commitments under revolving credit agreements. See discussion below and Credit Agreements table below for items affecting effective program size.

Credit facility borrowings	December 31, 2010	December 31, 2009
ComEd	$ —	$ 155

In order to maintain their respective commercial paper programs in the amounts indicated above, each Registrant must have revolving credit facilities in place, at least equal to the amount of its commercial paper program. While the amount of its commercial paper outstanding does not reduce available capacity under a Registrant's credit agreement, a Registrant does not issue commercial paper in an aggregate amount exceeding the available capacity under its credit agreement.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

The following tables present the short-term borrowings activity for Exelon, Generation, ComEd and PECO during 2010, 2009 and 2008:

Exelon

	2010	2009	2008
Average borrowings	$ 125	$ 132	$ 636
Maximum borrowings outstanding	346	523	1,646
Average interest rates, computed on a daily basis	0.72%	0.73%	3.22%
Average interest rates, at December 31	n.a.	0.69%	0.93%

Generation

	2010	2009	2008
Average borrowings	$ —	$ —	$ 340
Maximum borrowings outstanding	—	—	1,211
Average interest rates, computed on a daily basis	n.a.	n.a.	3.13%
Average interest rates, at December 31	n.a.	n.a.	n.a.

ComEd

	2010	2009	2008
Average borrowings	$ 125	$ 82	$ 140
Maximum borrowings outstanding	346	265	568
Average interest rates, computed on a daily basis	0.72%	0.79%	3.91%
Average interest rates, at December 31	n.a.	0.69%	0.96%

PECO

	2010	2009	2008
Average borrowings	$ —	$ 11	$ 82
Maximum borrowings outstanding	—	290	284
Average interest rates, computed on a daily basis	n.a.	0.67%	3.22%
Average interest rates, computed at December 31	n.a.	n.a.	0.90%

n.a. Not applicable.

Credit Agreements

As of December 31, 2010, Exelon Corporate, Generation and PECO had access to separate unsecured credit facilities with aggregate bank commitments of $957 million, $4.8 billion and $574 million, respectively. The credit agreements expire on October 26, 2012, unless extended in accordance with their terms. Under their credit facilities, Exelon Corporate, Generation and PECO may request additional one-year extensions of that term. In addition, Exelon Corporate, Generation and PECO may request increases in the aggregate bank commitments under their credit facilities up to an additional $250 million, $1 billion and $200 million, respectively. Exelon anticipates refinancing these credit facilities in the first half of 2011.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

On March 25, 2010, ComEd replaced its $952 million credit facility with a new three-year $1 billion unsecured revolving credit facility that expires March 25, 2013, unless extended in accordance with its terms. ComEd may request additional one-year extensions of that term. In addition, ComEd may request increases in the aggregate bank commitments under its credit facility up to an additional $500 million. Any such extensions or increases are subject to the approval of the lenders party to the credit facility.

The Registrants may use the credit facilities for general corporate purposes, including meeting short-term funding requirements and the issuance of letters of credit. The obligation of each lender to make any credit extension to a Registrant under its credit facilities is subject to various conditions including, among other things, that no event of default has occurred for the Registrant or would result from such credit extension**.** An event of default under any of the Registrants' credit facilities would not constitute an event of default under any of the other Registrants' credit facilities, except that a bankruptcy or other event of default in the payment of principal, premium or indebtedness in principal amount in excess of $100 million in the aggregate by Generation under its credit facility would constitute an event of default under the Exelon corporate credit facility.

At December 31, 2010, the Registrants had the following aggregate bank commitments, credit facility borrowings and available capacity under the credit agreements:

				Available Capacity at December 31, 2010		
Borrower	Aggregate Bank Commitment [(a)]	Facility Draws	Outstanding Letters of Credit	Actual	To Support Additional Commercial Paper	Average Interest Rate on Facility Borrowings for the year ended December 31, 2010
Exelon Corporate	$ 957	$ —	$ 7	$ 950	$ 950	—
Generation	4,834	—	214	4,620	4,620	—
ComEd	1,000	—	196	804	804	0.61%
PECO	574	—	1	573	573	—
Total	$ 7,365	$ —	$ 418	$6,947	$ 6,947	—

(a) Excludes additional credit facility agreements for Generation, ComEd and PECO with aggregate commitments of $30 million, $32 million and $32 million, respectively, arranged with minority and community banks located primarily within ComEd's and PECO's service territories. These facilities expire on October 21, 2011 and are solely for issuing letters of credit. As of December 31, 2010, letters of credit issued under these agreements totaled $11 million, $26 million and $20 million for Generation, ComEd and PECO, respectively.

Borrowings under each credit agreement bear interest at a rate selected by the borrower based upon either the prime rate or at a rate fixed for a specified period based upon a LIBOR-based rate. The Exelon, Generation and PECO agreements provide for an adder of up to 65 basis points to be added to the LIBOR-based rate, based upon the credit rating of the borrower. The ComEd agreement provides for adders of up to 137.5 basis points for prime-based borrowings and 237.5 basis points for LIBOR-based borrowings to be added, based upon ComEd's credit rating.

Additionally, on November 4, 2010, Generation entered into a supplemental credit facility, which provides for an aggregate commitment of up to $300 million. The effectiveness and availability of the credit facility were subject to various conditions, which were satisfied on February 7, 2011. This facility will be primarily used to issue letters of credit, but also permits cash borrowings at a rate of LIBOR or a base rate, plus an adder of 200 basis points. No cash borrowings are anticipated under this facility.

Each credit agreement requires the affected borrower to maintain a minimum cash from operations to interest expense ratio for the twelve-month period ended on the last day of any quarter. The ratios exclude revenues and interest expenses attributable to securitization debt, certain changes in working capital, distributions on preferred securities of subsidiaries and, in the case of Exelon and Generation, interest on the debt of its project subsidiaries. The following table summarizes the minimum thresholds reflected in the credit agreements for the year ended December 31, 2010:

	Exelon	Generation	ComEd	PECO
Credit agreement threshold	2.50 to 1	3.00 to 1	2.00 to 1	2.00 to 1

At December 31, 2010 the interest coverage ratios at the Registrants were as follows:

	Exelon	Generation	ComEd	PECO
Interest coverage ratio	12.42	27.46	5.34	4.68

Variable Rate Debt

Under the terms of ComEd's variable-rate tax-exempt debt agreements, ComEd may be required to repurchase that debt before its stated maturity unless supported by sufficient letters of credit. If ComEd was required to repurchase the debt, it would reassess its options to obtain new letters of credit or remarket the bonds in a manner that does not require letter of credit support. ComEd has classified certain amounts outstanding under these debt agreements as long-term based on management's intent and ability to renew or replace the letters of credit, refinance the debt at reasonable terms on a long-term fixed-rate basis or utilize the capacity under existing long-term credit facilities.

Generation had letter of credit facilities that expired during the second quarter of 2010, which were used to enhance the credit of variable-rate long-term tax-exempt bonds totaling $213 million, with maturities ranging from 2016—2034. Generation repurchased the $213 million of tax-exempt bonds during 2010 and permanently extinguished $24 million of these tax-exempt bonds. Generation has the ability to remarket the remaining bonds whenever it determines it to be economically advantageous.

Accounts Receivable Agreement

PECO is party to an agreement with a financial institution under which it transferred an undivided interest, adjusted daily, in its customer accounts receivable designated under the agreement in exchange for proceeds of $225 million, which Exelon and PECO accounted for as a sale under previous guidance on accounting for transfers of financial assets. The accounting guidance was amended, effective for the Registrants on January 1, 2010, and required that this transaction be accounted for as a secured borrowing, as the transferred interest did not meet the criteria of a participating interest as defined under the authoritative guidance. Therefore, on January 1, 2010, the proceeds of $225 million representing the transferred interest in customer accounts receivable previously recorded as a contra-receivable were reclassified to a short-term note payable on Exelon's and PECO's Consolidated Balance Sheets. Additionally, the servicing liability of $2 million recorded under the previous guidance was released. As of December 31, 2010, the financial institution's undivided interest in Exelon's and PECO's gross customer accounts receivable was equivalent to $346 million, which is calculated under the terms of the agreement. Upon termination or liquidation of this agreement, the financial institution will be entitled to recover up to $225 million plus the accrued yield

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payable from the pool of receivables pledged. On September 7, 2010, PECO extended this agreement, which terminates on September 6, 2011 unless further extended in accordance with its terms. As of December 31, 2010, PECO was in compliance with the requirements of the agreement. In the event the agreement is not further extended, PECO has sufficient short-term liquidity and could seek alternative financing.

Long-Term Debt

The following tables present the outstanding long-term debt at Exelon, Generation, ComEd and PECO as of December 31, 2010 and 2009:

Exelon

	Rates	Maturity Date	December 31, 2010	December 31, 2009
Long-term debt				
First mortgage bonds [a][b]:				
Fixed rates	4.00%-7.63%	2011-2038	$ 6,917	$ 6,630
Floating rates	0.24%-0.27%	2017-2021	191	191
Senior unsecured notes	4.00%-6.25%	2014-2041	4,902	4,400
Notes payable and other [c]	6.95%-7.83%	2011-2020	176	178
Pollution control notes:				
Floating rates	0.29%-0.35%	2016-2034	—	213
Fixed rates	5.00%	2042	46	46
Sinking fund debentures	4.75%	2011	2	2
Total long-term debt			12,234	11,660
Unamortized debt discount and premium, net			(34)	(35)
Unamortized settled fair value hedge, net			(1)	(1)
Fair value hedge carrying value adjustment, net			14	10
Long-term debt due within one year			(599)	(639)
Long-term debt			$11,614	$10,995
Long-term debt to financing trusts [d]				
Payable to PETT	6.52%	2010	—	415
Subordinated debentures to ComEd Financing III	6.35%	2033	206	206
Subordinated debentures to PECO Trust III	7.38%	2028	81	81
Subordinated debentures to PECO Trust IV	5.75%	2033	103	103
Total long-term debt to financing trusts			390	805
Long-term debt due to financing trusts due within one year			—	(415)
Long-term debt to financing trusts			$ 390	$ 390

(a) Substantially all of ComEd's assets other than expressly excepted property and substantially all of PECO's assets are subject to the liens of their respective mortgage indentures.
(b) Includes First Mortgage Bonds issued under the ComEd and PECO mortgage indentures securing pollution control bonds and notes.
(c) Includes capital lease obligations of $36 million and $38 million at December 31, 2010 and 2009, respectively. Lease payments of $2 million, $3 million, $3 million, $3 million, $3 million and $21 million will be made in 2011, 2012, 2013, 2014, 2015 and thereafter, respectively.
(d) Amounts owed to these financing trusts are recorded as debt to financing trusts within Exelon's Consolidated Balance Sheets.

Combined Notes to Consolidated Financial Statements—(Continued)
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Generation

	Rates	Maturity Date	December 31, 2010	December 31, 2009
Long-term debt				
Senior unsecured notes	5.20%-6.25%	2014-2041	$3,602	$2,700
Pollution control notes				
Floating rates	0.29%-0.35%	2016-2034	—	213
Fixed rates	5.00%	2042	46	46
Notes payable and other [(a)]	7.83%	2011-2020	36	38
Total long-term debt			3,684	2,997
Unamortized debt discount and premium, net			(5)	(4)
Long-term debt due within one year			(3)	(26)
Long-term debt			$3,676	$2,967

(a) Includes Generation's capital lease obligations of $36 million and $38 million at December 31, 2010 and 2009, respectively. Generation will make lease payments of $2 million, $3 million, $3 million, $3 million, $3 million and $21 million in 2011, 2012, 2013, 2014, 2015 and thereafter, respectively.

ComEd

	Rates	Maturity Date	December 31, 2010	December 31, 2009
Long-term debt				
First Mortgage Bonds [(a)(b)]:				
Fixed rates	4.00%-7.63%	2011-2038	$4,692	$4,405
Floating rates	0.24%-0.27%	2017-2021	191	191
Notes payable	6.95%	2018	140	140
Sinking fund debentures	4.75%	2011	2	2
Total long-term debt			5,025	4,738
Unamortized debt discount and premium, net			(24)	(26)
Unamortized settled fair value hedge, net			—	(1)
Long-term debt due within one year			(347)	(213)
Long-term debt			$4,654	$4,498
Long-term debt to financing trust [(c)]				
Subordinated debentures to ComEd Financing III	6.35%	2033	$ 206	$ 206

(a) Substantially all of ComEd's assets other than expressly excepted property are subject to the lien of its mortgage indenture.
(b) Includes First Mortgage Bonds issued under the ComEd mortgage indenture securing pollution control bonds and notes.
(c) Amount owed to this financing trust is recorded as debt to financing trust within ComEd's Consolidated Balance Sheets.

On January 18, 2011, ComEd issued $600 million of 1.625% First Mortgage Bonds, Series 110, due January 15, 2014. The net proceeds of the Bonds were used by ComEd as an interim source of liquidity for the January 2011 contribution to Exelon-sponsored pension plans in which ComEd participates. ComEd anticipates receiving tax refunds as a result of both the pension contribution and recent Federal tax legislation allowing for accelerated depreciation deductions in 2011 and 2012. As a result, the immediate and direct use of the net proceeds to fund the planned contribution will allow

those future cash receipts to be available to ComEd to fund capital investment and for general corporate purposes. See Note 13—Retirement Benefits for further discussion of the anticipated pension contribution.

PECO

	Rates	Maturity Date	December 31, 2010	December 31, 2009
Long-term debt				
First Mortgage Bonds [(a)(b)]:				
Fixed rates	4.00%-5.95%	2011-2037	$2,225	$2,225
Total long-term debt			2,225	2,225
Unamortized debt discount and premium, net			(3)	(4)
Long-term debt due within one year			(250)	—
Long-term debt			$1,972	$2,221
Long-term debt to financing trusts [(c)]				
PETT Series 2001	6.52%	2010	—	415
Subordinated debentures to PECO Trust III	7.38%	2028	81	81
Subordinated debentures to PECO Trust IV	5.75%	2033	103	103
Total long-term debt to financing trusts			184	599
Long-term debt due to financing trusts due within one year			—	(415)
Long-term debt to financing trusts			$ 184	$ 184

(a) Substantially all of PECO's assets are subject to the lien of its mortgage indenture.
(b) Includes First Mortgage Bonds issued under the PECO mortgage indenture securing pollution control bonds and notes.
(c) Amount owed to this financing trust is recorded as debt to financing trust within PECO's Consolidated Balance Sheets.

Long-term debt maturities at Exelon, Generation, ComEd and PECO in the periods 2011 through 2015 and thereafter are as follows:

Year	Exelon	Generation	ComEd	PECO
2011	$ 599	$ 3	$ 347	$ 250
2012	828	3	450	375
2013	555	3	252	300
2014	770	503	17	250
2015	1,063	3	260	—
Thereafter	8,809[(a)]	3,169	3,905[(b)]	1,234[(c)]
Total	$12,624	$ 3,684	$5,231	$2,409

(a) Includes $390 million due to ComEd and PECO financing trusts.
(b) Includes $206 million due to ComEd financing trust.
(c) Includes $184 million due to PECO financing trusts.

See Note 4—Accounts Receivable for information regarding PECO's accounts receivable agreement.

See Note 9—Derivative Financial Instruments for additional information regarding interest rate swaps.

See Note 15—Preferred Securities for additional information regarding preferred securities.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

11. Income Taxes (Exelon, Generation, ComEd and PECO)

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

For the Year Ended December 31, 2010	Exelon	Generation	ComEd	PECO
Included in operations:				
Federal				
Current	$ 506	$ 372	$(203)	$ 464
Deferred	972	635	496	(276)
Investment tax credit amortization	(12)	(7)	(3)	(2)
State				
Current	171	65	(22)	87
Deferred	21	113	89	(121)
Total	$1,658	$ 1,178	$ 357	$ 152

For the Year Ended December 31, 2009	Exelon	Generation	ComEd	PECO
Included in operations:				
Federal				
Current	$ 803	$ 631	$ (39)	$ 329
Deferred	775	648	228	(143)
Investment tax credit amortization	(12)	(7)	(3)	(2)
State				
Current	154	131	4	26
Deferred	(8)	30	39	(64)
Total	$1,712	$ 1,433	$ 229	$ 146

For the Year Ended December 31, 2008	Exelon	Generation	ComEd	PECO
Included in operations:				
Federal				
Current	$ 790	$ 669	$(125)	$ 327
Deferred	341	229	230	(147)
Investment tax credit amortization	(12)	(7)	(3)	(2)
State				
Current	169	150	(7)	43
Deferred	29	89	33	(71)
Total	$1,317	$ 1,130	$ 128	$ 150

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The effective income tax rate from continuing operations varies from the U.S. Federal statutory rate principally due to the following:

For the Year Ended December 31, 2010	Exelon	Generation	ComEd	PECO
U.S. Federal statutory rate	35.0%	35.0%	35.0%	35.0%
Increase (decrease) due to:				
State income taxes, net of Federal income tax benefit	3.0	3.7	6.3	(4.7)
Qualified nuclear decommissioning trust fund income	1.7	2.3	—	—
Domestic production activities deduction	(1.2)	(1.5)	—	—
Tax exempt income	(0.1)	(0.2)	—	—
Health care reform legislation	1.4	0.7	1.4	1.6
Amortization of investment tax credit	(0.3)	(0.2)	(0.4)	(0.4)
Plant basis differences	—	—	(0.1)	0.2
Uncertain tax position remeasurement	—	(2.0)	9.0	—
Other	(0.2)	(0.4)	0.2	0.2
Effective income tax rate	39.3%	37.4%	51.4%	31.9%

For the Year Ended December 31, 2009	Exelon	Generation	ComEd	PECO
U.S. Federal statutory rate	35.0%	35.0%	35.0%	35.0%
Increase (decrease) due to:				
State income taxes, net of Federal income tax benefit	2.1	3.0	4.7	(5.0)
Qualified nuclear decommissioning trust fund income	3.1	3.8	—	—
Domestic production activities deduction	(0.9)	(1.1)	—	—
Tax exempt income	(0.1)	(0.2)	—	—
Nontaxable postretirement benefits	(0.2)	(0.2)	(0.5)	(0.3)
Amortization of investment tax credit	(0.2)	(0.1)	(0.5)	(0.4)
Plant basis differences	—	—	(0.3)	(0.1)
Other	—	0.1	(0.4)	0.1
Effective income tax rate	38.8%	40.3%	38.0%	29.3%

For the Year Ended December 31, 2008	Exelon	Generation	ComEd	PECO
U.S. Federal statutory rate	35.0%	35.0%	35.0%	35.0%
Increase (decrease) due to:				
State income taxes, net of Federal income tax benefit	3.2	4.6	5.0	(3.9)
Qualified nuclear decommissioning trust fund losses	(3.2)	(3.8)	—	—
Domestic production activities deduction	(1.3)	(1.6)	—	—
Tax exempt income	(0.2)	(0.3)	—	—
Nontaxable postretirement benefits	(0.3)	(0.2)	(0.8)	(0.3)
Amortization of investment tax credit	(0.2)	(0.1)	(0.9)	(0.5)
Plant basis differences	—	—	—	0.3
Other	(0.4)	(0.2)	0.6	1.0
Effective income tax rate	32.6%	33.4%	38.9%	31.6%

Combined Notes to Consolidated Financial Statements—(Continued)
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The tax effects of temporary differences, which give rise to significant portions of the deferred tax assets (liabilities), as of December 31, 2010 and 2009 are presented below:

For the Year Ended December 31, 2010	Exelon	Generation	ComEd	PECO
Plant basis differences	$(5,931)	$ (1,961)	$(2,552)	$(1,811)
Unrealized gains on derivative financial instruments	(523)	(908)	(4)	(1)
Deferred pension and post-retirement obligation	485	(550)	(635)	(37)
Nuclear decommissioning activities	(444)	(444)	—	—
Deferred debt refinancing costs	(46)	—	(38)	(7)
Goodwill	4	(1)	—	—
Other, net	(39)	295	65	81
Deferred income tax liabilities (net)	$(6,494)	$ (3,569)	$(3,164)	$(1,775)
Unamortized investment tax credits	(212)	(176)	(29)	(7)
Total deferred income tax liabilities (net) and unamortized investment tax credits	$(6,706)	$ (3,745)	$(3,193)	$(1,782)

For the Year Ended December 31, 2009	Exelon	Generation	ComEd	PECO
Plant basis differences	$(5,838)	$ (1,638)	$(2,333)	$(1,710)
Stranded cost recovery	(567)	—	—	(567)
Unrealized gains on derivative financial instruments	(613)	(971)	(5)	(1)
Deferred pension and post-retirement obligation	1,312	(161)	(248)	26
Emission allowances	(24)	(24)	—	—
Nuclear decommissioning activities	(334)	(334)	—	—
Deferred debt refinancing costs	(59)	(3)	(47)	(9)
Goodwill	4	(1)	—	—
Other, net	441	210	56	94
Deferred income tax liabilities (net)	$(5,678)	$ (2,922)	$(2,577)	$(2,167)
Unamortized investment tax credits	(224)	(184)	(32)	(9)
Total deferred income tax liabilities (net) and unamortized investment tax credits	$(5,902)	$ (3,106)	$(2,609)	$(2,176)

The following table provides the Registrants' carryforwards and any corresponding valuation allowances as of December 31, 2010. ComEd and PECO do not have any carryforwards as of December 31, 2010.

As of December 31, 2010	Exelon	Generation
State net operating loss carryforward	$ 539[(a)]	$ 8
Deferred taxes	20	1
Valuation allowance	9	—

(a) Exelon's state net operating loss carryforwards will expire beginning in 2019.

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Tabular reconciliation of unrecognized tax benefits

The following table provides a reconciliation of the Registrants' unrecognized tax benefits as of December 31, 2010, 2009 and 2008:

	Exelon	Generation	ComEd	PECO
Unrecognized tax benefits at January 1, 2010	$1,498	$ 633	$ 471	$ 372
Increases based on tax positions related to 2010	1	—	—	—
Decreases based on tax positions related to 2010	(2)	(2)	—	—
Change to positions that only affect timing	(262)	55	(3)	(328)
Increases based on tax positions prior to 2010	8	8	—	—
Decreases based on tax positions prior to 2010	(3)	(3)	—	—
Decreases related to settlements with taxing authorities	(452)	(26)	(396)	—
Decreases from expiration of statute of limitations	(1)	(1)	—	—
Unrecognized tax benefits at December 31, 2010	$ 787	$ 664	$ 72	$ 44

	Exelon	Generation	ComEd	PECO
Unrecognized tax benefits at January 1, 2009	$1,495	$ 468	$ 635	$ 365
Decreases based on tax positions related to 2009	(2)	(2)	—	—
Change to positions that only affect timing	19	172	(154)	7
Increases based on tax positions prior to 2009	4	3	—	—
Decreases related to settlements with taxing authorities	(18)	(8)	(10)	—
Unrecognized tax benefits at December 31, 2009	$1,498	$ 633	$ 471	$ 372

	Exelon	Generation	ComEd	PECO
Unrecognized tax benefits at January 1, 2008	$1,582	$ 431	$ 688	$ 424
Increases based on tax positions prior to 2008	18	5	12	—
Change to positions that only affect timing	(74)	32	(65)	(59)
Increases based on tax positions related to 2008	3	3	—	—
Decreases related to settlements with taxing authorities	(25)	(3)	—	—
Decrease from expiration of statute of limitations	(9)	—	—	—
Unrecognized tax benefits at January 1, 2008	$1,495	$ 468	$ 635	$ 365

Included in Exelon's unrecognized tax benefits balance at December 31, 2010 and 2009 are approximately $783 million and $1.4 billion, respectively, of tax positions for which the ultimate tax benefit is highly certain, but for which there is uncertainty about the timing of such benefits. The disallowance of such positions would not materially affect the annual effective tax rate but would accelerate the payment of cash to or defer the receipt of the cash tax benefit from the taxing authority to an earlier or later period respectively.

Unrecognized tax benefits that if recognized would affect the effective tax rate

Exelon and Generation have $4 million and $4 million, respectively, of unrecognized tax benefits at December 31, 2010 that, if recognized, would decrease the effective tax rate. Exelon, Generation and ComEd had $95 million, $33 million and $62 million, respectively, of unrecognized tax benefits at December 31, 2009 that, if recognized, would decrease the effective tax rate.

Total amounts of interest and penalties recognized

Exelon, Generation, ComEd and PECO have reflected in their Consolidated Balance Sheets as of December 31, 2010 a net interest receivable (payable) of $21 million, $(22) million, $14 million and $22 million, respectively, related to their uncertain tax positions. Exelon, Generation, ComEd and PECO reflected in their Consolidated Balance Sheets as of December 31, 2009 a net interest receivable (payable) of $28 million, $(17) million, $(28) million and $54 million, respectively, related to their uncertain tax positions. The Registrants recognize accrued interest related to uncertain tax positions in interest expense (income) in other income and deductions on their Consolidated Statements of Operations. Exelon, Generation, ComEd and PECO have reflected in their Consolidated Statements of Operations net interest expense of $110 million, $6 million, $57 million and $35 million, respectively, related to their uncertain tax positions for the twelve months ended December 31, 2010. For the twelve months ended December 31, 2009, Exelon, Generation, ComEd and PECO reflected in their Consolidated Statements of Operations net interest expense (income) of $(42) million, $9 million, $(62) million and $(5) million, respectively, related to their uncertain tax positions. For the twelve months ended December 31, 2008, Exelon, Generation, ComEd and PECO reflected in their Consolidated Statements of Operations net interest expense (income) of $(31) million, $(11) million, $(2) million and $(12) million, respectively, related to their uncertain tax positions. The Registrants have not accrued any penalties with respect to uncertain tax positions.

Reasonably possible that total amount of unrecognized tax benefits could significantly increase or decrease within 12 months after the reporting date

Nuclear Decommissioning Liabilities (Exelon and Generation)

AmerGen filed income tax refund claims taking the position that nuclear decommissioning liabilities assumed as part of its acquisition of nuclear power plants are taken into account in determining the tax basis in the assets it acquired. The additional basis results primarily in reduced capital gains or increased capital losses on the sale of assets in nonqualified decommissioning funds and increased tax depreciation and amortization deductions. The IRS disagrees with this position and has disallowed the claims. In November of 2008, Generation received a final determination from the Appeals division of the IRS (IRS Appeals) disallowing AmerGen’s refund claims. On February 20, 2009, Generation filed a complaint in the United States Court of Federal Claims to contest this determination. In August 2009, the United States Department of Justice (DOJ) filed its answer denying the allegations made by Generation in its complaint. No trial date has yet been assigned, but trial could occur sometime in 2012.

The trial judge assigned to the case has noted the availability of the court’s Alternative Dispute Resolution (ADR) program as an alternative to a trial, but the parties have not yet met with the ADR judge. The ADR program is a non-binding process that utilizes a variety of techniques such as mediation, neutral evaluation, and non-binding arbitration that allow the parties to better understand their differences and their prospects for settlement. The DOJ presently refuses to commit to participate in ADR. As a result, it is unclear whether ADR will occur and if so, when.

In addition, in the second quarter of 2010, Entergy Corporation concluded its trial in the United States Tax Court of a similar dispute involving the assumption of decommissioning liabilities in connection with the purchase of a nuclear power plant. It is possible that a decision will be reached in that case in the next twelve months. While the decision in that case would not serve as binding precedent for AmerGen’s litigation in the United States Court of Federal Claims, the reasoning of the

decision may cause Generation to reevaluate the total amount of unrecognized tax benefits. Due to the possibility of quicker resolution through the ADR program and the possibility of a decision being entered in the Entergy trial, Generation believes that it is reasonably possible that the total amount of unrecognized tax benefits may significantly decrease in the next twelve months.

Tax Method of Accounting for Repairs

In 2009, Exelon received approval from the IRS to change its method of accounting for repair costs associated with Generation's power plants. The new tax method of accounting resulted in net positive cash flow for 2010 of approximately $160 million and approximately $420 million for 2009. Although the IRS granted Exelon approval to change its method of accounting, the approval did not affirm the methodology used to calculate the deduction. Exelon had requested and received approval from the IRS to review its methodology through its Pre-Filing Agreement program. However, in the second quarter of 2010, Exelon was informed that the IRS has suspended the pre-filing agreement process and instead intends to issue broad industry guidance with respect to electric generation power plants. If that broader guidance is issued, it is reasonably possible that the total amount of unrecognized tax benefits could increase or decrease within the next 12 months.

See 1999 Sale of Fossil Generating Assets in Other Tax Matters section below for information regarding the amount of unrecognized tax benefits associated with this matter that could change significantly within the next 12 months.

See Competitive Transition Charges in Other Tax Matters section below for information regarding the amount of unrecognized tax benefits associated with this matter that could change significantly within the next 12 months.

Description of tax years that remain subject to examination by major jurisdiction

Taxpayer	Open Years
Exelon (and predecessors) and subsidiaries consolidated Federal income tax returns	1999-2009
Exelon and subsidiaries Illinois unitary income tax returns	2004-2009
Exelon Pennsylvania corporate net income tax returns	2006-2009
PECO Pennsylvania corporate net income tax returns	2007-2009

The audit of Exelon's 2002 through 2006 taxable years was completed in the first quarter of 2010.

Other Tax Matters

IRS Appeals 1999-2001 (Exelon, ComEd and PECO)

1999 Sale of Fossil Generating Assets (Exelon and ComEd). Exelon, through its ComEd subsidiary, took two positions on its 1999 income tax return to defer approximately $2.8 billion of tax gain on the 1999 sale of ComEd's fossil generating assets. Exelon deferred approximately $1.6 billion of the gain under the involuntary conversion provisions of the IRC. Exelon believes that it was economically compelled to dispose of ComEd's fossil generating plants as a result of the Illinois Act and that the proceeds from the sale of the fossil plants were properly reinvested in qualifying replacement property such that the gain could be deferred over the lives of the replacement property under the involuntary conversion provisions. The remaining approximately $1.2 billion of the gain was

deferred by reinvesting the proceeds from the sale in qualifying replacement property under the like-kind exchange provisions of the IRC. The like-kind exchange replacement property purchased by Exelon included interests in three municipal-owned electric generation facilities which were properly leased back to the municipalities.

Exelon received the IRS audit report for 1999 through 2001, which reflected the full disallowance of the deferral of gain associated with both the involuntary conversion position and the like-kind exchange transaction. Specifically, the IRS asserted that ComEd was not forced to sell the fossil generating plants and the sales proceeds were therefore not received in connection with an involuntary conversion of certain ComEd property rights. Accordingly, the IRS asserted that the gain on the sale of the assets was fully subject to tax. The IRS also asserted that the Exelon purchase and leaseback transaction is substantially similar to a leasing transaction, known as a SILO, which the IRS does not respect as the acquisition of an ownership interest in property. A SILO is a "listed transaction" that the IRS has identified as a potentially abusive tax shelter under guidance issued in 2005. Accordingly, the IRS has asserted that the sale of the fossil plants followed by the purchase and leaseback of the municipal owned generation facilities does not qualify as a like-kind exchange and the gain on the sale is fully subject to tax.

Competitive Transition Charges (Exelon, ComEd, and PECO). Exelon contended that the Illinois Act and the Competition Act resulted in the taking of certain of ComEd's and PECO's assets used in their respective businesses of providing electricity services in their defined service areas. Exelon has filed refund claims with the IRS taking the position that CTCs collected during ComEd's and PECO's transition periods represent compensation for that taking and, accordingly, are excludible from taxable income as proceeds from an involuntary conversion. The tax basis of property acquired with the funds provided by the CTCs would be reduced such that the benefits of the position are temporary in nature. The IRS disallowed the refund claims for the 1999-2001 tax years.

Under the Illinois Act, ComEd was required to allow competitors the use of its distribution system resulting in the taking of ComEd's assets and lost asset value (stranded costs). As compensation for the taking, ComEd was permitted to collect a portion of the stranded costs through the collection of CTCs from those customers electing to purchase electricity from providers other than ComEd. ComEd collected approximately $1.2 billion in CTCs for the years 1999-2006.

Similarly, under the Competition Act, PECO was required to allow others the use of its distribution system resulting in the taking of PECO's assets and the stranded costs. Pennsylvania permitted PECO to collect CTCs as compensation for its stranded costs. The PAPUC determined the total amount of stranded costs that PECO was permitted to collect through the CTCs to be $5.3 billion.

2009 Status of Tax Positions. During 2009, Exelon held discussions with IRS Appeals in an attempt to reach a settlement on both the involuntary conversion and like-kind exchange positions, in a manner commensurate with Exelon's and the IRS' respective hazards of litigation with respect to each issue. During the second quarter of 2009, Exelon determined that a settlement with IRS Appeals was unlikely and that Exelon would be required to initiate litigation in order to resolve the issues. Accordingly, Exelon concluded that it had sufficient new information that a remeasurement of these two positions was required in accordance with applicable accounting standards. As a result, Exelon recorded a $31 million (after-tax) interest benefit of which $40 million (after-tax) was recorded at ComEd. The difference in amounts recorded at Exelon and ComEd is due to the method of allocating interest to the Registrants.

Combined Notes to Consolidated Financial Statements—(Continued)
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Due to the fact that tax litigation often results in a negotiated settlement, as of December 31, 2009, Exelon believed that an eventual settlement on the involuntary conversion position remained a likely outcome. Therefore, Exelon and ComEd established a liability for an unrecognized tax benefit consistent with their view as to a likely settlement.

With regard to the like-kind exchange transaction, as of December 31, 2009, Exelon believed it was likely that the issue would be fully litigated. Exelon assessed in accordance with accounting standards whether it would prevail in litigation. While Exelon recognized the complexity and hazards of this litigation, it believed that it was more likely than not that it would prevail in such litigation and therefore eliminated any liability for unrecognized tax benefits.

In addition to attempting to impose tax on the transactions, the IRS had asserted penalties of approximately $196 million for a substantial understatement of tax. Because Exelon believed it was unlikely that the penalty assertion would ultimately be sustained, Exelon and ComEd had not recorded a liability for penalties as of December 31, 2009.

2010 Status of Tax Positions. In connection with Exelon's discussions with IRS Appeals during the second quarter of 2010, IRS Appeals proposed a settlement offer for the like-kind exchange transaction and involuntary conversion and CTC positions.

Based on the status of these settlement discussions, Exelon concluded that it had sufficient new information that a remeasurement of the involuntary conversion and CTC positions was required in accordance with applicable accounting standards. As a result of the required re-measurement in the second quarter of 2010, Exelon recorded $65 million (after-tax) of interest expense, of which $36 million (after-tax) and $22 million (after-tax) were recorded at ComEd and PECO, respectively. ComEd also recorded a current tax expense of $70 million offset with a tax benefit recorded at Generation of $70 million. The amount recorded at Generation reflects the reduction of current taxes payable and deferred tax liabilities for the increase in tax basis of the related assets transferred from ComEd in accordance with the Contribution Agreement dated January 1, 2001, pursuant to which ComEd's generating business ultimately was transferred to Generation.

In the third quarter of 2010, Exelon and IRS Appeals reached a nonbinding, preliminary agreement to settle Exelon's involuntary conversion and CTC positions. The agreement is consistent with IRS Appeals' second quarter offer to settle the involuntary conversion and CTC positions and also includes IRS Appeals' agreement to withdraw its assertion of the $110 million substantial understatement penalty with respect to Exelon's involuntary conversion position. Final resolution of the involuntary conversion and CTC disputes remains subject to finalizing terms and calculations and executing definitive agreements satisfactory to both parties. As a result of the preliminary agreement, Exelon and ComEd eliminated any liability for unrecognized tax benefits and established a current tax payable to the IRS.

Under the terms of the preliminary agreement, Exelon estimates that the IRS will assess tax and interest of approximately $300 million in 2011 for the years for which there is a resulting tax deficiency, of which $405 million would be paid by ComEd, $135 million would be received by PECO, $10 million would be paid by Generation and the remainder received by Exelon. These amounts are net of approximately $300 million of refunds due from the settlement of the 2001 tax method of accounting change for certain overhead costs under the SSCM as well as other agreed upon audit adjustments. In order to stop additional interest from accruing on the expected assessment, Exelon made a payment in December 2010 to the IRS of $302 million. See Note 21—Related Party Transactions for the impact of

this payment on Exelon's and ComEd's intercompany balances. Further, Exelon expects to receive additional tax refunds of approximately $270 million between 2011 and 2014, of which $335 million would be received by ComEd, $40 million would be paid by Generation and the remainder paid by Exelon.

Also during the third quarter, Exelon and IRS Appeals failed to reach a settlement with respect to the like-kind exchange position. Exelon continues to believe that its like-kind exchange transaction is not the same as or substantially similar to a SILO and does not believe that the concession demanded by the IRS in its settlement offer reflects the strength of Exelon's position. IRS Appeals also continues to assert an $86 million penalty for a substantial understatement of tax with respect to the like-kind exchange position.

While Exelon has been and remains willing to settle the issue in a manner generally commensurate with its hazards of litigation, the IRS has thus far been unwilling to settle the issue without requiring a nearly complete concession of the issue by Exelon. Accordingly, to continue to contest the IRS's disallowance of the like-kind exchange position and its assertion of the $86 million substantial understatement penalty, Exelon expects to initiate litigation in the second half of 2011 after the final resolution of the involuntary conversion and CTC settlement. Given that Exelon has determined settlement is not a realistic outcome, it has assessed in accordance with applicable accounting standards whether it will prevail in litigation. While Exelon recognizes the complexity and hazards of this litigation, it believes that it is more likely than not that it will prevail in such litigation and therefore eliminated any liability for unrecognized tax benefits. Further, Exelon believes it is unlikely that the penalty assertion will ultimately be sustained, Exelon and ComEd have not recorded a liability for penalties. However, should the IRS prevail in asserting the penalty it would result in an after-tax charge of $86 million to Exelon's and ComEd's results of operations.

As of December 31, 2010, assuming Exelon's preliminary settlement of the involuntary conversion position is finalized, the potential tax and interest, exclusive of penalties, that could become currently payable in the event of a fully successful IRS challenge to Exelon's like-kind exchange position could be as much as $830 million, of which $540 million would be paid by ComEd and the remainder by Exelon. If the IRS were to prevail in litigation on the like-kind exchange position, Exelon's results of operations could be negatively affected due to increased interest expense, as of December 31, 2010, by as much as $230 million (after-tax), of which $180 million would be recorded at ComEd and the remainder by Exelon. Litigation could take several years such that the estimated cash and interest impacts would likely change by a material amount.

Based on Exelon management's expectations as to the potential of a settlement and litigation outcome, it is reasonably possible that the unrecognized tax benefits related to these issues may significantly change within the next 12 months. It is not possible at this time to predict the amount, if any, of such a change.

2011 Illinois State Tax Rate Legislation (Exelon, Generation and ComEd)

The Taxpayer Accountability and Budget Stabilization Act, (SB 2505), enacted into law in Illinois on January 13, 2011, increases the corporate tax rate in Illinois from 7.3% to 9.5% for tax years 2011—2014, provides for a reduction in the rate from 9.5% to 7.75% for tax years 2015—2024 and further reduces the rate from 7.75% to 7.3% for tax years 2025 and thereafter.

The rate change from 7.3% to 9.5% will result in a one-time charge or credit to deferred taxes as the balances must be recalculated at the new corporate tax rates. The Registrants are unable to estimate the impact at this time. Additionally, the rate change will increase future Illinois current state income taxes for Exelon, Generation, and ComEd, including estimated increases in 2011 of approximately $25 million, $10 million and $10 million, respectively.

Illinois Replacement Investment Tax Credits (Exelon, Generation and ComEd)

On February 20, 2009, the Illinois Supreme Court ruled in Exelon's favor in a case involving refund claims for Illinois investment tax credits. Responding to the Illinois Attorney General's petition for rehearing, on July 15, 2009, the Illinois Supreme Court modified its opinion to indicate that it was to be applied only prospectively, beginning in 2009. On December 22, 2009, Exelon filed a Petition of Writ for Certiorari with the United States Supreme Court appealing the Illinois Supreme Court's July 15, 2009 modified opinion. In the third quarter of 2009, Exelon, Generation and ComEd decreased their unrecognized tax benefits related to this position. On March 1, 2010, the United States Supreme Court announced that it would not review the Illinois Supreme Court's decision. As a result of the United States Supreme Court decision, Exelon, Generation and ComEd ceased reporting their unrecognized tax benefits as of March 31, 2010.

Long-Term State Tax Apportionment (Exelon and Generation)

Exelon and Generation periodically review events that may significantly impact how income is apportioned among the states and, therefore, the calculation of Exelon's and Generation's deferred state income taxes. On April 16, 2009, the PAPUC approved PECO's electricity procurement proposal that will have an impact on Exelon's and Generation's apportionment of income among the states. Accordingly, Exelon and Generation reevaluated the impacts to deferred state taxes in the second quarter of 2009. The effect of such evaluations resulted in the recording of a non-cash deferred state tax benefit in the amount of $34.7 million, net of taxes. Exelon and Generation have treated electricity as tangible personal property for this purpose which is consistent with the February and July 2009 Illinois Supreme Court decisions. In 2010, the Registrants performed a review of the long-term state tax rates and noted no significant events that would materially impact state apportionment. As such, there was no update to the long-term state apportionment rates in 2010.

Tax Sharing Agreement (Exelon, Generation, ComEd and PECO)

Generation, ComEd and PECO are all party to an agreement with Exelon and other subsidiaries of Exelon that provides for the allocation of consolidated tax liabilities and benefits (Tax Sharing Agreement). The Tax Sharing Agreement provides that each party is allocated an amount of tax similar to that which would be owed had the party been separately subject to tax. In addition, any net benefit attributable to Exelon is reallocated to the other Registrants. That allocation is treated as a contribution to the capital of the party receiving the benefit. During 2010, Generation, ComEd and PECO recorded an allocation of Federal tax benefits from Exelon under the Tax Sharing Agreement of $60 million, $2 million and $43 million, respectively.

12. Asset Retirement Obligations (Exelon, Generation, ComEd and PECO)

Nuclear Decommissioning Asset Retirement Obligations

Generation has a legal obligation to decommission its nuclear power plants following the expiration of their operating licenses. To estimate its decommissioning obligation related to its nuclear

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generating stations, Generation uses a probability-weighted, discounted cash flow model which, on a unit-by-unit basis, considers multiple outcome scenarios that include significant estimates and assumptions, and are based on decommissioning cost studies, cost escalation rates, probabilistic cash flow models and discount rates. The following table provides a rollforward of the nuclear decommissioning ARO reflected on Exelon's and Generation's Consolidated Balance Sheets, from January 1, 2009 to December 31, 2010:

	Exelon and Generation
Nuclear decommissioning ARO at January 1, 2009	$ 3,485
Accretion expense	203
Net decrease due to changes in estimated future cash flows	(409)
Costs incurred to decommission retired plants	(19)
Nuclear decommissioning ARO at December 31, 2009 [(a)]	3,260
Accretion expense	191
Net increase due to changes in estimated future cash flows	624
Extinguishment of Zion Station ARO	(768)
Costs incurred to decommission retired plants	(31)
Nuclear decommissioning ARO at December 31, 2010 [(a)]	$ 3,276

(a) Includes $5 million and $17 million as the current portion of the ARO at December 31, 2010 and 2009, respectively, which is included in other current liabilities on Exelon and Generation's Consolidated Balance Sheets.

During 2010, Generation recorded a net increase in the ARO of $16 million, primarily reflecting the ZionSolutions' assumption of decommissioning and other liabilities for Zion Station (see discussion below); and increases for accretion and for updates to estimated future cash flows across all of Generation's units. Changes in estimated future cash flows increased the ARO by $624 million, including approximately $200 million associated with the accelerated timing of the Zion Station decommissioning. The remainder of the increase is the result of cost study estimate updates and the change in timing of general decommissioning activities at select sites in Generation's nuclear fleet, including revisions to the timing and amount of SNF disposal; partially offset by the impacts of lower escalation rates. This change in the ARO resulted in an immaterial impact to Exelon and Generation's Consolidated Statements of Operations.

During 2009, Generation recorded a net decrease in the ARO of $409 million, primarily due to an update in the third quarter of 2009, which reflected updated decommissioning cost studies received for six nuclear units and a decline from the previous year in the cost escalation factor assumptions used to estimate future undiscounted decommissioning costs. This decrease in the ARO resulted in the recognition of $47 million of income (pre-tax), which is included in operating and maintenance expense in Exelon and Generation's Consolidated Statements of Operations, representing the reduction in the ARO in excess of the existing ARC balances for the Non-Regulatory Agreement Units.

Zion Station Decommissioning

On December 11, 2007, Generation entered into an Asset Sale Agreement (ASA) with EnergySolutions Inc. and its wholly owned subsidiaries, EnergySolutions, LLC. (EnergySolutions) and ZionSolutions under which ZionSolutions has assumed responsibility for decommissioning Zion Station, which is located in Zion, Illinois and ceased operation in 1998.

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On September 1, 2010, Generation and EnergySolutions completed the transactions contemplated by the ASA. Specifically, Generation transferred to ZionSolutions substantially all of the assets (other than land) associated with Zion Station, including assets held in related NDT funds. In consideration for Generation's transfer of those assets, ZionSolutions assumed decommissioning and other liabilities associated with Zion Station. Pursuant to the ASA, ZionSolutions can periodically request reimbursement from the Zion Station-related NDT funds for costs incurred related to the decommissioning efforts at Zion Station. However, ZionSolutions is subject to certain restrictions on its ability to request that reimbursement; specifically, if certain milestones as defined within the ASA are not met, all or a portion of requested reimbursements shall be deferred until such milestones are met. The transfer of the Zion Station assets did not qualify for asset sale accounting treatment and as a result, the related NDT funds were reclassified to Pledged assets for Zion Station decommissioning within Exelon and Generation's Consolidated Balance Sheets and will continue to be measured in the same manner as prior to the completion of the transaction. Additionally, the extinguished ARO for decommissioning was replaced with a payable to ZionSolutions in Exelon and Generation's Consolidated Balance Sheets. Changes in the value of the Zion Station NDT assets, net of applicable taxes, will be recorded as a change in the payable to ZionSolutions. At no point will the payable to ZionSolutions exceed the project budget of the costs remaining to decommission Zion Station. Any Zion Station NDT funds remaining after the completion of all decommissioning activities will be returned to ComEd customers. Generation has retained its obligation to transfer the SNF at Zion Station to the DOE for ultimate disposal and maintains a liability of approximately $34 million, which is included within the nuclear decommissioning ARO. Generation also has retained a requisite level of NDT assets to fund its obligation to maintain and transfer the SNF at Zion Station. As of December 31, 2010, the carrying value of the Zion Station pledged assets, which include the related NDT funds, and the payable to Zion Solutions were approximately $824 million and $786 million, respectively. The payable excludes a liability recorded within Generation's Consolidated Balance Sheets related to the tax obligation on the unrealized activity associated with the Zion Station NDT funds. The NDT funds will be utilized to satisfy the tax obligations as gains and losses are realized. The current portion of the payable to ZionSolutions, included in Other Current Liabilities within Generation's Consolidated Balance Sheets, was $127 million. As of December 31, 2010, ZionSolutions has withdrawn approximately $5 million for Zion Station decommissioning costs.

ZionSolutions leased the land associated with Zion Station from Generation pursuant to a Lease Agreement. Under the Lease Agreement, ZionSolutions has committed to complete the required decommissioning work according to an established schedule and will construct a dry cask storage facility on the land for the SNF currently held in SNF pools at Zion Station. Rent payable under the Lease Agreement is $1.00 per year, although the Lease Agreement requires ZionSolutions to pay property taxes associated with Zion Station and penalty rents may accrue if there are unexcused delays in the progress of decommissioning work at Zion Station or the construction of the dry cask SNF storage facility. To reduce the risk of default by EnergySolutions or ZionSolutions, EnergySolutions provided a $200 million letter of credit to be used to fund decommissioning costs in the event the NDT assets are insufficient. EnergySolutions has also provided a performance guarantee and entered into other agreements that will provide rights and remedies for Generation and the NRC in the case of other specified events of default, including a special purpose easement for disposal capacity at the EnergySolutions site in Clive, Utah, for all LLRW volume of Zion Station.

Nuclear Decommissioning Trust Fund Investments

NDT funds have been established for each generating station unit to satisfy Generation's nuclear decommissioning obligations. NDT funds established for a particular unit may not be used to fund the decommissioning obligations of any other unit.

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The NDT funds associated with the former ComEd, former PECO and former AmerGen units have been funded with amounts collected from ComEd customers, PECO customers and the previous owners of the former AmerGen plants, respectively. Based on an ICC order, ComEd ceased collecting amounts from its customers to pay for decommissioning costs. PECO currently collects funds, in revenues, for decommissioning the former PECO nuclear plants through regulated rates, and these collections are expected to continue through the operating lives of the plants. The amounts collected from PECO customers are remitted to Generation and deposited into the NDT funds. Every five years, PECO files a rate adjustment with the PAPUC reflecting updated fund balances and estimated decommissioning costs. The most recent rate adjustment occurred on January 1, 2008 and the effective rates currently yield annual collections of $29 million. The next five-year adjustment is expected to be reflected in rates charged to PECO customers effective January 1, 2013. With respect to the former AmerGen units, Generation does not collect any amounts, nor is there any mechanism by which Generation can seek to collect additional amounts, from customers. Apart from the contributions made to the NDT funds from amounts collected from ComEd and PECO customers, Generation has not made contributions to the NDT funds.

Any shortfall of funds necessary for decommissioning, determined for each generating station unit, is ultimately required to be funded by Generation. Generation has recourse to collect additional amounts from PECO customers related to a shortfall of NDT funds for the former PECO units, subject to certain limitations and thresholds, as prescribed by an order from the PAPUC. Generally, PECO will not be allowed to collect amounts associated with the first $50 million of any shortfall of trust funds, on an aggregate basis for all former PECO units, compared to decommissioning obligations, as well as 5% of any additional shortfalls. This initial $50 million and up to 5% of any additional shortfalls would be borne by Generation. No recourse exists to collect additional amounts from ComEd customers for the former ComEd units or from the previous owners of the former AmerGen units. With respect to the former ComEd and PECO units, any funds remaining in the NDTs after decommissioning has been completed are required to be refunded to ComEd's or PECO's customers, subject to certain limitations that allow sharing of excess funds with Generation related to the former PECO units. With respect to the former AmerGen units, Generation retains any funds remaining in the NDTs after decommissioning.

At December 31, 2010 and 2009, Exelon and Generation had NDT fund investments totaling $6,408 million and $6,669 million, respectively.

During 2010, there were no changes in NDT investment strategy. At December 31, 2010, approximately 57% of the funds were invested in equity and 43% were invested in fixed income securities. At December 31, 2009, approximately 53% of the funds were invested in equity and 47% were invested in fixed income securities.

Securities Lending Program. Generation's NDT funds currently participate in a securities lending program with the trustees of the plans' investment trusts. Under the program, securities loaned by the trustees are required to be collateralized by cash, U.S. Government securities or irrevocable bank letters of credit. Initial collateral levels are no less than 102% and 105% of the market value of the borrowed securities for collateral denominated in U.S. and foreign currency, respectively. Subsequent collateral levels must be maintained at a level no less than 100% of the market value of borrowed securities. Cash collateral received may not be sold or re-pledged by the trustees unless the borrower defaults.

In the fourth quarter of 2008, Exelon decided to end its participation in this securities lending program and initiated a gradual withdrawal of the trusts' investments in order to minimize potential

losses due to liquidity constraints in the market. Currently, the weighted average maturity of the securities within the collateral pools is approximately 11 months. The fair value of securities on loan was approximately $51 million and $357 million at December 31, 2010 and 2009, respectively. The fair value of cash and non-cash collateral received for these loaned securities was $51 million and $366 million at December 31, 2010 and 2009, respectively. A portion of the income generated through the investment of cash collateral is remitted to the borrowers, and the remainder is allocated between the trusts and the trustees in their capacity as security agents.

NRC Minimum Funding Requirements. NRC regulations require that licensees of nuclear generating facilities demonstrate reasonable assurance that funds will be available in specified minimum amounts to decommission the facility at the end of its life. The estimated decommissioning obligations as calculated using the NRC methodology differ from the ARO recorded on Generation's and Exelon's Consolidated Balance Sheets primarily due to differences in assumptions regarding the decommissioning alternatives to be used, potential license renewals, decommissioning cost escalation, and the growth rate in the NDT funds. Under NRC regulations, if the minimum funding requirements calculated under the NRC methodology are less than the future value of the NDT funds, also calculated under the NRC methodology, then the NRC requires either further funding or other financial guarantees. Key assumptions used in the minimum funding calculation using the NRC methodology at December 31, 2010 include: (1) only one decommissioning scenario for each unit; (2) the plants cease operation at the end of their current license lives (does not include the possibility of license renewal for those units that have not already received renewals, except for Oyster Creek); (3) NRC minimum funding assumes current nominal dollar cost estimates that are neither escalated through the anticipated period of decommissioning, nor discounted using the CARFR; and (4) annual after-tax returns on the NDT funds are assumed to be 2% (3% for the former PECO units, as specified by the PAPUC). In contrast, Generation's key assumptions related to calculating the ARO and forecasting the target growth in the NDT funds used by Generation at December 31, 2010 include: (1) the ARO is determined using multiple scenarios where decommissioning activities are completed under three possible scenarios ranging from 10 to 70 years after the cessation of plant operations; (2) the plants cease operating at the end of an extended license life (assuming 20-year license renewal extensions); (3) the ARO is the present value of the future obligation and the annual average accretion of the ARO is approximately 6.2% through a period of approximately 30 years after the end of the extended lives of the units; and (4) the estimated targeted annual after-tax return on the NDT funds is 4.6% to 5.4% (as compared to a historical 5-year annual average after-tax return of approximately 5%).

Generation is required to provide to the NRC a biennial report by unit (annually for units that have been retired or are within five years of the current approved license life), based on values as of December 31, addressing Generation's ability to meet the NRC minimum funding levels. Depending on the value of the trust funds, Generation may be required to take steps, such as providing financial guarantees through letters of credit or parent company guarantees or make additional contributions to the trusts, which could be significant, to ensure that the trusts are adequately funded and that NRC minimum funding requirements are met. As a result, Exelon's and Generation's cash flows and financial position may be significantly adversely affected.

On March 10, 2010, Generation notified the NRC that it had remediated the December 31, 2009 underfunded position of its Byron and Braidwood NDT funds with the establishment of approximately $44 million in parent guarantees in accordance with a plan submitted by Generation to the NRC on July 31, 2009. On May 26, 2010, the NRC notified Generation that while the previously established parent guarantees complied with Generation's remediation plan, additional parent guarantees may be required to meet the future value of the underfunded position. During the third quarter of 2010,

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Generation established approximately $175 million in additional parent guarantees. Generation has not received any subsequent communication from the NRC following the establishment of these additional parent guarantees.

Generation has determined that as of December 31, 2010, the modest recovery in the financial markets has improved decommissioning funding levels for Byron and Braidwood such that parent guarantees are no longer required to meet the NRC's minimum funding requirements. Generation intends to notify the NRC that parent guarantees are no longer required, on or before the date of the next NRC-required biennial decommissioning funding assurance submission, to be made no later than March 31, 2011. As the future values of trust funds change due to market conditions, the NRC minimum funding status of Generation's units will change. In addition, if changes occur to the regulatory agreement with the PAPUC that currently allows amounts to be collected from PECO customers for decommissioning the former PECO nuclear plants, the NRC minimum funding status of those plants could change at subsequent NRC filing dates.

Accounting Implications of the Regulatory Agreements with ComEd and PECO. Based on the regulatory agreement with the ICC that dictates Generation's obligations related to the shortfall or excess of NDT funds necessary for decommissioning the former ComEd units on a unit-by-unit basis, as long as funds held in the NDT funds exceed the total estimated decommissioning obligation, decommissioning-related activities, including realized and unrealized income and losses on the NDT funds and accretion of the decommissioning obligation, are generally offset within Exelon's and Generation's Consolidated Statements of Operations. The offset of decommissioning-related activities within the Consolidated Statement of Operations results in an equal adjustment to the noncurrent payables to affiliates at Generation and an adjustment to the regulatory liabilities at Exelon. Likewise, ComEd has recorded an equal noncurrent affiliate receivable from Generation and corresponding regulatory liability. Should the value of the NDT fund for any former ComEd unit fall below the amount of the estimated decommissioning obligation for that unit, the accounting to offset decommissioning-related activities in the Consolidated Statement of Operations for that unit would be discontinued, the decommissioning-related activities would be recognized in the Consolidated Statements of Operations and the adverse impact to Exelon's and Generation's results of operations and financial position could be material. At December 31, 2010, the NDT funds of each of the former ComEd units exceeded the related decommissioning obligation for each of the units. For the purposes of making this determination, the decommissioning obligation referred to is the ARO reflected on Generation's Consolidated Balance Sheet at December 31, 2010 and is different from the calculation used in the NRC minimum funding obligation filings based on NRC guidelines.

Based on the regulatory agreement supported by the PAPUC that dictates Generation's rights and obligations related to the shortfall or excess of trust funds necessary for decommissioning the seven former PECO nuclear units, regardless of whether the funds held in the NDT funds exceed or fall short of the total estimated decommissioning obligation, decommissioning-related activities are generally offset within Exelon's and Generation's Consolidated Statements of Operations. The offset of decommissioning-related activities within the Consolidated Statement of Operations results in an equal adjustment to the noncurrent payables to affiliates at Generation and an adjustment to the regulatory liabilities at Exelon. Likewise, PECO has recorded an equal noncurrent affiliate receivable from Generation and a corresponding regulatory liability. Any changes to the PECO regulatory agreements could impact Exelon's and Generation's ability to offset decommissioning-related activities within the Consolidated Statement of Operations, and the impact to Exelon's and Generation's results of operations and financial position could be material. See Note 2—Regulatory Matters for information

regarding the approved Settlement permitting the NDCAC to continue after the termination of PECO's CTC collections on December 31, 2010. The Settlement will not result in a material impact to Exelon or Generation's future results of operations, cash flows or financial position.

The decommissioning-related activities related to the Clinton, Oyster Creek and Three Mile Island nuclear plants (the former AmerGen units) and the portions of the Peach Bottom nuclear plants that are not subject to regulatory agreements with respect to the NDT funds are reflected in Exelon's and Generation's Consolidated Statements of Operations, as there are no regulatory agreements associated with these units. Refer to Note 19—Supplemental Financial Information and Note 21—Related Party Transactions for information regarding regulatory liabilities at ComEd and PECO and intercompany balances between Generation, ComEd and PECO reflecting the obligation to refund the customers any decommissioning-related assets in excess of the related decommissioning obligations.

The following table provides unrealized gains (losses) on NDT funds for the years ended 2010, 2009 and 2008:

	Exelon and Generation For the Years Ended December 31,		
	2010	2009	2008
Net unrealized gains (losses) on decommissioning trust funds—Regulatory Agreement Units [a,b]	$294	$799	$(1,023)
Net unrealized gains (losses) on decommissioning trust funds—Non-Regulatory Agreement Units [c]	104	227	(324)

(a) Gains related to Generation's NDT funds associated with Regulatory Agreement Units are included in regulatory liabilities on Exelon's Consolidated Balance Sheets and noncurrent payables to affiliates on Generation's Consolidated Balance Sheets.
(b) Excludes $20 million gains related to the Zion Station pledged assets in 2010. Gains related to Zion Station pledged assets are included in payable for Zion Station decommissioning on Exelon and Generation's Consolidated Balance Sheets.
(c) Gains related to Generation's NDT funds associated with Non-Regulatory Agreement Units are included within Other, net in Exelon and Generation's Consolidated Statements of Operations and Comprehensive Income.

Interest and dividends on NDT fund investments are recognized when earned and are included in Other, net in Exelon's and Generation's Consolidated Statements of Operations. Interest and dividends earned on the NDT fund investments for the Regulatory Agreement Units, which are subject to regulatory accounting, are eliminated within Other, net in Exelon and Generation's Consolidated Statement of Operations.

Non-Nuclear Asset Retirement Obligations (Exelon, Generation, ComEd, and PECO)

Generation has AROs for plant closure costs associated with its fossil, hydroelectric and wind generating stations, including asbestos abatement, removal of certain storage tanks, restoring leased land to the condition it was in prior to construction of wind generating stations and other decommissioning-related activities. ComEd and PECO have AROs primarily associated with the abatement and disposal of equipment and buildings contaminated with asbestos and PCBs. See Note 1—Significant Accounting Policies for additional information on the Registrants' accounting policy for AROs.

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The following table presents the activity of the non-nuclear AROs reflected on the Registrants' Consolidated Balance Sheets from January 1, 2009 to December 31, 2010:

	Exelon	Generation	ComEd	PECO
Non-nuclear AROs at January 1, 2009	$ 262	$ 64	$ 174	$ 24
Net increase (decrease) resulting from updates to estimated future cash flows	(81)	5	(85)	(1)
Accretion [(a)]	12	4	8	1
Payments	(2)	—	(2)	—
Non-nuclear AROs at December 31, 2009	191	73	95	24
Net increase (decrease) resulting from updates to estimated future cash flows [(b)]	13	(3)	8	8
Accretion [(a)]	9	3	4	1
Acquisition of Exelon Wind [(c)]	13	13	—	—
Payments	(3)	—	(2)	(1)
Non-nuclear AROs at December 31, 2010	$ 223	$ 86	$ 105	$ 32

(a) For ComEd and PECO, the majority of the accretion is recorded as an increase to a regulatory asset due to the associated regulatory treatment.
(b) ComEd and PECO recorded reductions in operating and maintenance expense of $10 million and $1 million, respectively, during the year ended December 31, 2010 relating to updates to estimated future cash flows.
(c) Refer to Note 3—Acquisition for additional information regarding Exelon Wind.

13. Retirement Benefits (Exelon, Generation, ComEd and PECO)

As of December 31, 2010, Exelon sponsored five qualified defined benefit pension plans, two non-qualified defined benefit pension plans and three other postretirement benefit plans for essentially all Generation, ComEd, PECO and BSC employees.

Exelon's traditional and cash balance pension plans are intended to be tax-qualified defined benefit plans. Substantially all non-union employees and electing union employees hired on or after January 1, 2001 participate in cash balance pension plans. Effective January 1, 2009, substantially all newly hired union-represented employees participate in cash balance pension plans. Exelon has elected that the trusts underlying these plans be treated under the IRC as qualified trusts. If certain conditions are met, Exelon can deduct payments made to the qualified trusts, subject to certain IRC limitations.

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Benefit Obligations and Plan Assets, and Funded Status

Exelon recognizes the overfunded or underfunded status of defined benefit pension and other postretirement plans as an asset or liability on its balance sheet, with offsetting entries to Accumulated Other Comprehensive Income (AOCI) and regulatory assets, in accordance with the applicable authoritative guidance. The impact of changes in assumptions used to measure pension and other postretirement benefit obligations is generally recognized over the expected average remaining service period of the plan participants. The measurement date for the plans is December 31. The following table provides a rollforward of the changes in the benefit obligations and plan assets for the most recent two years for all plans combined:

	Pension Benefits		Other Postretirement Benefits	
	2010	2009	2010	2009
Change in benefit obligation:				
Net benefit obligation at beginning of year	$11,482	$10,788	$ 3,658	$ 3,480
Service cost	190	178	124	113
Interest cost	660	651	214	205
Plan participants' contributions	—	—	16	18
Actuarial loss	831	479	49	31
Plan amendments	—	2	—	—
Curtailments/settlements	—	2	—	—
Special termination benefits	—	—	1	4
Gross benefits paid	(639)	(618)	(198)	(203)
Federal subsidy on benefits paid	—	—	10	10
Net benefit obligation at end of year	$12,524	$11,482	$ 3,874	$ 3,658
Change in plan assets:				
Fair value of net plan assets at beginning of year	$ 7,839	$ 6,664	$ 1,476	$ 1,224
Actual return on plan assets	893	1,352	158	280
Employer contributions	766	441	203	157
Plan participants' contributions	—	—	16	18
Gross benefits paid	(639)	(618)	(198)	(203)
Fair value of net plan assets at end of year	$ 8,859	$ 7,839	$ 1,655	$ 1,476

Exelon presents its benefit obligations and plan assets net on its balance sheet within the following line items:

	Pension Benefits As of December 31,		Other Postretirement Benefits As of December 31,	
	2010	2009	2010	2009
Other current liabilities	$ 7	$ 18	$ 1	$ 2
Pension obligations	3,658	3,625	—	—
Non-pension postretirement benefit obligations	—	—	2,218	2,180
Unfunded status (net benefit obligation less net plan assets)	$3,665	$3,643	$ 2,219	$ 2,182

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The funded status of the pension and other postretirement benefit obligations refers to the difference between plan assets and estimated obligations of the plan. The funded status changes over time due to several factors, including contribution levels, assumed discount rates and actual returns on plan assets.

The following tables provide the projected benefit obligations (PBO), accumulated benefit obligation (ABO) and fair value of plan assets for all pension plans with an ABO in excess of plan assets and a PBO in excess of plan assets.

	PBO and ABO in excess of plan assets December 31,	
	2010	2009
Projected benefit obligation	$ 12,524	$ 11,482
Accumulated benefit obligation	11,697	10,695
Fair value of net plan assets	8,859	7,839

On an ABO basis, the plans were funded at 76% at December 31, 2010 compared to 73% at December 31, 2009. On a PBO basis, the plans were funded at 71% at December 31, 2010 compared to 68% at December 31, 2009. The ABO differs from the PBO in that the ABO includes no assumption about future compensation levels.

Components of Net Periodic Benefit Costs

The following table provides the components of the net periodic benefit costs for the years ended December 31, 2010, 2009 and 2008 for all plans combined. The table reflects a reduction in 2010, 2009 and 2008 of net periodic postretirement benefit costs of approximately $38 million for each year, related to a Federal subsidy provided under the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (Medicare Modernization Act), discussed further below.

	Pension Benefits			Other Postretirement Benefits		
	2010	2009	2008	2010	2009	2008
Components of net periodic benefit cost:						
Service cost	$ 190	$ 178	$ 163	$ 124	$113	$ 108
Interest cost	660	651	635	214	205	208
Expected return on assets	(799)	(778)	(836)	(109)	(94)	(121)
Amortization of:						
Transition obligation	—	—	—	9	9	10
Prior service cost (credit)	14	14	15	(56)	(56)	(57)
Actuarial loss	254	197	127	74	87	53
Curtailment/settlement charges	5	6	9	—	—	—
Special termination benefits	—	—	—	1	4	—
Net periodic benefit cost	$ 324	$ 268	$ 113	$ 257	$268	$ 201

Through Exelon's postretirement benefit plans, the Registrants provide retirees with prescription drug coverage. The Medicare Modernization Act, enacted on December 8, 2003, introduced a prescription drug benefit under Medicare as well as a Federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to the Medicare

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prescription drug benefit. Management believes the prescription drug benefit provided under Exelon's postretirement benefit plans meets the requirements for the subsidy. See the Health Care Reform Legislation section below for further discussion regarding the income tax treatment of Federal subsidies of prescription drug benefits.

The effect of the subsidy on the components of net periodic postretirement benefit cost for 2010, 2009 and 2008 included in the consolidated financial statements was as follows:

	2010	2009	2008
Amortization of the actuarial experience loss	$ 9	$11	$11
Reduction in current period service cost	10	9	9
Reduction in interest cost on the APBO	19	18	18
Total effect of subsidy on net periodic postretirement benefit cost	$38	$38	$38

Components of OCI and Regulatory Assets

Under the authoritative guidance for regulatory accounting, a portion of current year actuarial gains and losses and prior service costs (credits) is capitalized within Exelon's Consolidated Balance Sheets to reflect the expected regulatory recovery of these amounts, which would otherwise be recorded to OCI. The following tables provide the components of OCI and regulatory assets for the years ended December 31, 2010, 2009 and 2008 for all plans combined.

	Pension Benefits			Other Postretirement Benefits		
	2010	2009	2008	2010	2009	2008
Changes in plan assets and benefit obligations recognized in OCI and regulatory assets:						
Current year actuarial (gain) loss	$ 737	$ (94)	$3,432	$—	$(154)	$495
Amortization of actuarial gain (loss)	(254)	(197)	(127)	(74)	(87)	(53)
Current year prior service cost	—	2	16	—	—	—
Amortization of prior service cost (credit)	(14)	(14)	(15)	56	56	57
Amortization of transition obligation	—	—	—	(9)	(9)	(10)
Settlements	(5)	(6)	(9)	—	—	—
Total recognized in OCI and regulatory assets[(a)]	$ 464	$(309)	$3,297	$ (27)	$(194)	$489

(a) Of the $464 million related to pension benefits, $310 million and $154 million were recognized in AOCI and regulatory assets, respectively, during 2010. Of the $(27) million related to other postretirement benefits, $(9) million and $(18) million were recognized in AOCI and regulatory assets, respectively, during 2010. Of the $(309) million related to pension benefits, $(204) million and $(105) million were recognized in AOCI and regulatory assets, respectively, during 2009. Of the $(194) million related to other postretirement benefits, $(85) million and $(109) million were recognized in AOCI and regulatory assets, respectively, during 2009. Of the $3,297 related to pension benefits, $2,069 million and $1,228 million were recognized in AOCI and regulatory assets, respectively, during 2008. Of the $489 million related to other postretirement benefits, $245 million and $244 million were recognized in AOCI and regulatory assets, respectively, during 2008.

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The following table provides the components of Exelon's gross accumulated other comprehensive loss and regulatory assets that have not been recognized as components of periodic benefit cost as of December 31, 2010 and 2009, respectively, for all plans combined:

	Pension Benefits As of December 31,		Other Postretirement Benefits As of December 31,	
	2010	2009	2010	2009
Transition obligation	$ —	$ —	$ 20	$ 29
Prior service cost (credit)	104	118	(54)	(110)
Actuarial loss	6,316	5,838	955	1,029
Total (a)	$6,420	$5,956	$ 921	$ 948

(a) Of the $6,420 million related to pension benefits, $4,129 million and $2,291 million are included in AOCI and regulatory assets, respectively, as of December 31, 2010. Of the $921 million related to other postretirement benefits, $462 million and $459 million are included in AOCI and regulatory assets, respectively, as of December 31, 2010. Of the $5,956 million related to pension benefits, $3,819 million and $2,137 million are included in AOCI and regulatory assets, respectively, as of December 31, 2009. Of the $948 million related to other postretirement benefits, $470 million and $478 million are included in AOCI and regulatory assets, respectively, as of December 31, 2009.

The following table provides the components of Exelon's AOCI and regulatory assets as of December 31, 2010 (included in the table above) that are expected to be amortized as components of periodic benefit cost in 2011. These estimates are subject to the completion of an actuarial valuation of Exelon's pension and other postretirement benefit obligations, which will reflect actual census data as of January 1, 2011 and actual claims activity as of December 31, 2010. The valuation is expected to be completed in the first quarter of 2011.

	Pension Benefits	Other Postretirement Benefits
Transition obligation	$ —	$ 9
Prior service cost (credit)	14	(38)
Actuarial loss	334	64
Total (a)	$ 348	$ 35

(a) Of the $348 million related to pension benefits as of December 31, 2010, $213 million and $135 million are expected to be amortized from AOCI and regulatory assets in 2011, respectively. Of the $35 million related to other postretirement benefits as of December 31, 2010, $15 million and $20 million are expected to be amortized from AOCI and regulatory assets in 2011, respectively.

Assumptions

The measurement of the plan obligations and costs of providing benefits under Exelon's defined benefit and other postretirement plans involves various factors, including the development of valuation assumptions and accounting policy elections. When developing the required assumptions, Exelon considers historical information as well as future expectations. The measurement of benefit obligations and costs is impacted by several assumptions including the discount rate applied to benefit obligations, the long-term expected rate of return on plan assets, Exelon's expected level of contributions to the plans, the incidence of mortality, the expected remaining service period of plan participants, the level of compensation and rate of compensation increases, employee age, length of service, the long-term expected investment rate credited to employees of certain plans and the anticipated rate of increase of

Combined Notes to Consolidated Financial Statements—(Continued)
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health care costs, among other factors. The impact of changes in assumptions used to measure pension and other postretirement benefit obligations is generally recognized over the expected average remaining service period of the plan participants.

Expected Rate of Return. In selecting the expected rate of return on plan assets, Exelon considers historical economic indicators (including inflation and GDP growth) that impact asset returns, as well as expectations regarding future long-term capital market performance, weighted by Exelon's target asset class allocations. In general, equity securities, real estate and private equity investments are forecasted to have higher returns than fixed income securities.

The following weighted average assumptions were used to determine the benefit obligations for all of the plans at December 31, 2010, 2009 and 2008. Assumptions used to determine year-end benefit obligations are the assumptions used to estimate the subsequent year's net periodic benefit costs.

	Pension Benefits			Other Postretirement Benefits		
	2010	2009	2008	2010	2009	2008
Discount rate	5.26%	5.83%	6.09%	5.30%	5.83%	6.09%
Rate of compensation increase	3.75%	4.00%	4.00%	3.75%	4.00%	4.00%
Mortality table	IRS required mortality table for 2011 funding valuation	IRS required mortality table for 2010 funding valuation	IRS required mortality table for 2009 funding valuation	IRS required mortality table for 2011 funding valuation	IRS required mortality table for 2010 funding valuation	IRS required mortality table for 2009 funding valuation
Health care cost trend on covered charges	N/A	N/A	N/A	7.00% decreasing to ultimate trend of 5.00% in 2015	7.50% decreasing to ultimate trend of 5.00% in 2015	7.50% decreasing to ultimate trend of 5.00% in 2014

The following weighted average assumptions were used to determine the net periodic benefit costs for all the plans for the years ended December 31, 2010, 2009 and 2008:

	Pension Benefits			Other Postretirement Benefits		
	2010	2009	2008	2010	2009	2008
Discount rate	5.83%	6.09%	6.20%	5.83%	6.09%	6.20%
Expected return on plan assets	8.50%[(a)]	8.50%[(a)]	8.75%[(a)]	7.83%[(a)]	8.10%[(a)]	7.80%[(a)]
Rate of compensation increase	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Mortality table	IRS required mortality table for 2010 funding valuation	IRS required mortality table for 2009 funding valuation	IRS required mortality table for 2008 funding valuation	IRS required mortality table for 2010 funding valuation	IRS required mortality table for 2009 funding valuation	IRS required mortality table for 2008 funding valuation
Health care cost trend on covered charges	N/A	N/A	N/A	7.50% decreasing to ultimate trend of 5.00% in 2015	7.50% decreasing to ultimate trend of 5.00% in 2014	8.00% decreasing to ultimate trend of 5.00% in 2014

(a) Not applicable to pension and other postretirement benefit plans that do not have any plan assets.

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Assumed health care cost trend rates have a significant effect on the costs reported for the other postretirement benefit plans. A one percentage point change in assumed health care cost trend rates would have the following effects:

Effect of a one percentage point increase in assumed health care cost trend	$ 53
on 2010 total service and interest cost components	
on postretirement benefit obligation at December 31, 2010	490
Effect of a one percentage point decrease in assumed health care cost trend	(43)
on 2010 total service and interest cost components	
on postretirement benefit obligation at December 31, 2010	(405)

Health Care Reform Legislation

In March 2010, the Health Care Reform Acts were signed into law. A number of provisions in the Health Care Reform Acts impact retiree health care plans provided by employers. One such provision reduces the deductibility, for Federal income tax purposes, of retiree health care costs to the extent an employer's postretirement health care plan receives Federal subsidies that provide retiree prescription drug benefits at least equivalent to those offered by Medicare. Although this change did not take effect immediately, the Registrants were required to recognize the full accounting impact in their financial statements in the period in which the legislation was enacted. As a result, in the first quarter of 2010, Exelon recorded total after-tax charges of approximately $65 million to income tax expense to reverse deferred tax assets previously established. Of this total, Generation, ComEd and PECO recorded charges of $24 million, $11 million and $9 million, respectively.

Additionally, the Health Care Reform Acts include a provision that imposes an excise tax on certain high-cost plans beginning in 2018, whereby premiums paid over a prescribed threshold will be taxed at a 40% rate. The application of the legislation is still unclear and Exelon continues to monitor for additional guidance from the Department of Labor and IRS. Certain key assumptions are required to estimate the impact of the excise tax on Exelon's postretirement benefit obligation, including projected inflation rates (based on the Consumer Price Index) and whether pre- and post-65 retiree populations can be aggregated in determining the premium values of health care benefits. Exelon reflected its best estimate of the excise tax impact in its annual actuarial measurement, which increased its postretirement benefit obligation by $145 million as of December 31, 2010.

Contributions

Exelon allocates pension and other postretirement benefit contributions to its subsidiaries in proportion to active service costs recognized and total costs recognized, respectively. The following table provides contributions made by Generation, ComEd, PECO and BSC to the pension and other postretirement benefit plans:

	Pension Benefits			Other Postretirement Benefits		
	2010	2009	2008	2010 [a]	2009 [a]	2008 [a]
Generation	$356	$201	$37	$ 94	$ 69	$ 71
ComEd	260	164	9	60	53	49
PECO	73	31	11	35	22	29
BSC	77[b]	45[b]	23[b]	14	13	14
Exelon	$766	$441	$80	$ 203	$ 157	$ 163

(a) The Registrants present the cash contributions above net of Federal subsidy payments received on each of their respective Consolidated Statements of Cash Flows. Exelon, Generation, ComEd and PECO received Federal subsidy payments of $10 million, $5 million, $3 million and $2 million, respectively, in 2010, $10 million, $5 million, $3 million and $1 million, respectively, in 2009, and $12 million, $5 million, $3 million and $2 million, respectively, in 2008.
(b) $1 million of this amount was deferred under Exelon's deferred compensation plan as of December 31, 2008. None of the amount was deferred as of December 31, 2010 and December 31, 2009.

Exelon contributed $2.1 billion to its qualified pension plans in January 2011, of which Generation, ComEd and PECO contributed $952 million, $871 million and $110 million, respectively. No further contributions to the qualified pension plans are currently anticipated for 2011. Exelon plans to contribute $6 million to its non-qualified pension plans in 2011, of which Generation, ComEd and PECO will contribute $3 million, $1 million and $1 million, respectively. Management considers various factors when making pension funding decisions, including actuarially determined minimum contribution requirements under ERISA, contributions required to avoid benefit restrictions and at-risk status as defined by the Pension Protection Act of 2006 (the Act), management of the pension obligation and regulatory implications. The Act requires the attainment of certain funding levels to avoid benefit restrictions (such as an inability to pay lump sums or to accrue benefits prospectively), and at-risk status (which triggers higher minimum contribution requirements and participant notification).

Unlike the qualified pension plans, Exelon's other postretirement plans are not subject to regulatory minimum contribution requirements. Management considers several factors in determining the level of contributions to Exelon's other postretirement benefit plans, including levels of benefit claims paid and regulatory implications. Exelon expects to contribute approximately $185 million to the other postretirement benefit plans in 2011, of which Generation, ComEd and PECO expect to contribute $85 million, $58 million and $29 million, respectively.

During the first quarter of 2011, Exelon will receive an updated valuation of its pension and other postretirement benefit obligations to reflect actual census data as of January 1, 2011.

Estimated Future Benefit Payments

Estimated future benefit payments to participants in all of the pension plans and postretirement benefit plans as of December 31, 2010 were:

	Pension Benefits	Other Postretirement Benefits [(a)]
2011	$ 716	$ 190
2012	669	197
2013	701	207
2014	694	215
2015	788	225
2016 through 2020	4,079	1,318
Total estimated future benefits payments through 2020	$ 7,647	$ 2,352

(a) Estimated future benefit payments do not reflect an anticipated Federal subsidy provided through the Medicare Modernization Act. The Federal subsidies to be received by Exelon in the years 2011, 2012, 2013, 2014, 2015 and from 2016 through 2020 are estimated to be $8 million, $9 million, $10 million, $11 million, $12 million and $77 million, respectively.

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Allocation to Exelon Subsidiaries

Generation, ComEd and PECO account for their participation in Exelon's pension and other postretirement benefit plans by applying multiemployer accounting. Employee-related assets and liabilities, including both pension and postretirement liabilities, were allocated by Exelon to its subsidiaries based on the number of active employees as of January 1, 2001 as part of Exelon's corporate restructuring. Exelon allocates the components of pension and other postretirement costs to the participating employers based upon several factors, including the measures of active employee participation in each participating unit. The obligation for Generation, ComEd and PECO reflects the initial allocation and the cumulative costs incurred and contributions made since January 1, 2001.

The following approximate amounts were included in capital and operating and maintenance expense during 2010, 2009 and 2008, respectively, for Generation's, ComEd's, PECO's and BSC's allocated portion of the Exelon-sponsored pension and other postretirement benefit plans:

	Generation	ComEd	PECO	BSC [(a)]	Exelon
2010	$ 268	$ 215	$ 46	$ 52	$ 581
2009	240	192	47	57	536
2008	139	101	32	42	314

(a) These amounts primarily represent amounts billed to Exelon's subsidiaries through intercompany allocations.

Plan Assets

Investment Strategy. On a regular basis, Exelon evaluates its investment strategy to ensure that plan assets will be sufficient to pay plan benefits when due. As part of this ongoing evaluation, Exelon may make changes to its targeted asset allocation and investment strategy.

In the second quarter of 2010, Exelon modified its pension investment strategy in order to reduce the volatility of its pension assets relative to its pension liabilities. As a result of this modification, over time, Exelon determined that it will decrease equity investments and increase investments in fixed income securities and alternative investments in order to achieve a balanced portfolio of risk-reducing and return-seeking assets. The overall objective is to achieve attractive risk-adjusted returns that will balance the liquidity requirements of the plans' liabilities while striving to minimize the risk of significant losses. Over the next several years, Exelon expects to migrate to a target asset allocation of approximately 30% public equity investments, 50% fixed income investments and 20% alternative investments.

The change in the overall investment strategy would tend to lower the expected rate of return on plan assets in future years as compared to the previous strategy. Exelon used an EROA of 8.00% and 7.08% to estimate its 2011 pension and other postretirement benefit costs, respectively.

Exelon's pension and other postretirement benefit plan target asset allocations and December 31, 2010 and 2009 weighted average asset allocations were as follows:

Pension Plans

Asset Category	Target Allocation	Percentage of Plan Assets at December 31, 2010	2009
Equity securities	25-35 %	45%	56%
Fixed income securities	45-55 %	41	34
Alternative investments [(a)]	15-25 %	14	10
Total		100%	100%

Other Postretirement Benefit Plans

Asset Category	Target Allocation	Percentage of Plan Assets at December 31, 2010	2009
Equity securities	40-50 %	54%	64%
Fixed income securities	35-45 %	45	36
Alternative investments [(a)]	10-20 %	1	—
Total		100%	100%

(a) Alternative investments include real estate, private equity and hedge fund investments.

Securities Lending Programs. The majority of the benefit plans currently participate in a securities lending program with the trustees of the plans' investment trusts. Under the program, securities loaned to the trustees are required to be collateralized by cash, U.S. Government securities or irrevocable bank letters of credit. Initial collateral levels are no less than 102% and 105% of the market value of the borrowed securities for collateral denominated in U.S. and foreign currency, respectively. Subsequent collateral levels must be maintained at a level no less than 100% of the market value of borrowed securities. Cash collateral received may not be sold or re-pledged by the trustees unless the borrower defaults.

In the fourth quarter of 2008, Exelon decided to end its participation in this securities lending program and initiated a gradual withdrawal of the trusts' investments in order to minimize potential losses due to liquidity constraints in the market. Currently, the weighted average maturity of the securities within the collateral funds is approximately 7 months. The fair value of securities on loan was approximately $46 million and $356 million at December 31, 2010 and 2009, respectively. The fair value of cash and non-cash collateral received for these loaned securities was $47 million at December 31, 2010 and $365 million at December 31, 2009. A portion of the income generated through the investment of cash collateral is remitted to the borrowers, and the remainder is allocated between the trusts and the trustees in their capacity as security agents.

Concentrations of Credit Risk. Exelon evaluated its pension and other postretirement benefit plans' asset portfolios for the existence of significant concentrations of credit risk as of December 31, 2010. Types of concentrations that were evaluated include, but are not limited to, investment

concentrations in a single entity, type of industry, foreign country, and individual fund. As of December 31, 2010, there were no significant concentrations (defined as greater than 10 percent of plan assets) of risk in Exelon's pension and other postretirement benefit plan assets.

Fair Value Measurements

The following table presents Exelon's pension and other postretirement benefit plan assets measured and recorded at fair value on Exelon's Consolidated Balance Sheets on a recurring basis and their level within the fair value hierarchy as of December 31, 2010 and 2009:

As of December 31, 2010 (a)(f)	Level 1	Level 2	Level 3	Total
Pension plan assets				
Cash equivalents	$ 2	$ —	$ —	$ 2
Equity securities(b)	1,528	—	—	1,528
Commingled funds(c)	485	3,704	—	4,189
Fixed income				
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies(d)	1,144	93	—	1,237
Debt securities issued by states of the United States and by political subdivisions of the states(d)	—	15	—	15
Corporate debt securities(d)	—	312	—	312
Federal agency mortgage-backed securities(e)	—	226	—	226
Non-Federal agency mortgage-backed securities(e)	—	82	—	82
Fixed income subtotal	1,144	728	—	1,872
Private equity	—	—	536	536
Hedge funds	—	—	329	329
Real estate	178	—	179	357
Pension plan assets subtotal	$3,337	$4,432	$1,044	$ 8,813
Other postretirement benefit plan assets				
Cash equivalents	—	—	—	—
Equity securities(b)	225	—	—	225
Commingled funds(c)	118	1,103	5	1,226
Fixed income				
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies(d)	25	2	—	27
Debt securities issued by states of the United States and by political subdivisions of the states(d)	—	100	—	100
Corporate debt securities(d)	—	13	—	13
Federal agency mortgage-backed securities(e)	—	41	—	41
Non-Federal agency mortgage-backed securities(e)	—	7	—	7
Fixed income subtotal	25	163	—	188
Hedge funds	—	—	5	5
Real estate	8	—	3	11
Other postretirement benefit plan assets subtotal	$ 376	$1,266	$ 13	$ 1,655
Total pension and other postretirement benefit plan assets	$3,713	$5,698	$1,057	$10,468

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As of December 31, 2009 [a][f]	Level 1	Level 2	Level 3	Total
Pension plan assets				
Cash equivalents	$ 37	$ —	$ —	$ 37
Equity securities(b)	1,357	—	—	1,357
Commingled funds(c)	515	3,641	—	4,156
Fixed income				
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies(d)	140	23	—	163
Debt securities issued by states of the United States and by political subdivisions of the states(d)	—	11	—	11
Corporate debt securities(d)	—	245	—	245
Federal agency mortgage-backed securities(e)	—	825	—	825
Non-Federal agency mortgage-backed securities(e)	—	342	—	342
Fixed income subtotal	140	1,446	—	1,586
Private equity	—	—	450	450
Real estate	154	—	156	310
Pension plan assets subtotal	$2,203	$5,087	$ 606	$7,896
Other postretirement benefit plan assets				
Cash equivalents	4	—	—	4
Equity securities(b)	199	—	—	199
Commingled funds(c)	112	894	—	1,006
Fixed income				
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies(d)	14	2	—	16
Debt securities issued by states of the United States and by political subdivisions of the states(d)	—	103	—	103
Corporate debt securities(d)	—	20	—	20
Federal agency mortgage-backed securities(e)	—	94	—	94
Non-Federal agency mortgage-backed securities(e)	—	34	—	34
Fixed income subtotal	14	253	—	267
Real estate	1	—	—	1
Other postretirement benefit plan assets subtotal	$ 330	$1,147	$ —	$1,477
Total pension and other postretirement benefit plan assets	$2,533	$6,234	$ 606	$9,373

(a) See Note 8 – Fair Value of Assets and Liabilities for a description of levels within the fair value hierarchy.
(b) The performance of equity portfolios is benchmarked against established indices.
(c) This category represents commingled fund investments in equity and fixed income securities. The commingled funds seek to out-perform certain established indices.
(d) This category predominantly represents diverse issues of domestic, investment-grade fixed income securities.
(e) This category represents investments in Federal agency, commercial and residential mortgage-backed securities that seek to out-perform certain bond indices.
(f) The total fair value of pension and other postretirement benefit plan assets excludes $21 million and $20 million of interest and dividends receivable and $25 million and $40 million related to pending sales transactions as of December 31, 2010 and 2009, respectively. Additionally, the table excludes collateral fund assets of $47 million and $365 million and collateral liabilities of $47 million and $365 million as of December 31, 2010 and 2009, respectively, in connection with the benefit plans' participation in securities lending programs.

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The following table presents the fair value reconciliation of Level 3 assets and liabilities measured at fair value for pension and other postretirement benefit plans during the years ended December 31, 2010 and 2009:

	Hedge funds	Private equity	Commingled Funds	Real estate	Total
Pension Assets					
Balance as of January 1, 2010	$ —	$ 450	$ —	$156	$ 606
Actual return on plan assets:					
Relating to assets still held at the reporting date	14	37	—	13	64
Purchases, sales and settlements	315	49	—	10	374
Balance as of December 31, 2010	$329	$ 536	$ —	$179	$1,044
Other Postretirement Benefits					
Balance as of January 1, 2010	$ —	$ —	$ —	$ —	$ —
Actual return on plan assets:					
Relating to assets still held at the reporting date	—	—	1	1	2
Purchases, sales and settlements	5	—	—	2	7
Transfers into (out of) Level 3 [(a)]	—	—	4	—	4
Balance as of December 31, 2010	$ 5	$ —	$ 5	$ 3	$ 13

	Private equity	Real estate	Total
Pension Assets			
Balance as of January 1, 2009	$ 808	$ 232	$1,040
Actual return on plan assets:			
Relating to assets still held at the reporting date	57	(88)	(31)
Relating to assets sold during the period	35	—	35
Purchases, sales and settlements	136	12	148
Transfers into (out of) Level 3	(586)	—	(586)
Balance as of December 31, 2009	$ 450	$ 156	$ 606
Other Postretirement Benefits			
Balance as of January 1, 2009	$ 53	$ —	$ 53
Actual return on plan assets:			
Relating to assets still held at the			
Relating to assets sold during the period	23	—	23
Transfers into (out of) Level 3	(76)	—	(76)
Balance as of December 31, 2009	$ —	$ —	$ —

(a) Commingled fund investments determined to be liquid during 2010 were transferred into Level 3.

Valuation Techniques Used to Determine Fair Value

Cash equivalents. Investments with maturities of three months or less when purchased, including certain short-term fixed-income securities, are considered cash equivalents and are included in the recurring fair value measurements hierarchy as Level 1 or Level 2.

Equity securities. With respect to individually held equity securities, including investments in U.S. and international securities, the trustees obtain prices from pricing services, whose prices are obtained

from direct feeds from market exchanges, which Exelon is able to independently corroborate. Equity securities held individually are primarily traded on exchanges which contain only actively traded securities due to the volume trading requirements imposed by these exchanges. Equity securities are valued based on quoted prices in active markets and are categorized as Level 1.

Commingled funds. Commingled funds are maintained by investment companies and hold certain investments in accordance with a stated set of fund objectives, which are consistent with Exelon's overall investment strategy. Commingled funds seek to generate returns through a broad range of strategies. The values of the majority of commingled funds are not publicly quoted. For equity and fixed-income commingled funds which are not publicly traded, the fund administrators value the funds using the net asset value per fund share, derived from the quoted prices in active markets of the underlying securities. These funds have been categorized as Level 2. Equity and fixed-income funds with publicly quoted prices have been categorized as Level 1.

Private equity investments. Private equity investments include those in limited partnerships that invest in operating companies that are not publicly traded on a stock exchange. Investment strategies in private equity include leveraged buyouts, venture capital, distressed investments and investments in natural resources. Private equity valuations are reported by the fund manager and are based on the valuation of the underlying investments which include inputs such as cost, operating results, discounted future cash flows and market based comparable data. Since these valuation inputs are not highly observable, private equity investments have been categorized as Level 3.

Hedge fund investments. Hedge fund investments include those seeking to maximize absolute returns using a broad range of strategies to enhance returns and provide additional diversification. The fair value of hedge funds is estimated using net asset value per share (NAV) of the investments. Exelon has the ability to redeem these investments at NAV within the near term. Since these valuations are not highly observable, hedge fund investments have been categorized as Level 3.

Fixed-income securities. For fixed income securities, the trustees obtain multiple prices from pricing vendors whenever possible, which enables cross-provider validations in addition to checks for unusual daily movements. A primary price source is identified based on asset type, class or issue for each security. The trustees monitor prices supplied by pricing services and may use a supplemental price source or change the primary price source of a given security if the portfolio managers challenge an assigned price and the trustees determine that another price source is considered to be preferable. Exelon has obtained an understanding of how these prices are derived, including the nature and observability of the inputs used in deriving such prices. Additionally, Exelon selectively corroborates the fair values of securities by comparison to other market-based price sources. Investments in U.S. Treasury securities have been categorized in Level 1 because they trade in highly-liquid and transparent markets. The fair values of fixed income securities, excluding U.S. Treasury securities, are based on evaluated prices that reflect observable market information, such as actual trade information of similar securities, adjusted for observable differences and are categorized as Level 2. To draw parallels from the trading and quoting of fixed income securities with similar features, pricing services consider various characteristics including the issuer, maturity, purpose of loan, collateral attributes, prepayment speeds, interest rates and credit ratings in order to properly value these securities.

Real Estate. Real estate investment trusts are valued daily based on quoted prices in active markets and are categorized as Level 1. Real estate commingled funds are funds with a direct investment in a pool of real estate properties. These funds are valued by investment managers on a

periodic basis using pricing models that use independent appraisals from sources with professional qualifications. Since these valuation inputs are not highly observable, real estate commingled funds have been categorized as Level 3 investments.

401(k) Savings Plan (Exelon, Generation, ComEd and PECO)

Exelon, Generation, ComEd and PECO participate in a 401(k) savings plan sponsored by Exelon. The plan allows employees to contribute a portion of their pre-tax income in accordance with specified guidelines. Exelon, Generation, ComEd and PECO match a percentage of the employee contribution up to certain limits. The cost of matching contributions to the savings plan totaled the following:

For the Years Ended	Exelon	Generation	ComEd	PECO
2010	$ 81	$ 42	$ 22	$ 9
2009	70	36	20	8
2008	66	33	19	7

14. Corporate Restructuring and Plant Retirements (Exelon, Generation, ComEd and PECO)

The Registrants provide severance and health and welfare benefits to terminated employees primarily based upon each individual employee's years of service and compensation level. The Registrants accrue amounts associated with severance benefits that are considered probable and that can be reasonably estimated.

The following tables present total severance benefits costs, recorded as operating and maintenance expense in relation to the announced job reductions, for the years ended December 31, 2010 and 2009:

Severance benefits expense	Generation	ComEd	PECO	Other	Exelon
Corporate restructuring—2009 (a)(b)	$ 11	$ 19	$ 3	$ 1	$ 34
Plant retirements—2010	4	—	—	—	4
Plant retirements—2009	7	—	—	—	7
Total severance benefits expense	$ 22	$ 19	$ 3	$ 1	$ 45

(a) The amounts above include $7 million, $4 million, and $2 million at Generation, ComEd and PECO, respectively, for amounts billed through intercompany allocations for the year ended December 31, 2009.
(b) The severance benefits costs include $1 million of stock compensation expense collectively at Generation and ComEd for which the obligation is recorded in equity for the year ended December 31, 2009, respectively. Severance benefits also include $4 million and $2 million at Exelon and ComEd, respectively, of contractual termination benefits expense for which the obligation is recorded in other postretirement benefits.

***Corporate restructuring (Exelon, Generation,* ComEd and PECO).** In June 2009, Exelon announced a restructured senior executive team and major spending cuts, including the elimination of approximately 500 employee positions. Exelon eliminated approximately 400 corporate support positions, mostly located at corporate headquarters, and 100 management level positions at ComEd, the majority of which was completed by September 30, 2009. These actions were in response to the continuing economic challenges confronting all parts of Exelon's business and industry especially in light of the commodity-driven nature of Generation's markets, necessitating continued focus on cost management through enhanced efficiency and productivity.

Exelon recorded a pre-tax charge for estimated salary continuance and health and welfare severance benefits of $40 million in June 2009 as a result of the planned job reductions. Subsequent to June 2009, Exelon recorded a net pre-tax credit of approximately $6 million, which included a $10

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million reduction in estimated salary continuance and health and welfare severance benefits, offset by $4 million of expense for contractual termination benefits. Cash payments under the plan began in July 2009 and were substantially completed at December 31, 2010.

The following table presents the activity of severance obligations for the corporate restructuring from January 1, 2010 through December 31, 2010, excluding obligations recorded in equity:

Severance Benefits Obligation	Generation	ComEd	PECO	Other	Exelon
Balance at January 1, 2009	$ —	$ —	$ —	$ —	$ —
Severance charges recorded	7	12	2	18	39
Cash payments	(1)	(5)	—	(4)	(10)
Other adjustments	(3)	—	(1)	(6)	(10)
Balance at December 31, 2009	3	7	1	8	19
Cash payments	(3)	(7)	(1)	(7)	(18)
Balance at December 31, 2010	$ —	$ —	$ —	$ 1	$ 1

Plant Retirements (Exelon and Generation). On December 8, 2010, in connection with the executed Administrative Consent Order (ACO) with the NJDEP, Exelon announced that Generation will permanently cease generation operations at Oyster Creek by December 31, 2019. See Note 18 for additional information regarding the closure of Oyster Creek.

On December 2, 2009, Exelon announced its intention to permanently retire three coal-fired generating units and one oil/gas-fired generating unit, effective May 31, 2011. The units to be retired are Cromby Generating Station (Cromby) Unit 1 and Unit 2 and Eddystone Generating Station (Eddystone) Unit 1 and Unit 2. These actions were in response to the economic outlook related to the continued operation of these four units. Subsequently, PJM determined that transmission reliability upgrades will be necessary to alleviate reliability impacts and that those upgrades will be completed in a manner that will permit Generation's retirement of the units on the following schedule: Cromby Unit 1 and Eddystone Unit 1 on May 31, 2011; Cromby Unit 2 on December 31, 2011; and Eddystone Unit 2 on June 1, 2012. These dates are dependent upon the completion of required transmission reliability upgrades and may be subject to further change. Generation revised the depreciable useful lives for these affected units to reflect the aforementioned anticipated deactivation dates. On June 10, 2010, Generation filed with FERC a reliability-must-run rate schedule providing the terms, conditions and cost-based rates under which Generation will continue to operate Cromby Unit 2 and Eddystone Unit 2 for reliability purposes beyond their planned May 31, 2011 deactivation date. As a result of a proposed settlement reached with FERC Staff and other intervenors on December 14, 2010 regarding the terms of the reliability-must-run rate schedule, which is subject to FERC approval, the total compensation under the reliability-must-run rate schedule would be approximately $6 million and $2 million of monthly fixed-cost recovery for Generation during the reliability-must-run period for Eddystone Unit 2 and Cromby Unit 2, respectively. In addition, Exelon Generation will be reimbursed for variable costs including fuel, emissions costs, chemicals, auxiliary power and for project investment costs during the reliability-must-run period.

Such revenue is intended to recover total expected operating costs, plus a return on net assets, of the two units during the reliability-must-run period. In connection with these retirements, Exelon will eliminate approximately 280 employee positions, the majority of which are located at the units to be retired. Total expected costs for Generation related to the announced retirements is $38 million, which includes $15 million for estimated salary continuance and health and welfare severance benefits, a $17

million write down of inventory and $6 million of shut down and other related costs. Cash payments under this plan began in January 2010 and will continue through 2013. Additionally, total expected accelerated depreciation expense is approximately $206 million.

During 2009, Generation recorded a pre-tax charge of $24 million related to the announced retirements, which included a $7 million charge for estimated salary continuance and health and welfare severance benefits, and $17 million of expense for the write down of inventory recorded within operating and maintenance expense in Exelon's and Generation's Consolidated Statements of Operations. Additionally, during 2009, Generation recorded $32 million of accelerated depreciation expense within depreciation and amortization expense in Exelon's and Generation's Consolidated Statements of Operations. During the year ended December 31, 2010, Generation recorded a net $3 million charge which is primarily due to an increase in estimated salary continuance and health and welfare severance benefits and $80 million of accelerated depreciation expense.

The following table presents the activity of severance obligations for the announced Cromby and Eddystone retirements from January 1, 2010 through December 31, 2010:

Severance Benefits Obligation	Exelon and Generation
Balance at January 1, 2009	$ —
Severance charges recorded	7
Balance at December 31, 2009	7
Severance charges recorded	4
Cash payments	(1)
Other adjustments	(3)
Balance at December 31, 2010	$ 7

15. Preferred Securities (Exelon, ComEd and PECO)

At December 31, 2010 and 2009, Exelon was authorized to issue up to 100,000,000 shares of preferred securities, none of which were outstanding.

Preferred and Preference Securities of Subsidiaries

At December 31, 2010 and 2009, ComEd prior preferred securities and ComEd cumulative preference securities consisted of 850,000 shares and 6,810,451 shares authorized, respectively, none of which were outstanding.

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At December 31, 2010 and 2009, PECO cumulative preferred securities, no par value, consisted of 15,000,000 shares authorized and the outstanding amounts set forth below. Shares of preferred securities have full voting rights, including the right to cumulate votes in the election of directors.

	Redemption Price [(a)]	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
		Shares Outstanding		Dollar Amount	
Series (without mandatory redemption)					
$4.68 (Series D)	$ 104.00	150,000	150,000	$ 15	$ 15
$4.40 (Series C)	112.50	274,720	274,720	27	27
$4.30 (Series B)	102.00	150,000	150,000	15	15
$3.80 (Series A)	106.00	300,000	300,000	30	30
Total preferred securities		874,720	874,720	$ 87	$ 87

(a) Redeemable, at the option of PECO, at the indicated dollar amounts per share, plus accrued dividends.

16. Common Stock (Exelon, Generation, ComEd and PECO)

At December 31, 2010 and 2009, Exelon's common stock without par value consisted of 2,000,000,000 shares authorized and 661,845,411 and 659,798,515 shares outstanding, respectively. At December 31, 2010 and 2009, ComEd's common stock with a $12.50 par value consisted of 250,000,000 shares authorized and 127,016,519 shares outstanding. At December 31, 2010 and 2009, PECO's common stock without par value consisted of 500,000,000 shares authorized and 170,478,507 shares outstanding.

ComEd had 75,139 and 75,294 warrants outstanding to purchase ComEd common stock as of December 31, 2010 and 2009, respectively. 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, 2010 and 2009, 25,046 and 25,098 shares of common stock, respectively, were reserved for the conversion of warrants.

Share Repurchases

Share Repurchase Programs. In April 2004, Exelon's Board of Directors approved a discretionary share repurchase program that allowed Exelon to repurchase shares of its common stock on a periodic basis in the open market. The share repurchase program was intended to mitigate, in part, the dilutive effect of shares issued under Exelon's employee stock option plan and Exelon's ESPP. The aggregate value of the shares of common stock repurchased pursuant to the program cannot exceed the economic benefit received after January 1, 2004 due to stock option exercises and share purchases pursuant to Exelon's ESPP. The economic benefit consists of the direct cash proceeds from purchases of stock and the tax benefits associated with exercises of stock options. The 2004 share repurchase program had no specified limit on the number of shares that could be repurchased and no specified termination date. Any shares repurchased are held as treasury shares, at cost, unless cancelled or reissued at the discretion of Exelon's management.

In the third quarter of 2008, Exelon's Board of Directors approved a share repurchase program for $1.5 billion of its common stock. Subsequently, Exelon management determined to defer indefinitely any share repurchases. This decision was made in light of a variety of factors, including: developments

affecting the world economy and commodity markets, including those for electricity and gas; the continued uncertainty in capital and credit markets and the potential impact of those events on Exelon's future cash needs; projected cash needs to support investment in the business, including maintenance capital and nuclear uprates; and value-added growth opportunities.

Under the share repurchase programs dating back to 2004, 34.7 million shares of common stock are held as treasury stock with a cost of $2.3 billion as of December 31, 2010. During 2010 and 2009, Exelon had no common stock repurchases.

Stock-Based Compensation Plans

Exelon grants stock-based awards through its LTIP, which primarily includes performance share awards, stock options and restricted stock units. At December 31, 2010, there were approximately 21 million shares authorized for issuance under the LTIP. During the years ended December 31, 2010, 2009 and 2008, exercised and distributed stock-based awards were primarily issued from authorized but unissued common stock shares.

As the LTIP sponsor, Exelon is the sole issuer of all stock-based compensation awards. All awards are recorded as equity or a liability in Exelon's Consolidated Balance Sheets. The stock-based compensation expense specifically attributable to the employees of Generation, ComEd and PECO is directly recorded to operating and maintenance expense within each of their respective Consolidated Statements of Operations. Stock-based compensation expense attributable to BSC employees is allocated to the Registrants using a cost-causative allocation method.

The following table presents the stock-based compensation expense included in Exelon's Consolidated Statements of Operations during the years ended December 31, 2010, 2009 and 2008:

Components of Stock-Based Compensation Expense	Year Ended December 31, 2010	2009	2008
Performance shares	$ 6	$ 31	$ 28
Stock options	10	20	24
Restricted stock units	21	26	20
Other stock-based awards	4	4	4
Total stock-based compensation included in operating and maintenance expense	41	81	76
Income tax benefit	(16)	(32)	(29)
Total after-tax stock-based compensation expense	$ 25	$ 49	$ 47

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The following table presents stock-based compensation expense (pre-tax) during the years ended December 31, 2010, 2009 and 2008:

Subsidiaries	Year Ended December 31, 2010	2009	2008
Generation	$21	$38	$38
ComEd	3	4	4
PECO	3	6	6
BSC [(a)]	14	33	28
Total	$41	$81	$76

(a) These amounts primarily represent amounts billed to Exelon's subsidiaries through intercompany allocations.

There were no significant stock-based compensation costs capitalized during the years ended December 31, 2010, 2009 and 2008.

Exelon receives a tax deduction based on the intrinsic value of the award on the exercise date for stock options and distribution date for performance share awards and restricted stock units. For each award, throughout the requisite service period, Exelon recognizes the tax benefit related to compensation costs. The tax deductions in excess of the benefits recorded throughout the requisite service period are recorded to common stock and are included in other financing activities within Exelon's Consolidated Statements of Cash Flows. The following table presents information regarding Exelon's tax benefits during the years ended December 31, 2010, 2009 and 2008:

	Year Ended December 31, 2010	2009	2008
Realized tax benefit when exercised/distributed:			
Stock options	$ 5	$ 6	$59
Restricted stock units	9	7	4
Performance share awards	13	19	27
Stock deferral plan	1	1	10
Excess tax benefits included in other financing activities of Exelon's Consolidated Statements of Cash Flows:			
Stock options	3	4	51
Restricted stock units	—	—	1
Performance share awards	—	—	2
Stock deferral plan	—	—	6

Stock Options

Non-qualified stock options to purchase shares of Exelon's common stock are granted under the LTIP. The exercise price of the stock options is equal to the fair market value of the underlying stock on the date of option grant. Stock options granted under the LTIP generally become exercisable upon a specified vesting date. The vesting period of stock options is generally four years. All stock options expire ten years from the date of grant.

The value of stock options at the date of grant is expensed over the requisite service period using the straight-line method. The requisite service period for stock options is generally four years. However, certain stock options become fully vested upon the employee reaching retirement-eligibility.

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The value of the stock options granted to retirement-eligible employees is either recognized immediately upon the date of grant or through the date at which the employee reaches retirement eligibility.

Exelon grants most of its stock options in the first quarter of each year. Stock options granted during the remaining quarters of 2010, 2009 and 2008 were not significant.

The fair value of each option is estimated on the date of grant using the Black-Scholes-Merton option-pricing model. The following table presents the weighted average assumptions used in the pricing model for grants and the resulting weighted average grant date fair value of stock options granted for the years ended December 31, 2010, 2009 and 2008:

	Year Ended December 31,		
	2010	2009	2008
Dividend yield	4.56%	3.72%	2.73%
Expected volatility	27.10%	36.70%	29.30%
Risk-free interest rate	2.96%	2.01%	3.17%
Expected life (years)	6.25	6.25	6.25
Weighted average grant date fair value (per share)	$ 8.08	$14.43	$18.36

The dividend yield is based on several factors, including Exelon's most recent dividend payment at the grant date and the average stock price over the previous year. Expected volatility is based on implied volatilities of traded stock options in Exelon's common stock and historical volatility over the estimated expected life of the stock options. The risk-free interest rate for a security with a term equal to the expected life is based on a yield curve constructed from U.S. Treasury strips at the time of grant. For each year presented, the expected life represents the period of time the stock options are expected to be outstanding and is based on the simplified method. Exelon believes that the simplified method is appropriate due to several factors that result in historical exercise data not being sufficient to determine a reasonable estimate of expected term. Exelon uses historical data to estimate employee forfeitures, which are compared to actual forfeitures on a quarterly basis and adjusted as necessary.

The following table presents information with respect to stock option activity during the year ended December 31, 2010:

	Shares	Weighted Average Exercise Price (per share)	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value
Balance of shares outstanding at December 31, 2009	11,437,541	$ 47.12		
Options granted	1,019,500	46.09		
Options exercised	(870,937)	27.92		
Options forfeited	(134,789)	56.60		
Options expired	(242,312)	48.18		
Balance of shares outstanding at December 31, 2010	11,209,003	$ 48.39	5.13	$ 30
Exercisable at December 31, 2010 [(a)]	10,266,478	$ 47.84	4.85	$ 30

(a) Includes stock options issued to retirement eligible employees.

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The following table summarizes additional information regarding stock options exercised during the years ended December 31, 2010, 2009 and 2008:

Stock Options Exercised	Year Ended December 31, 2010	2009	2008
Intrinsic value [(a)]	$13	$15	$147
Cash received for exercise price	24	20	108

(a) The difference between the market value on the date of exercise and the option exercise price.

The following table summarizes Exelon's nonvested stock option activity for the year ended December 31, 2010:

	Shares	Weighted Average Exercise Price (per share)
Nonvested at December 31, 2009 [(a)]	1,548,855	$ 60.69
Granted [(b)]	1,019,500	46.09
Vested [(b)]	(1,383,518)	56.44
Forfeited	(242,312)	48.18
Nonvested at December 31, 2010 [(a)]	942,525	$ 54.35

(a) Excludes 1,209,225 and 1,213,909 of stock options issued to retirement-eligible employees as of December 31, 2010 and December 31, 2009, respectively, as they are fully vested.
(b) Includes 506,200 of stock options issued to retirement-eligible employees in 2010 that vested immediately upon the employee reaching retirement eligibility.

As of December 31, 2010, $7 million of total unrecognized compensation costs related to nonvested stock options are expected to be recognized over the remaining weighted-average period of 2.24 years.

Restricted Stock Units

Exelon grants restricted stock units under the LTIP. The majority of Exelon's restricted stock units will be settled in common stock. In accordance with the authoritative guidance for share-based payments, the cost of services received from employees in exchange for the issuance of restricted stock units to be settled in stock is required to be measured based on the grant date fair value of the restricted stock unit issued. On a very limited basis, Exelon has granted restricted stock units to certain ComEd executives that will be settled in cash. The obligations related to these restricted stock units have been classified as liabilities on Exelon's Consolidated Balance Sheets and are remeasured each reporting period throughout the requisite service period.

The value of the restricted stock units is expensed over the requisite service period using the straight-line method. The requisite service period for restricted stock units is generally three to five years. However, certain restricted stock unit awards become fully vested upon the employee reaching retirement-eligibility. The value of the restricted stock units granted to retirement-eligible employees is

either recognized immediately upon the date of grant or through the date at which the employee reaches retirement eligibility. Exelon uses historical data to estimate employee forfeitures, which are compared to actual forfeitures on a quarterly basis and adjusted if necessary.

The following table summarizes Exelon's nonvested restricted stock unit activity for the year ended December 31, 2010:

	Shares	Weighted Average Grant Date Fair Value (per share)
Nonvested at December 31, 2009 [(a)]	927,942	$ 63.30
Granted	428,113	44.23
Vested	(375,400)	57.92
Forfeited	(50,079)	61.91
Undistributed vested awards [(b)]	(138,756)	50.10
Nonvested at December 31, 2010 [(a)]	791,820	$ 57.95

(a) Excludes 233,794, and 211,246 of restricted stock units issued to retirement-eligible employees as of December 31, 2010 and December 31, 2009, respectively, as they are fully vested.
(b) Represents restricted stock units that vested but were not distributed to retirement-eligible employees during 2010.

The weighted average grant date fair value (per share) of restricted stock units granted during the years ended December 31, 2010, 2009 and 2008 was $44.23, $56.08 and $74.83, respectively. As of December 31, 2010 and 2009, Exelon had obligations related to outstanding restricted stock units not yet settled of $38 million and $42 million, respectively, which are included in common stock in Exelon's Consolidated Balance Sheets. In addition, Exelon had obligations related to outstanding restricted stock units that will be settled in cash of $1 million at December 31, 2010 and 2009, which are included in deferred credits and other liabilities in Exelon's Consolidated Balance Sheets. During the years ended December 31, 2010, 2009 and 2008, Exelon settled restricted stock units with fair value totaling $22 million, $17 million and $10 million, respectively. As of December 31, 2010, $19 million of total unrecognized compensation costs related to nonvested restricted stock units are expected to be recognized over the remaining weighted-average period of 2.07 years.

Performance Share Awards

Exelon grants performance share awards under the LTIP. The number of performance shares granted is determined based on the performance of Exelon's common stock relative to certain stock market indices during the three-year period through the end of the year of grant. These performance share awards generally vest and settle over a three-year period. The holders of performance share awards receive shares of common stock and/or cash annually during the vesting period. Participants are eligible for partial or full distributions in cash if they meet certain stock ownership requirements.

Performance share awards to be settled in stock are recorded as common stock within the Consolidated Balance Sheets and are recorded at fair value at the date of grant. The grant date fair value of equity classified performance share awards granted during the year ended December 31, 2010 was estimated using historical data for the previous two plan years and a Monte Carlo simulation model for the current plan year. This model requires assumptions regarding Exelon's total shareholder return relative to certain stock market indices and the stock beta and volatility of Exelon's common stock and all stocks represented in these indices. Volatility for Exelon and all comparable companies is based on historical volatility over one year using daily stock price observation. Performance share

awards expected to be settled in cash are recorded as liabilities within the Consolidated Balance Sheets. The grant date fair value of liability classified performance share awards granted during the year ended December 31, 2010 was based on historical data for the previous two plan years and actual results for the current plan year. The liabilities are remeasured each reporting period throughout the requisite service period and as a result, the compensation costs for cash-settled awards are subject to volatility.

For non retirement-eligible employees, stock-based compensation costs are recognized over the vesting period of three years using the graded-vesting method, a method in which the compensation cost is recognized over the requisite service period for each separately vesting tranche of the award as though the award were multiple awards. For performance shares granted to retirement-eligible employees, the value of the performance shares is recognized ratably over the vesting period which is the year of grant.

The following table summarizes Exelon's nonvested performance share awards activity for the year ended December 31, 2010:

	Shares	Weighted Average Grant Date Fair Value (per share)
Nonvested at December 31, 2009 (a)	630,258	$ 64.20
Granted	31,587	60.82
Vested	(374,583)	64.26
Forfeited	(3,653)	63.06
Undistributed vested awards (b)	(68,786)	64.47
Nonvested at December 31, 2010 (a)	214,823	$ 63.51

(a) Excludes 234,419 and 551,558 of performance share awards issued to retirement-eligible employees as of December 31, 2010 and December 31, 2009, respectively, as they are fully vested.
(b) Represents performance share awards that vested but were not distributed to retirement-eligible employees during 2010.

The weighted average grant date fair value (per share) of performance share awards granted during the years ended December 31, 2010, 2009 and 2008 was $60.82, $57.34 and $72.89, respectively. During the years ended December 31, 2010, 2009 and 2008, Exelon settled performance shares with a fair value totaling $32 million, $47 million and $69 million, respectively, of which $20 million, $30 million and $44 million was paid in cash, respectively. As of December 31, 2010, $2 million of total unrecognized compensation costs related to nonvested performance shares are expected to be recognized over the remaining weighted-average period of 1.3 years.

The following table presents the balance sheet classification of obligations related to outstanding performance share awards not yet settled:

Obligation Related to Outstanding Performance Share Awards	As of December 31, 2010	As of December 31, 2009
Current liabilities (a)	$ 9	$ 20
Deferred credits and other liabilities (b)	4	14
Common stock	16	26
Total	$ 29	$ 60

(a) Represents the current liability related to performance share awards expected to be settled in cash.
(b) Represents the long-term liability related to performance share awards expected to be settled in cash.

17. Earnings Per Share and Equity (Exelon)

Earnings per Share

Diluted earnings per share is calculated by dividing net income by the weighted average number of shares of common stock outstanding, including shares to be issued upon exercise of stock options, performance share awards and restricted stock outstanding under Exelon's LTIPs considered to be common stock equivalents. The following table sets forth the components of basic and diluted earnings per share and shows the effect of these stock options, performance share awards and restricted stock on the weighted average number of shares outstanding used in calculating diluted earnings per share:

	2010	2009	2008
Income from continuing operations	$2,563	$2,707	$2,717
Income from discontinued operations	—	—	20
Net income	$2,563	$2,707	$2,737
Average common shares outstanding—basic	661	659	658
Assumed exercise and/or distributions of stock-based awards	2	3	4
Average common shares outstanding—diluted	663	662	662

The number of stock options not included in the calculation of diluted common shares outstanding due to their antidilutive effect was approximately 8 million in 2010, 5 million in 2009 and less than 1 million in 2008.

18. Commitments and Contingencies (Exelon, Generation, ComEd and PECO)

Nuclear Insurance

The Price-Anderson Act was enacted to ensure the availability of funds for public liability claims arising from an incident at any of the U.S. licensed nuclear facilities and also to limit the liability of nuclear reactor owners for such claims from any single incident. As of December 31, 2010, the current liability limit per incident was $12.6 billion and is subject to change to account for the effects of inflation and changes in the number of licensed reactors. An inflation adjustment must be made at least once every 5 years and the last inflation adjustment was made effective October 29, 2008. In accordance with the Price-Anderson Act, Generation maintains financial protection at levels equal to the amount of liability insurance available from private sources through the purchase of private nuclear energy liability insurance for public liability claims that could arise in the event of an incident. As of January 1, 2011, the amount of nuclear energy liability insurance purchased is $375 million for each operating site. Additionally, the Price-Anderson Act requires a second layer of protection through the mandatory participation in a retrospective rating plan for power reactors (currently 104 reactors) resulting in an additional $12.2 billion in funds available for public liability claims. Participation in this secondary financial protection pool requires the operator of each reactor to fund its proportionate share of costs for any single incident that exceeds the primary layer of financial protection. Under the Price-Anderson Act, the maximum assessment in the event of an incident for each nuclear operator, per reactor, per incident (including a 5% surcharge), is $117.5 million, payable at no more than $17.5 million per reactor per incident per year. Exelon's maximum liability per incident is approximately $2.0 billion. In addition, the U.S. Congress could impose revenue-raising measures on the nuclear industry to pay public liability claims exceeding the $12.6 billion limit for a single incident.

Generation is required each year to report to the NRC the current levels and sources of insurance that demonstrates Generation possesses sufficient financial resources to stabilize and decontaminate a reactor and reactor station site in the event of an accident. The insurance maintained for each facility is currently provided through insurance policies purchased from Nuclear Electric Insurance Limited (NEIL), an industry mutual insurance company of which Generation is a member.

NEIL may declare distributions to its members as a result of favorable operating experience. In recent years NEIL has made distributions to its members, but Generation cannot predict the level of future distributions or if they will continue at all. NEIL declared a distribution for 2010, of which Generation's portion was $20 million. The distribution was recorded as a reduction to operating and maintenance expense within Exelon and Generation's Consolidated Statements of Operations and Comprehensive Income. Premiums paid to NEIL by its members are subject to assessment (the retrospective premium obligation) for adverse loss experience. NEIL has never exercised this assessment since its formation in 1973, and while Generation cannot predict the level of future assessments, or if they will be imposed at all, the current maximum aggregate annual retrospective premium obligation for Generation is approximately $212 million.

NEIL provides property damage, decontamination and premature decommissioning insurance for each station for losses resulting from damage to its nuclear plants, either due to accidents or acts of terrorism. Generation's current limit for this coverage is $2.1 billion. For property limits in excess of the first $1.25 billion of that limit, Generation participates in an $850 million single limit blanket policy shared by all the Generation operating nuclear sites and the Salem and Hope Creek nuclear sites. This blanket limit is not subject to automatic reinstatement in the event of a loss. 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 Generation is required by the NRC to maintain, to provide for decommissioning the facility. Generation is unable to predict the timing of the availability of insurance proceeds to Generation and the amount of such proceeds that would be available. Under the terms of the various insurance agreements, Generation could be assessed up to $168 million per year for losses incurred at any plant insured by the insurance company (the retrospective premium obligation). In the event that one or more acts of terrorism cause accidental property damage within a twelve-month period from the first accidental property damage under one or more policies for all insured plants, the maximum recovery for all losses by all insureds will be an aggregate of $3.2 billion plus such additional amounts as the insurer may recover for all such losses from reinsurance, indemnity and any other source, applicable to such losses. The $3.2 billion maximum recovery limit is not applicable, however, in the event of a "certified act of terrorism" as defined in the Terrorism Risk Insurance Act of 2002, as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2007. The Terrorism Risk Insurance Act expires on December 31, 2014.

Additionally, NEIL provides replacement power cost insurance in the event of a major accidental outage at an insured nuclear station. The premium for this coverage is subject to assessment for adverse loss experience. Generation's maximum share of any assessment is $44 million per year (the retrospective premium obligation). Recovery under this insurance for terrorist acts is subject to the $3.2 billion aggregate limit and secondary to the property insurance described above. This limit would not apply in cases of certified acts of terrorism under the Terrorism Risk Insurance Act of 2002, as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2007, as described above.

Effective April 1, 2009, NEIL requires its members to maintain an investment grade credit rating or to ensure collectability of their annual retrospective premium obligation by providing a financial guarantee, letter of credit, deposit premium, or some other means of assurance.

In addition, Generation participates in the 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 policy.

For its insured losses, Generation is self-insured to the extent that losses are within the policy deductible or exceed the amount of insurance maintained. Uninsured losses and other expenses, to the extent not recoverable from insurers or the nuclear industry, could also be borne by Generation. Any such losses could have a material adverse effect on Exelon's and Generation's financial condition, results of operations and liquidity.

Spent Nuclear Fuel Obligation

Under the NWPA, the DOE is responsible for the development of a geologic repository for and the disposal of SNF and high-level radioactive waste. As required by the NWPA, Generation is a party to contracts with the DOE (Standard Contracts) to provide for disposal of SNF from Generation's nuclear generating stations. In accordance with the NWPA and the Standard Contracts, Generation pays the DOE one mill ($.001) per kWh of net nuclear generation for the cost of SNF disposal. This fee may be adjusted prospectively in order to ensure full cost recovery. The NWPA and the Standard Contracts required the DOE to begin taking possession of SNF generated by nuclear generating units by no later than January 31, 1998. The DOE, however, failed to meet that deadline and its performance will be delayed significantly. In January 2009, the DOE issued its Draft National Transportation Plan for the proposed repository. The DOE's press statement accompanying the release of the plan indicated that shipments to the repository are not expected to begin before 2020.

The 2010 Federal budget (which became effective October 1, 2009) eliminated almost all funding for the creation of the Yucca Mountain repository while the Obama administration devises a new strategy for long-term SNF management. Debate surrounding any new strategy likely will address centralized interim storage, permanent storage at multiple sites and/or SNF reprocessing. In early 2010, Secretary of Energy Steven Chu appointed the Blue Ribbon Commission on America's Nuclear Future to evaluate and recommend a new plan for managing the back end of the nuclear fuel cycle, including used fuel storage, disposal and fees. John W. Rowe, Exelon's Chairman and Chief Executive Officer, is one of 15 members of the Commission, which is expected to issue a draft report in July 2011.

Given the program's history of funding restrictions, it is likely that shipments to the repository will not begin by 2020. Significant delays in choosing and developing a repository site are expected. Because there is no particular date after 2020 that Generation can establish as having a higher probability as the start date for facility operations, Generation uses the 2020 date as the assumed date for when the DOE will begin accepting SNF for purposes of determining nuclear decommissioning asset retirement obligations. The extended delay in SNF acceptance by the DOE has led to Generation's adoption of dry cask storage at its Dresden, Limerick, Oyster Creek, Peach Bottom, Byron, Braidwood, LaSalle and Quad Cities stations. Generation performed sensitivity analyses assuming that the estimated date for the DOE acceptance of SNF was delayed to 2025 and to 2035 and determined that Generation's aggregate nuclear ARO would be reduced by an immaterial amount

in each scenario. In August 2004, Generation and the U.S. DOJ, in close consultation with the DOE, reached a settlement under which the government agreed to reimburse Generation for costs associated with storage of SNF at Generation's nuclear stations pending the DOE's fulfillment of its obligations. Generation submits annual reimbursement requests to the DOE for costs associated with the storage of SNF. In all cases, reimbursement requests are made only after costs are incurred and only for costs resulting from DOE delays in accepting the SNF.

Under the agreement, Generation has received cash reimbursements for costs incurred through April 30, 2010, totaling approximately $461 million ($377 million after considering amounts due to co-owners of certain nuclear stations and to the former owner of Oyster Creek). As of December 31, 2010, the amount of SNF storage costs for which reimbursement will be requested from the DOE under the settlement agreement is $84 million, which is recorded within accounts receivable, other. Of this amount, $4 million represents amounts owed to the co-owners of the Peach Bottom and Quad Cities generating facilities.

The Standard Contracts with the DOE also required the payment to the DOE of a one-time fee applicable to nuclear generation through April 6, 1983. The fee related to the former PECO units has been paid. Pursuant to the Standard Contracts, ComEd previously elected to defer payment of the one-time fee of $277 million for its units (which are now part of Generation), with interest to the date of payment, until just prior to the first delivery of SNF to the DOE. As of December 31, 2010, the unfunded SNF liability for the one-time fee with interest was $1,018 million. Interest accrues at the 13-week Treasury Rate. The 13-week Treasury Rate in effect, for calculation of the interest accrual at December 31, 2010, was 0.127%. The liabilities for SNF disposal costs, including the one-time fee, were transferred to Generation as part of the 2001 corporate restructuring. The outstanding one-time fee obligations for the Oyster Creek and TMI units remain with the former owners. Clinton has no outstanding obligation. See Note 8—Fair Value of Assets and Liabilities for additional information.

Energy Commitments

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 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. Generation has also contracted for access to additional generation through bilateral long-term PPAs. These agreements are firm commitments related to power generation of specific generation plants and/or are dispatchable in nature. Several of Generation's long-term PPAs, which have been determined to be operating leases, have significant contingent rental payments that are dependent on the future operating characteristics of the associated plants, such as plant availability. Generation recognizes contingent rental expense when it becomes probable of payment. Generation enters into PPAs with the objective of obtaining low-cost energy supply sources to meet its physical delivery obligations to its customers. Generation 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 primary 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. Generation primarily uses financial contracts in its wholesale marketing activities for hedging purposes. Generation also uses financial contracts to manage the risk surrounding trading for profit activities.

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 rights for firm transmission.

At December 31, 2010, Generation's short- and long-term commitments, relating to the purchase from and sale to unaffiliated utilities and others of energy, capacity and transmission rights, are as indicated in the following tables:

	Net Capacity Purchases (a)	Power Only Purchases (b)	Power Only Sales	Transmission Rights Purchases (c)
2011	$ 291	$ 60	$ 1,632	$ 9
2012	274	17	758	9
2013	151	—	314	6
2014	147	—	149	—
2015	141	—	150	—
Thereafter	940	—	670	—
Total	$ 1,944	$ 77	$ 3,673	$ 24

(a) Net capacity purchases include PPAs and other capacity contracts that are accounted for as operating leases. Amounts presented in the commitments represent Generation's expected payments under these arrangements at December 31, 2010. Expected payments include certain capacity charges which are contingent on plant availability.
(b) Excludes renewable energy PPA contracts that are contingent in nature.
(c) Transmission rights purchases include estimated commitments for additional transmission rights that will be required to fulfill firm sales contracts.

Pursuant to a PPA with Public Service Company of Oklahoma, a subsidiary of American Electric Power, dated as of April 17, 2009, Generation agreed to sell its rights to up to 520 MW, or approximately two-thirds of the capacity, energy and ancillary services supplied under its existing long-term contract with Green Country Energy, LLC. The delivery of power under the PPA is to commence June 1, 2012 and run through February 28, 2022.

On December 17, 2009, Generation entered into a PPA with Entergy Texas, Inc. (ETI) to sell 150 MWs through April 30, 2011 and 300 MWs thereafter of capacity and energy from the Frontier Generating Station located in Grimes County, Texas. The approximate ten year PPA is not included within the Net Capacity table above because it is contingent upon ETI waiving or obtaining regulatory approvals, which has not yet occurred.

ComEd purchases its expected energy requirements through an ICC approved competitive bidding process administered by the IPA, existing ICC approved RFPs and SFCs, and spot market purchases hedged with a financial swap contract with Generation expiring in 2013. See Note 2—Regulatory Matters for further information.

PECO's long-term PPA with Generation under which PECO obtained all of its electric supply from Generation over the past 12 years expired on December 31, 2010. During 2009 and 2010, PECO entered into procurement contracts through a competitive procurement process in order to meet a portion of its customers' electric supply requirements for 2011 through 2015. As of December 31, 2010, the 2011 expected energy requirements for all customer classes have been substantially procured. PECO will conduct five additional competitive procurements over the remaining term of their DSP Program. See Note 2—Regulatory Matters for further information.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

ComEd and PECO are also subject to requirements established by the Illinois Settlement Legislation and the AEPS Act, respectively, related to the use of alternative energy resources. See Note 2—Regulatory Matters for additional information relating to electric generation procurement and alternative energy resources.

ComEd's and PECO's electric supply procurement, REC and AEC purchase commitments as of December 31, 2010 are as follows:

		Expiration within					
	Total	2011	2012	2013	2014	2015	2016 and beyond
ComEd							
Electric supply procurement	$ 252	$ 237	$ 15	$—	$—	$—	$ —
RECs	$ 4	$ 4	$—	$—	$—	$—	$ —
Long-term renewable energy and associated RECs [(a)]	$1,692	$ —	$ 36	$ 70	$ 72	$ 78	$ 1,436
PECO							
Electric supply procurement	$2,746	$1,726	$825	$146	$ 25	$ 24	$ —
AECs	$ 49	$ 13	$ 11	$ 7	$ 6	$ 2	$ 10

(a) On December 17, 2010, ComEd entered into 20-year contracts with several unaffiliated suppliers regarding the procurement of long-term renewable energy and associated RECs. See Note 2 of Combined Notes to Consolidated Financial Statements for additional information.

Fuel Purchase Obligations

In addition to the energy commitments described above, Generation has commitments to purchase fuel supplies for nuclear and fossil generation (and with respect to coal, commitments to sell coal) and PECO has commitments to purchase natural gas, related transportation, storage capacity and services to serve customers in their gas distribution service territory. As of December 31, 2010, these net commitments were as follows:

		Expiration within					
	Total	2011	2012	2013	2014	2015	2016 and beyond
Generation	$ 9,470	$ 1,281	$ 1,092	$ 1,063	$ 996	$ 1,103	$ 3,935
PECO	571	158	92	84	72	52	113

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Commercial Commitments

Exelon's commercial commitments as of December 31, 2010, representing commitments potentially triggered by future events, were as follows:

		Expiration within					
	Total	2011	2012	2013	2014	2015	2016 and beyond
Letters of credit (non-debt) [a]	$ 280	$275	$ 5	$—	$—	$—	$ —
Letters of credit (long-term debt)—interest coverage [b]	3	3	—	—	—	—	—
Surety bonds [c]	72	8	—	—	—	1	63
Performance guarantees [d]	518	—	—	95	200	—	223
Energy marketing contract guarantees [e]	157	111	15	—	—	—	31
Nuclear insurance premiums [f]	2,210	—	—	—	—	—	2,210
Lease guarantees [g]	61	—	1	5	—	—	55
2007 City of Chicago Settlement [h]	3	1	2	—	—	—	—
Midwest Generation Capacity Reservation Agreement guarantee [i]	6	4	2	—	—	—	—
Total commercial commitments	$3,310	$402	$ 25	$100	$200	$ 1	$ 2,582

(a) Letters of credit (non-debt)—Exelon and certain of its subsidiaries maintain non-debt letters of credit to provide credit support for certain transactions as requested by third parties. As of December 31, 2010, guarantees of $1 million have been issued to provide support for certain letters of credit as required by third parties.
(b) Letters of credit (long-term debt) interest coverage—Reflects the interest coverage portion of letters of credit supporting floating-rate pollution control bonds. The principal amounts of the floating-rate pollution control bonds of $191 million at ComEd are reflected in long-term debt in Exelon's Consolidated Balance Sheet.
(c) Surety bonds—Guarantees issued related to contract and commercial agreements, excluding bid bonds.
(d) Performance guarantees—Guarantees issued to ensure performance under specific contracts.
(e) Energy marketing contract guarantees—Guarantees issued to ensure performance under energy commodity contracts.
(f) Nuclear insurance premiums—Represents the maximum amount that Generation would be required to pay for retrospective premiums in the event of nuclear disaster at any domestic site under the Secondary Financial Protection pool as required under the Price-Anderson Act as well as the current aggregate annual retrospective premium obligation that could be imposed by NEIL. See the Nuclear Insurance section within this note for additional details on Generation's nuclear insurance premiums.
(g) Lease guarantees—Guarantees issued to ensure payments on building leases.
(h) 2007 City of Chicago Settlement—In December 2007, ComEd entered into an agreement with the City of Chicago. Under the terms of the agreement, ComEd will pay $55 million over six years, of which $52 million was paid through December 31, 2010.
(i) Midwest Generation Capacity Reservation Agreement guarantee—In connection with ComEd's agreement with the City of Chicago entered into on February 20, 2003, Midwest Generation assumed from the City of Chicago a Capacity Reservation Agreement that the City of Chicago had entered into with Calumet Energy Team, LLC. ComEd has agreed to reimburse the City of Chicago for any nonperformance by Midwest Generation under the Capacity Reservation Agreement.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

Generation's commercial commitments as of December 31, 2010, representing commitments potentially triggered by future events, were as follows:

		Expiration within					
	Total	2011	2012	2013	2014	2015	2016 and beyond
Letters of credit (non-debt) [(a)]	$ 225	$225	$—	$—	$—	$—	$ —
Surety bonds [(b)]	3	—	—	—	—	—	3
Performance guarantees [(c)]	299	—	—	95	200	—	4
Energy marketing contract guarantees [(d)]	157	111	15	—	—	—	31
Nuclear insurance premiums [(e)]	2,210	—	—	—	—	—	2,210
Total commercial commitments	$2,894	$336	$ 15	$ 95	$200	$—	$ 2,248

(a) Letters of credit (non-debt)—Non-debt letters of credit maintained to provide credit support for certain transactions as requested by third parties. Guarantees of $1 million have been issued to provide support for certain letters of credit as required by third parties.
(b) Surety bonds—Guarantees issued related to contract and commercial agreements, excluding bid bonds.
(c) Performance guarantees—Guarantees issued to ensure performance under specific contracts.
(d) Energy marketing contract guarantees—Guarantees issued to ensure performance under energy commodity contracts.
(e) Nuclear insurance premiums—Represents the maximum amount that Generation would be required to pay for retrospective premiums in the event of nuclear disaster at any domestic site under the Secondary Financial Protection pool as required under the Price-Anderson Act as well as the current aggregate annual retrospective premium obligation that could be imposed by NEIL. See Nuclear Insurance section within this note for additional details on Generation's nuclear insurance premiums.

ComEd's commercial commitments as of December 31, 2010, representing commitments potentially triggered by future events, were as follows:

		Expiration within					
	Total	2011	2012	2013	2014	2015	2016 and beyond
Letters of credit (non-debt) [(a)]	$27	$27	$—	$—	$—	$—	$ —
Letters of credit (long-term debt)—interest coverage [(b)]	3	3	—	—	—	—	—
2007 City of Chicago Settlement [(c)]	3	1	2	—	—	—	—
Midwest Generation Capacity Reservation Agreement guarantee [(d)]	6	4	2	—	—	—	—
Surety bonds [(e)]	4	4	—	—	—	—	—
Total commercial commitments	$43	$39	$ 4	$—	$—	$—	$ —

(a) Letters of credit (non-debt)—ComEd maintains non-debt letters of credit to provide credit support for certain transactions as requested by third parties.
(b) Letters of credit (long-term debt)—interest coverage—Reflects the interest coverage portion of letters of credit supporting floating-rate pollution control bonds. The principal amount of the floating-rate pollution control bonds of $191 million is reflected in long-term debt in ComEd's Consolidated Balance Sheet.
(c) 2007 City of Chicago Settlement—In December 2007, ComEd entered into an agreement with the City of Chicago. Under the terms of the agreement, ComEd will pay $55 million over six years, of which $52 million was paid through December 31, 2010.
(d) Midwest Generation Capacity Reservation Agreement guarantee—In connection with ComEd's agreement with the City of Chicago entered into on February 20, 2003, Midwest Generation assumed from the City of Chicago a Capacity Reservation Agreement that the City of Chicago had entered into with Calumet Energy Team, LLC. ComEd has agreed to reimburse the City of Chicago for any nonperformance by Midwest Generation under the Capacity Reservation Agreement.
(e) Surety bonds—Guarantees issued related to contract and commercial agreements, excluding bid bonds.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

PECO's commercial commitments as of December 31, 2010, representing commitments potentially triggered by future events, were as follows:

		Expiration within					
	Total	2011	2012	2013	2014	2015	2016 and beyond
Letters of credit (non-debt) [(a)]	$21	$21	$—	$—	$—	$—	$ —
Surety bonds [(b)]	3	3	—	—	—	—	—
Total commercial commitments	$24	$24	$—	$—	$—	$—	$ —

(a) Letters of credit (non-debt)—PECO maintains non-debt letters of credit to provide credit support for certain transactions as requested by third parties.
(b) Surety bonds—Guarantees issued related to contract and commercial agreements, excluding bid bonds.

Construction Commitments

Under their operating agreements with PJM, ComEd and PECO are committed to construct transmission facilities to maintain system reliability. ComEd and PECO will work with PJM to continue to evaluate the scope and timing of any required construction projects. ComEd's and PECO's estimated commitments are as follows:

	Total	2011	2012	2013	2014	2015
ComEd	$274	$18	$60	$127	$43	$26
PECO	106	43	28	28	4	3

Leases

Minimum future operating lease payments, including lease payments for vehicles, real estate, computers, rail cars, operating equipment and office equipment, as of December 31, 2010 were:

	Exelon	Generation	ComEd [(b)]	PECO [(b)]
2011	$ 64	$ 28	$ 16	$ 14
2012	63	27	15	14
2013	56	25	13	14
2014	53	25	11	13
2015	42	25	10	3
Remaining years	400	296	68	—
Total minimum future lease payments	$ 678[(a)]	$ 426[(a)]	$ 133	$ 58

(a) Excludes Generation's PPAs and other capacity contracts that are accounted for as contingent operating lease payments.
(b) Amounts related to certain real estate leases and railroad licenses effectively have indefinite payment periods. As a result, ComEd and PECO have excluded these payments from the Remaining years, as such amounts would not be meaningful. ComEd's and PECO's annual obligation for these agreements, included in each of the years 2011-2013, was $2 million and $2 million, and in each of the years 2014-2015 was $2 million and $3 million, respectively.

The Registrants' rental expense under operating leases was as follows:

	Exelon	Generation [(a)]	ComEd	PECO
2010	$ 722	$ 665	$ 19	$ 31
2009	691	637	21	27
2008	867	817	23	27

(a) Includes Generation's PPAs and other capacity contracts that are accounted for as operating leases and are reflected as net capacity purchases in the energy commitments table above. These agreements are considered contingent operating lease payments and are not included in the minimum future operating lease payments table above. Payments made under Generation's PPAs and other capacity contracts totaled $641 million, $616 million and $787 million during 2010, 2009 and 2008, respectively.

For information regarding capital lease obligations, see Note 10—Debt and Credit Agreements.

Indemnifications Related to Sithe (Exelon and Generation)

On January 31, 2005, subsidiaries of Generation completed a series of transactions that resulted in Generation's sale of its investment in Sithe. Specifically, subsidiaries of Generation consummated the acquisition of Reservoir Capital Group's 50% interest in Sithe and subsequently sold 100% of Sithe to Dynegy, Inc. (Dynegy).

In connection with the sale, Generation recorded liabilities related to certain indemnifications provided to Dynegy and other guarantees directly resulting from the transaction. Any activity related to Sithe recorded in Exelon's Consolidated Statement of Operations is recorded as discontinued operations. During 2008, Generation reduced its guarantee liabilities and recognized $38 million of income in discontinued operations related to the expiration of tax indemnifications. As of December 31, 2010, Generation had $6 million in recorded guarantee obligations remaining. The estimated maximum possible exposure to Exelon related to the guarantees provided as part of the sales transaction to Dynegy was approximately $200 million at December 31, 2010.

Indemnifications Related to Sale of TEG and TEP (Exelon and Generation)

On February 9, 2007, Tamuin International Inc. (TII), a wholly owned subsidiary of Generation, sold its 49.5% ownership interests in TEG and TEP to a subsidiary of AES Corporation for $95 million in cash plus certain purchase price adjustments. In connection with the transaction, Generation entered into a guarantee agreement under which Generation guarantees the timely payment of TII's obligations to the subsidiary of AES Corporation pursuant to the terms of the purchase and sale agreement relating to the sale of TII's ownership interests. Generation would be required to perform in the event that TII does not pay any obligation covered by the guarantee that is not otherwise subject to a dispute resolution process. Generation's maximum obligation under the guarantee is $95 million. Generation has not recorded a liability associated with this guarantee. The exposures covered by this guarantee expired in part during 2008. Generation expects that the remaining exposure will expire by 2014.

Environmental Issues

General. The Registrants' operations have in the past and may in the future require substantial expenditures in order to comply with environmental laws. Additionally, under Federal and state environmental laws, the Registrants are generally liable for the costs of remediating environmental contamination of property now or formerly owned by them and of property contaminated by hazardous substances generated by them. The Registrants own or lease a number of real estate parcels, including parcels on which their operations or the operations of others may have resulted in contamination by substances that are considered hazardous under environmental laws. In addition, the Registrants are 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.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

ComEd and PECO have identified 42 and 27 sites, respectively, where former MGP activities have or may have resulted in actual site contamination. For almost all of these sites, ComEd or PECO is one of several PRPs that may be responsible for ultimate remediation of each location. Of the 42 sites identified by ComEd, the Illinois EPA or U.S. EPA have approved the cleanup of 12 sites and of the 27 sites identified by PECO, the PA DEP has approved the cleanup of 16 sites. Of the remaining sites identified by ComEd and PECO, 24 and 9 sites, respectively, are currently under some degree of active study and/or remediation. ComEd and PECO anticipate that the majority of the remediation at these sites will continue through at least 2015 and 2018, respectively.

In January 2008, ComEd and Nicor Gas Company, a subsidiary of Nicor Inc. (Nicor), reached a settlement agreement on the allocation of costs for the 38 former MGP sites for which ComEd or Nicor, or both, have responsibility. This agreement was approved by the ICC on June 9, 2009. The approval of the settlement by the ICC did not have an impact on ComEd's cash flows or results of operations.

During the third quarter of 2010, ComEd and PECO each completed an annual study of their future estimated MGP remediation requirements. The results of these studies indicated that additional remediation would be required at certain sites; accordingly, ComEd and PECO increased their reserves and regulatory assets by $13 million and $2 million, respectively. Pursuant to orders from the ICC and PAPUC, respectively, ComEd and PECO are authorized to and are currently recovering environmental costs for the remediation of former MGP facility sites from customers, for which they have recorded regulatory assets. PECO's 2010 approved natural gas distribution rate case settlement increased the annual MGP recovery to be collected from customers beginning January 2011. See Note 2—Regulatory Matters for additional information.

As of December 31, 2010 and 2009, the Registrants have accrued the following undiscounted amounts for environmental liabilities in other deferred credits and other liabilities within their Consolidated Balance Sheets:

December 31, 2010	Total environmental investigation and remediation reserve	Portion of total related to MGP investigation and remediation
Exelon	$ 179	$ 156
Generation	15	—
ComEd	120	114
PECO	44	42

December 31, 2009	Total environmental investigation and remediation reserve	Portion of total related to MGP investigation and remediation
Exelon	$ 175	$ 149
Generation	17	—
ComEd	113	107
PECO	45	42

The Registrants cannot reasonably estimate whether they will incur other significant liabilities for additional investigation and remediation costs at these or additional sites identified by the Registrants, environmental agencies or others, or whether such costs will be recoverable from third parties, including customers.

Section 316(b) of the Clean Water Act. In July 2004, the U.S. EPA issued the final Phase II rule implementing Section 316(b) of the Clean Water Act. The Clean Water Act requires that the cooling

water intake structures at electric power plants reflect the best technology available to minimize adverse environmental impacts. The Phase II rule provided each facility with a number of compliance options and permitted site-specific variances based on a cost-benefit analysis. The requirements were intended to be implemented through state-level NPDES permit programs. All of Generation's power generation facilities with cooling water systems are subject to the regulations. Facilities without closed-cycle recirculating systems (e.g., cooling towers) are potentially most affected. Those facilities are Clinton, Cromby, Dresden, Eddystone, Fairless Hills, Handley, Mountain Creek, Oyster Creek, Peach Bottom, Quad Cities, Salem and Schuylkill.

In a 2007 decision, the U.S. Second Circuit Court of Appeals remanded the Phase II rule back to the U.S. EPA for revisions. The court found that with respect to a number of significant provisions of the rule the EPA exceeded its authority under the Clean Water Act, failed to adequately set forth its rationale for the rule, or failed to follow required procedures for public notice and comment. By its action, the court invalidated compliance measures which were supported by the utility industry because they were cost-effective and provided existing plants with needed flexibility in selecting the compliance option appropriate to its location and operations. On July 9, 2007, the EPA formally suspended the Phase II rule.

In April 2009, the U.S. Supreme Court reversed the decision of the U.S. Second Circuit Court of Appeals in one respect, and determined that the EPA could use a cost-benefit analysis under Section 316(b) to determine the best technology available for minimizing adverse environmental impact at cooling water intake structures. The U.S. EPA is considering the rule on remand and will take further action consistent with the opinions of the Supreme Court and the Court of Appeals, including whether to exercise its discretion to retain or modify the cost-benefit rule as it appeared in the initial regulation. In November 2010, the EPA reached a settlement with the plaintiffs in the Section 316(b) litigation that requires the EPA to issue a proposed rule by March 14, 2011, and to publish a final rule by July 27, 2012. Until then, the state permitting agencies will continue the current practice of applying their best professional judgment to address impingement and entrainment requirements at plant cooling water intake structures. The Courts' opinions have created uncertainty about the specific nature, scope and timing of the final compliance requirements.

On January 7, 2010, the NJDEP issued a draft NPDES permit for Oyster Creek that would have required, in the exercise of its best professional judgment, the installation of cooling towers as the best technology available within seven years after the effective date of the permit. On December 8, 2010, Exelon announced that Generation will permanently cease generation operations at Oyster Creek by December 31, 2019. The current NRC license for Oyster Creek expires in 2029. In reliance upon Exelon's determination to cease generation operations no later than December 31, 2019, the NJDEP determined that closed cycle cooling is not the best technology available for Oyster Creek given the length of time that would be required to retrofit from the existing once-through cooling system to a closed-cycle cooling system and the limited life span of the plant after installation of a closed-cycle cooling system. Based on its consideration of these and other factors, in its best professional judgment, NJDEP determined that the existing measures at the plant represent the best technology available for the facility's cooling water intake system.

On December 9, 2010, Generation executed an Administrative Consent Order (ACO) with the NJDEP regarding Oyster Creek. The ACO sets forth, among other things, the agreement by Generation to permanently cease generation operations at Oyster Creek if the conditions of the ACO are satisfied. In the ACO, the NJDEP agreed to issue a new draft NPDES permit without a requirement for construction of cooling towers or other closed cycle cooling facilities. It is expected that a draft

NPDES permit will be issued and will become final and effective sometime in 2011. The ACO applies only to Oyster Creek based on its unique circumstances and does not set any precedent for the ultimate compliance requirements for Section 316(b) at Exelon's other plants.

As a result of the decision and the ACO, the expected economic useful life of Oyster Creek has been reduced. The financial impacts, which are not expected to be material to Generation's results of operations, will relate primarily to accelerated depreciation and accretion expense associated with the changes in decommissioning assumptions related to Generation's asset retirement obligation over the remaining expected economic useful life of Oyster Creek. As a result of the announcement to close Oyster Creek by 2019, Generation's operating expenses increased by $7 million (pre-tax) in 2010 and are estimated to increase approximately $25-$30 million (pre-tax) in each of the years 2011 through 2015. The impacts to Generation's operating expenses in years 2016 through 2019 will be dependent on future capital spending at Oyster Creek. Generation will also make employee retention payments of approximately $20 million in 2011 that are expected to increase operating expenses by approximately $4 million (pre-tax) in each of the years 2011 through 2015.

In June 2001, the NJDEP issued a renewed NPDES permit for Salem, allowing for the continued operation of Salem with its existing cooling water system. NJDEP advised PSEG in July 2004 that it strongly recommended reducing cooling water intake flow commensurate with closed-cycle cooling as a compliance option for Salem. PSEG submitted an application for a renewal of the permit on February 1, 2006. In the permit renewal application, PSEG analyzed closed-cycle cooling and other options and demonstrated that the continuation of the Estuary Enhancement Program, an extensive environmental restoration program at Salem, is the best technology to meet the Section 316(b) requirements. PSEG continues to operate Salem under the approved June 2001 NPDES permit while the NPDES permit renewal application is being reviewed. If the final permit or Section 316(b) regulations ultimately requires the retrofitting of Salem's cooling water intake structure to reduce cooling water intake flow commensurate with closed-cycle cooling, Exelon's and Generation's share of the total cost of the retrofit and any resulting interim replacement power would likely be in excess of $500 million, based on a 2006 estimate, and would result in increased depreciation expense related to the retrofit investment.

It is unknown at this time whether the final regulations or permit will require closed-cycle cooling at Salem. In addition, the economic viability of Generation's other power generation facilities without closed-cycle cooling water systems will be called into question by any requirement to construct cooling towers. Given the uncertainties associated with these proceedings and the time required for their resolution, Generation cannot predict the eventual outcome of the proceedings or estimate the effect that compliance with any resulting Section 316(b) or interim state requirements will have on the operation of its generating facilities and its future results of operations, cash flows and financial position.

Cotter Corporation. The U.S. EPA has advised Cotter Corporation (Cotter), a former ComEd subsidiary, that it is potentially liable in connection with radiological contamination at a site known as the West Lake Landfill in Missouri. On February 18, 2000, ComEd sold Cotter to an unaffiliated third party. As part of the sale, ComEd agreed to indemnify Cotter for any liability arising in connection with the West Lake Landfill. In connection with Exelon's 2001 corporate restructuring, this responsibility to indemnify Cotter was transferred to Generation. Cotter is alleged to have disposed of approximately 39,000 tons of soils mixed with 8,700 tons of leached barium sulfate at the site. On May 29, 2008, the U.S. EPA issued a Record of Decision approving the remediation option submitted by Cotter and the two other PRPs that required additional landfill cover. The current estimated cost of the anticipated landfill cover remediation for the site is approximately $40 million, which will be allocated among all

PRPs. Generation has accrued what it believes to be an adequate amount to cover its anticipated share of such liability. By letter dated January 11, 2010, the U.S. EPA requested that the PRPs perform a supplemental feasibility study for a remediation alternative that would involve excavation of the radiological contamination. An excavation remedy would be significantly more expensive than the previously selected additional cover remedy; however, Generation believes the likelihood that the U.S. EPA would require the use of an excavation remedy is remote.

Air. On July 11, 2008, the U.S. Court of Appeals for the District of Columbia Circuit (D.C. Circuit Court) vacated the CAIR, which had been promulgated by the U.S. EPA to reduce power plant emissions of SO_2 and NO_x. The Court later remanded the CAIR to the U.S. EPA, without invalidating the entire rulemaking, so that the U.S. EPA could correct CAIR in accordance with the Court's July 11, 2008 opinion. On July 6, 2010, the U.S. EPA published the proposed Transport Rule as the replacement to the CAIR. The first phase of the NO_x and SO_2 emissions reductions under the proposed Transport Rule regulations will commence in 2012, with further reductions of SO_2 emissions proposed to become effective in 2014. Given its low carbon generation portfolio, Generation does not currently expect the adoption of the rules as proposed to have a significant impact on its future capital spending requirements. These emissions limits will be further reduced as the U.S. EPA finalizes more restrictive NAAQS in the 2011-2012 timeframe.

The proposed Transport Rule regulations also would limit the use of allowance trading to achieve compliance and restrict entirely the use of pre-2012 allowances. Existing SO2 allowances under the ARP would remain available for use under ARP. During the third quarter of 2010, Generation recognized a lower of cost or market impairment charge of $57 million on its ARP SO_2 allowances that are not expected to be used by Generation's fossil-fuel power plants and that have not been sold forward. The impairment was recorded due to the significant decline of allowance market prices because proposed Transport Rule regulations would restrict entirely the use of ARP SO_2 allowances beginning in 2012. As of December 31, 2010, Generation had $10 million of emission allowances carried at the lower of weighted average cost or market.

Additionally, as of December 31, 2010, Exelon has a $629 million net investment in coal-fired plants in Georgia and Texas subject to long-term leases extending through 2028-2032. While Exelon currently estimates the value of these plants at the end of the lease term will be in excess of the recorded residual lease values, the ultimate passage of the proposed Transport Rule could negatively impact the end-of-lease term values of these assets, which could result in a future impairment loss that could be material.

In March 2005, the U.S. EPA finalized the CAMR, which was a national program to cap mercury emissions from fossil-fired generating units starting in 2010, with a second reduction in the mercury emission cap level scheduled for 2018. The D.C. Circuit Court later vacated the CAMR on the basis that the U.S. EPA had failed to properly de-list mercury as a HAP under Section 112(c)(1) of the Clean Air Act. The result of this decision is that mercury emissions from electric generating stations are subject to the more stringent requirements of maximum achievable control technology applicable to HAPs. In resolution of the CAMR litigation, the U.S. EPA entered into a Consent Decree that requires it to propose by March 16, 2011 HAP regulations for emissions from fossil generating stations, and to publish final HAP regulations by November 15, 2011. The nature and extent of future regulatory controls on HAP emissions at electric generation power plants will not be determined until the Federal regulations are finalized by the U.S. EPA.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

The U.S. EPA has announced that it will complete a review of NAAQS in the 2011-2012 timeframe for ozone (nitrogen oxide and volatile organic chemicals), particulate matter, nitrogen dioxide, sulfur dioxide, and lead. This review could result in more stringent emissions limits on fossil-fired electric generating stations.

Climate Change Regulation. Exelon is subject to climate change regulation or legislation at the international, Federal, regional and state levels. In 2007, the U.S. Supreme Court ruled that GHG emissions are pollutants subject to regulation under the new motor vehicle provisions of the Clean Air Act. Consequently, on December 7, 2009, the U.S. EPA issued an endangerment finding under Section 202 of the Clean Air Act regarding GHGs from new motor vehicles and on April 1, 2010 issued final regulations limiting GHG emissions from cars and light trucks effective on January 2, 2011. While such regulations do not specifically address stationary sources, such as a generating plant, it is the U.S. EPA's position that the regulation of GHGs under the mobile source provisions of the Clean Air Act has triggered the permitting requirements under the Prevention of Significant Deterioration (PSD) and Title V operating permit sections of the Clean Air Act for new and modified stationary sources effective January 2, 2011. Therefore, on May 13, 2010, the U.S. EPA issued final regulations relating to these provisions of the Clean Air Act for major stationary sources of GHG emissions that apply to new sources that emit greater than 100,000 tons per year, on a CO_2 equivalent basis, and to modifications to existing sources that result in emissions increases greater than 75,000 tons per year on a CO_2 equivalent basis. These thresholds became effective January 2, 2011, apply for six years and will be reviewed by the U.S. EPA for future applicability thereafter. Under the regulations, new and modified major stationary sources could be required to install best available control technology, to be determined on a case-by-case basis. Exelon could be significantly affected by the regulations if it were to build new plants or modify existing plants.

Notices and Finding of Violations Related to Electric Generation Stations. On August 6, 2007, ComEd received an NOV, addressed to it and Midwest Generation, LLC (Midwest Generation) from the U.S. EPA, alleging that ComEd and Midwest Generation have violated and are continuing to violate several provisions of the Clean Air Act as a result of the modification and/or operation of six electric generation stations located in northern Illinois that have been owned and operated by Midwest Generation since 1999. The U.S. EPA requested information related to the stations in 2003, and ComEd has been cooperating with the U.S. EPA since then. The NOV states that the U.S. EPA may issue an order requiring compliance with the relevant Clean Air Act provisions and may seek injunctive relief and/or civil penalties, all pursuant to the U.S. EPA's enforcement authority under the Clean Air Act.

The generating stations that are the subject of the NOV are currently owned and operated by Midwest Generation, which purchased the stations in December 1999 from ComEd. Under the terms of the sale agreement, Midwest Generation and its affiliate, Edison Mission Energy (EME), assumed responsibility for environmental liabilities associated with the ownership, occupancy, use and operation of the stations, including responsibility for compliance of the stations with environmental laws before the purchase of the stations by Midwest Generation. Midwest Generation and EME additionally agreed to indemnify and hold ComEd and its affiliates harmless from claims, fines, penalties, liabilities and expenses arising from third party claims against ComEd resulting from or arising out of the environmental liabilities assumed by Midwest Generation and EME under the terms of the agreement governing the sale.

In August 2009, the DOJ and the Illinois Attorney General filed a complaint against Midwest Generation with the U.S. District Court for the Northern District of Illinois initiating enforcement proceedings with respect to the alleged Clean Air Act violations set forth in the NOV. Neither ComEd

nor Exelon were named as a defendant in this original complaint. In March 2010, the District Court granted Midwest Generation's partial motion to dismiss all but one of the claims against Midwest Generation. The Court held that Midwest Generation cannot be liable for any alleged violations relating to construction that occurred prior to Midwest Generation's ownership of the stations. In May 2010, the government plaintiffs filed an amended complaint substantially similar to the original complaint, and added ComEd and EME as defendants. The amended complaint seeks injunctive relief and civil penalties against all defendants, although not all of the claims specifically pertain to ComEd. On September 17, 2010, ComEd filed a motion requesting the Court to dismiss the governmental plaintiffs' amended complaint. On November 16, 2010, the government filed its response to ComEd's motion to dismiss, and ComEd filed its reply to the government's response on December 17, 2010. The Court has not yet ruled on that motion.

In connection with Exelon's 2001 corporate restructuring, Generation assumed ComEd's rights and obligations with respect to its former generation business. Exelon, Generation and ComEd are unable to predict the ultimate resolution of the claims alleged in the amended complaint, the costs that might be incurred or the amount of indemnity that may be available from Midwest Generation and EME; however, Exelon, Generation and ComEd have concluded that, while a loss may be reasonably possible, they believe the likelihood of loss is not probable. Therefore, no reserve has been established. Further, Generation believes that it would be reimbursed for any losses under the terms of the indemnification agreement, subject to the credit worthiness of Midwest Generation and EME. Exelon, Generation and ComEd cannot predict an estimated amount or range of possible loss.

Litigation and Regulatory Matters

Exelon and Generation

Real Estate Tax Appeals. On January 19, 2010, Generation appealed to the LaSalle County Board of Review the real estate tax assessment for the 2009 tax year concerning the value of its LaSalle Generating Station (LaSalle County, Illinois)(LaSalle), and on December 6, 2010, Generation appealed the real estate tax assessment for LaSalle for the 2010 tax year. Generation recorded the assessed real estate taxes as of December 31, 2010 and 2009 and paid the 2009 taxes, as assessed, to the taxing authorities. The appeal for LaSalle for the 2009 tax year continues at the Illinois Property Tax Appeal Board. Generation does not anticipate a decision in the 2009 tax appeal for several years due to backlog at the Appeal Board. The ultimate outcome of both of these matters is uncertain and it is reasonably possible that the outcome could result in unfavorable or favorable impacts to the consolidated financial statements of Exelon and Generation.

Exelon and Generation

Asbestos Personal Injury Claims. Generation maintains a reserve for claims associated with asbestos-related personal injury actions in certain facilities that are currently owned by Generation or were previously owned by ComEd and PECO. The reserve is recorded on an undiscounted basis and excludes the estimated legal costs associated with handling these matters, which could be material.

At December 31, 2010 and 2009, Generation had reserved approximately $53 million and $49 million, respectively, in total for asbestos-related bodily injury claims. As of December 31, 2010, approximately $16 million of this amount related to 181 open claims presented to Generation, while the remaining $37 million of the reserve is for estimated future asbestos-related bodily injury claims anticipated to arise through 2050 based on actuarial assumptions and analyses, which are updated on an annual basis. On a quarterly basis, Generation monitors actual experience against the number of forecasted claims to be received and expected claim payments and evaluates whether an adjustment

to the reserve is necessary. During 2010, 2009 and 2008, the updates to this reserve, including the extension of future claims to be considered from 2030 to 2050 in the second quarter of 2008, did not result in material adjustments.

Exelon

Pension Claims. On July 11, 2006, a former employee of ComEd filed a purported class action lawsuit against the Exelon Corporation Cash Balance Pension Plan (Plan) in the U.S. District Court for the Northern District of Illinois. The complaint alleged that the Plan, which covers certain management employees of Exelon's subsidiaries, calculated lump sum distributions in a manner that does not comply with ERISA. The plaintiff sought compensatory relief from the Plan on behalf of participants who received lump sum distributions between 2001 and 2006 and injunctive relief with respect to future lump sum distributions. The District Court dismissed the lawsuit but allowed the plaintiff to file an administrative claim with the Plan with respect to the calculation of the portion of his lump sum benefit accrued under the Plan's prior traditional formula. On July 2, 2009, the U.S. Court of Appeals for the Seventh Circuit affirmed the District Court's ruling, and the plaintiff's subsequent motion requesting rehearing of the case before the entire Seventh Circuit Court of Appeals was denied. On October 28, 2009, the plaintiff filed a petition requesting that the U.S. Supreme Court hear an appeal of the Seventh Circuit's decision. On February 22, 2010, the U.S. Supreme Court declined to hear the appeal. In addition, on January 6, 2009, the plaintiff filed a complaint in the District Court challenging the Plan's denial of his administrative claim, and on November 12, 2010, the District Court granted the Plan's motion for summary judgment and dismissed the plaintiff's remaining claims with prejudice. The plaintiff did not appeal the dismissal of his remaining claims.

Savings Plan Claim. On September 11, 2006, five individuals claiming to be participants in the Exelon Corporation Employee Savings Plan, Plan #003 (Savings Plan), filed a putative class action lawsuit in the U.S. District Court for the Northern District of Illinois. The complaint names as defendants Exelon, its Director of Employee Benefit Plans and Programs, the Employee Savings Plan Investment Committee, the Compensation and the Risk Oversight Committees of Exelon's Board of Directors and members of those committees. The complaint alleged that the defendants breached fiduciary duties under ERISA by, among other things, permitting fees and expenses to be incurred by the Savings Plan that allegedly were unreasonable and for purposes other than to benefit the Savings Plan and participants, and failing to disclose purported "revenue sharing" arrangements among the Savings Plan's service providers. The plaintiffs sought declaratory, equitable and monetary relief on behalf of the Savings Plan and participants, including alleged investment losses. On August 19, 2009, the plaintiffs in the Exelon case filed an amended complaint in the District Court, which again alleged that defendants breached fiduciary duties under ERISA by, among other things, permitting the Savings Plan to pay excessive fees and expenses for administrative services, but eliminated the claim for investment losses and the allegations regarding "revenue sharing." On December 9, 2009, the District Court granted the defendants' motion to dismiss the amended complaint and enter judgment in favor of the defendants. The plaintiffs have appealed the District Court's dismissal of their claims to the U.S. Court of Appeals for the Seventh Circuit, where the matter remains pending. The ultimate outcome of the savings plan claim is uncertain and may have a material impact on Exelon's results of operations, cash flows or financial position.

General. The Registrants are involved in various other litigation matters that are being defended and handled in the ordinary course of business. The Registrants maintain accruals for such costs that are probable of being incurred and subject to reasonable estimation. The Registrants will record a

receivable if they expect to recover costs for these contingencies. The ultimate outcomes of such matters, as well as the matters discussed above, are uncertain and may have a material adverse impact on the Registrants' results of operations, cash flows or financial positions.

Fund Transfer Restrictions

Under applicable law, Exelon may borrow or receive an extension of credit from its subsidiaries. Under the terms of Exelon's intercompany money pool agreement, Exelon can lend to, but not borrow from the money pool.

The Federal Power Act declares it to be unlawful for any officer or director of any public utility "to participate in the making or paying of any dividends of such public utility from any funds properly included in capital account." What constitutes "funds properly included in capital account" is undefined in the Federal Power Act or the related regulations; however, FERC has consistently interpreted the provision to allow dividends to be paid as long as (1) the source of the dividends is clearly disclosed, (2) the dividend is not excessive and (3) there is no self-dealing on the part of corporate officials. While these restrictions may limit the absolute amount of dividends that a particular subsidiary may pay, Exelon does not believe these limitations are materially limiting because, under these limitations, the subsidiaries are allowed to pay dividends sufficient to meet Exelon's actual cash needs.

Under Illinois law, ComEd may not pay any dividend on its stock unless, among other things, "[its] earnings and earned surplus are sufficient to declare and pay same after provision is made for reasonable and proper reserves," or unless it has specific authorization from the ICC. ComEd has also agreed in connection with financings arranged through ComEd Financing III that it will not declare dividends on any shares of its capital stock in the event that: (1) it exercises its right to extend the interest payment periods on the subordinated debt securities issued to ComEd Financing III; (2) it defaults on its guarantee of the payment of distributions on the preferred trust securities of ComEd Financing III; or (3) an event of default occurs under the Indenture under which the subordinated debt securities are issued.

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 retained earnings is, in the aggregate, less than the involuntary liquidating value of its then outstanding preferred securities. At December 31, 2010, such capital was $2.9 billion and amounted to about 33 times the liquidating value of the outstanding preferred securities of $87 million. Additionally, PECO may not declare dividends on any shares of its capital stock in the event that: (1) it exercises its right to extend the interest payment periods on the subordinated debentures which were issued to PEC L.P. or PECO Trust IV; (2) it defaults on its guarantee of the payment of distributions on the Series D Preferred Securities of PEC L.P. or the preferred trust securities of PECO Trust IV; or (3) an event of default occurs under the Indenture under which the subordinated debentures are issued.

Income Taxes

See Note 11—Income Taxes for information regarding the Registrants' income tax refund claims and certain tax positions, including the 1999 sale of fossil generating assets.

19. Supplemental Financial Information (Exelon, Generation, ComEd and PECO)

Supplemental Income Statement Information

The following tables provide additional information about the Registrants' Consolidated Statements of Operations for the years ended December 31, 2010, 2009 and 2008.

For the Year Ended December 31, 2010	Exelon	Generation	ComEd	PECO
Operating revenues [(a)]				
Wholesale	$ 5,934	$ 8,986	$ —	$ 44
Retail electric and gas	11,906	1,004[(b)]	5,648	5,262
Other	804	35[(c)]	556	213
Total operating revenues	$18,644	$ 10,025	$6,204	$5,519

For the Year Ended December 31, 2009	Exelon	Generation	ComEd	PECO
Operating revenues [(a)]				
Wholesale	$ 5,469	$ 8,905	$ —	$ 26
Retail electric and gas	11,099	838[(b)]	5,220	5,049
Other	750	(40)[(c)]	554	236
Total operating revenues	$17,318	$ 9,703	$5,774	$5,311

For the Year Ended December 31, 2008	Exelon	Generation	ComEd	PECO
Operating revenues [(a)]				
Wholesale	$ 6,394	$ 9,934	$ —	$ 45
Retail electric and gas	11,816	979[(b)]	5,563	5,278
Other	649	(159)[(c)]	573	244
Total operating revenues	$18,859	$ 10,754	$6,136	$5,567

(a) Includes operating revenues from affiliates.
(b) Generation's retail electric and gas operating revenues consist primarily of Exelon Energy Company, LLC. Generation's retail electric operating revenues are allocated among its reportable segments.
(c) Includes amounts recorded related to the Illinois Settlement Legislation.

For the Year Ended December 31, 2010	Exelon	Generation	ComEd	PECO
Depreciation, amortization and accretion				
Property, plant and equipment	$1,144	$ 474	$ 473	$ 171
Regulatory assets [(a)]	931	—	43	889
Nuclear fuel [(b)]	672	672	—	—
ARO accretion [(c)]	196	195	1	—
Total depreciation, amortization and accretion	$2,943	$ 1,341	$ 517	$1,060

For the Year Ended December 31, 2009	Exelon	Generation	ComEd	PECO
Depreciation, amortization and accretion				
Property, plant and equipment	$ 996	$ 333	$ 446	$ 162
Regulatory assets [(a)]	838	—	48	790
Nuclear fuel [(b)]	558	558	—	—
ARO accretion [(c)]	209	207	1	—
Total depreciation, amortization and accretion	$2,601	$ 1,098	$ 495	$ 952

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

For the Year Ended December 31, 2008	Exelon	Generation	ComEd	PECO
Depreciation, amortization and accretion				
Property, plant and equipment	$ 898	$ 274	$ 424	$158
Regulatory assets [(a)]	736	—	40	696
Nuclear fuel [(b)]	448	448	—	—
ARO accretion [(c)]	226	225	1	—
Total depreciation, amortization and accretion	$2,308	$ 947	$ 465	$854

(a) For PECO, primarily reflects CTC amortization.
(b) Included in fuel expense on the Registrants' Consolidated Statements of Operations.
(c) Included in operating and maintenance expense on the Registrants' Consolidated Statements of Operations.

For the Year Ended December 31, 2010	Exelon	Generation	ComEd	PECO
Taxes other than income				
Utility [(a)]	$ 476	$ —	$ 205	$271
Real estate	175	142	20	13
Payroll	121	70	24	12
Other	36	18	7	7
Total taxes other than income	$ 808	$ 230	$ 256	$303

For the Year Ended December 31, 2009	Exelon	Generation	ComEd	PECO
Taxes other than income				
Utility [(a)]	$ 481	$ —	$ 232	$249
Real estate	157	127	20	10
Payroll	114	65	23	12
Other	26	13	6	5
Total taxes other than income	$ 778	$ 205	$ 281	$276

For the Year Ended December 31, 2008	Exelon	Generation	ComEd	PECO
Taxes other than income				
Utility [(a)]	$ 507	$ —	$ 236	$271
Real estate [(b)]	127	124	29	(26)
Payroll	123	67	26	12
Other	21	6	7	8
Total taxes other than income	$ 778	$ 197	$ 298	$265

(a) Municipal and state utility taxes are also recorded in revenues on the Registrants' Consolidated Statements of Operations.
(b) PECO reflected amortization of the regulatory liability recorded in connection with the 2007 PURTA settlement, partially offset by current year property taxes.

For the Year Ended December 31, 2010	Exelon	Generation	ComEd	PECO
Loss in equity method investments				
Financing trusts	$ —	$ —	$ —	$—
NuStart Energy Development, LLC	—	—	—	—
Total loss in equity method investments	$ —	$ —	$ —	$—

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For the Year Ended December 31, 2009	Exelon	Generation	ComEd	PECO
Loss in equity method investments				
Financing trusts	$ (24)	$ —	$ —	$ (24)
NuStart Energy Development, LLC	(3)	(3)	—	—
Total loss in equity method investments	$ (27)	$ (3)	$ —	$ (24)

For the Year Ended December 31, 2008	Exelon	Generation	ComEd	PECO
Loss in equity method investments				
Financing trusts	$ (25)	$ —	$ (8)	$ (16)
NuStart Energy Development, LLC	(1)	(1)	—	—
Total loss in equity method investments	$ (26)	$ (1)	$ (8)	$ (16)

For the Year Ended December 31, 2010	Exelon	Generation	ComEd	PECO
Other, Net				
Decommissioning-related activities:				
Net realized income on decommissioning trust funds—Regulatory Agreement Units (a)	$ 176	$ 176	$ —	$—
Net realized income on decommissioning trust funds—Non-Regulatory Agreement Units (a)	51	51	—	—
Net unrealized gains on decommissioning trust funds—Regulatory Agreement Units	316	316	—	—
Net unrealized gains on decommissioning trust funds—Non-Regulatory Agreement Units	104	104	—	—
Regulatory offset to decommissioning trust fund-related activities (b)	(394)	(394)	—	—
Total decommissioning-related activities	253	253	—	—
Investment income	1	—	—	1
Long-term lease income	27	—	—	—
Interest income related to uncertain income tax positions	—	—	6	—
Realized gains on Rabbi trust investments	1	—	1	—
Other	30	4	17	7
Other, net	$ 312	$ 257	$ 24	$ 8

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

For the Year Ended December 31, 2009	Exelon	Generation	ComEd	PECO
Other, Net				
Decommissioning-related activities:				
Net realized income on decommissioning trust funds— Regulatory Agreement Units (a)	$ 126	$ 126	$ —	$—
Net realized income on decommissioning trust funds—Non-Regulatory Agreement Units (a)	29	29	—	—
Net unrealized gains on decommissioning trust funds—Regulatory Agreement Units	801	801	—	—
Net unrealized gains on decommissioning trust funds—Non-Regulatory Agreement Units	227	227	—	—
Regulatory offset to decommissioning trust fund-related activities (b)	(746)	(746)	—	—
Total decommissioning-related activities	437	437	—	—
Investment income	5	—	1	4
Long-term lease income	26	—	—	—
Interest income related to uncertain income tax positions (c)	50	—	65	5
Realized gain on Rabbi trust investments	5	—	5	—
Other-than-temporary impairment to Rabbi trust investments (d)	(7)	—	(7)	—
Losses on early retirement of debt	(117)	(71)	—	—
Other	28	10	15	4
Other, net	$ 427	$ 376	$ 79	$ 13

For the Year Ended December 31, 2008	Exelon	Generation	ComEd	PECO
Other, Net				
Decommissioning-related activities:				
Net realized income on decommissioning trust funds—Regulatory Agreement Units (a)	$ 43	$ 43	$ —	$—
Net realized income on decommissioning trust funds—Non-Regulatory Agreement Units (a)	16	16	—	—
Net unrealized losses on decommissioning trust funds—Regulatory Agreement Units	(1,022)	(1,022)	—	—
Net unrealized losses on decommissioning trust funds—Non-Regulatory Agreement Units	(324)	(324)	—	—
Regulatory offset to decommissioning trust fund-related activities (b)	777	777	—	—
Total decommissioning-related activities	(510)	(510)	—	—
Investment income	10	—	6	4
Long-term lease income	24	—	—	—
Interest income related to uncertain income tax positions	31	11	6	12
Income related to the termination of a gas supply guarantee	13	13	—	—
Other	25	17	6	2
Other, net	$ (407)	$ (469)	$ 18	$ 18

(a) Includes investment income and realized gains and losses on sales of investments of the trust funds.
(b) Includes the elimination of NDT fund activity for the Regulatory Agreement Units, including the elimination of net income taxes related to all NDT fund activity for those units. See Note 12—Asset Retirement Obligations for additional information regarding the accounting for nuclear decommissioning.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

(c) Primarily includes interest income at ComEd from the 2009 re-measurement of income tax uncertainties. See Note 11—Income Taxes for additional information.
(d) ComEd recorded an other-than-temporary impairment to Rabbi trust investments during 2009.

Supplemental Cash Flow Information

The following tables provide additional information regarding the Registrants' Consolidated Statements of Cash Flows for the years ended December 31, 2010, 2009 and 2008.

For the Year Ended December 31, 2010	Exelon	Generation	ComEd	PECO
Cash paid (refunded) during the year				
Interest (net of amount capitalized)	$ 625[(a)]	$ 108	$ 222	$151
Income taxes (net of refunds)	1,219	732	15	433
Other non-cash operating activities:				
Pension and non-pension postretirement benefits costs	$ 581	$ 268	$ 215	$ 46
Provision for uncollectible accounts	108	1	48	59
Provision for obsolete inventory	12	12	—	—
Stock-based compensation costs	44	—	—	—
Other decommissioning-related activity [(b)]	(91)	(91)	—	—
Energy-related options [(c)]	(73)	(73)	—	—
ARO adjustment	(19)	(8)	(10)	(1)
Amortization of regulatory asset related to debt costs	24	—	20	4
Accrual for Illinois utility distribution tax refund [(d)]	(25)	—	(25)	—
Under-recovered uncollectible accounts, net [(e)]	(14)	—	(14)	—
ARP SO2 allowances impairment	57	57	—	—
Other	5	16	4	—
Total other non-cash operating activities	$ 609	$ 182	$ 238	$108
Changes in other assets and liabilities:				
Under/over-recovered energy and transmission costs	61	—	58	3
Other current assets	(18)	(16)	12	(19)
Other noncurrent assets and liabilities	(99)	(29)	(203)[(f)]	94
Total changes in other assets and liabilities	$ (56)	$ (45)	$ (133)	$ 78

	Exelon	Generation	ComEd	PECO
Non-cash investing and financing activities				
Change in ARC	$ (428)	$ (428)	$ —	$ —
Capital expenditures not paid	34	13	7	14
Purchase accounting adjustments	9	9	—	—
Exelon Wind acquisition [(g)]	32	32	—	—

(a) Excludes $167 million of interest paid to the IRS relating to a preliminary agreement reached during the third quarter of 2010. See Note 11—Income Taxes for additional information.
(b) Includes the elimination of NDT fund activity for the Regulatory Agreement Units, including the elimination of operating revenues, ARO accretion, ARC amortization, investment income and income taxes related to all NDT fund activity for these units. See Note 12—Asset Retirement Obligations for additional information regarding the accounting for nuclear decommissioning.
(c) Includes amounts reclassified to realized at settlement of contracts recorded to results of operations related to option premiums due to the settlement of underlying transactions.

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(d) During the second quarter of 2010, ComEd recorded a reduction of $25 million to taxes other than income to reflect management's estimate of future refunds for the 2008 and 2009 tax years associated with Illinois' utility distribution tax based on an analysis of past refunds and interpretations of the Illinois Public Utility Act. Historically, ComEd has recorded refunds of the Illinois utility distribution tax when received. ComEd believes it now has sufficient, reliable evidence to record and support an estimated receivable associated with the anticipated refund for the 2008 and 2009 tax years.
(e) Includes $70 million of under-recovered uncollectible accounts expense from 2008 and 2009 recorded in the first quarter of 2010 as well as $59 million of amortization of the associated regulatory asset. This amount also includes a credit of $3 million of undercollections associated with 2010 activity. ComEd is recovering these costs through a rider mechanism authorized by the ICC. See Note 2—Regulatory Matters for additional information regarding the Illinois legislation for recovery of uncollectible accounts.
(f) Relates primarily to a decrease in interest payable associated with a change in uncertain income tax positions. See Note 11—Income Taxes for additional information.
(g) Represents contingent liability recorded in connection with the December 9, 2010 acquisition of Exelon Wind. See Note 3—Acquisition for additional information.

For the Year Ended December 31, 2009	Exelon	Generation	ComEd	PECO
Cash paid (refunded) during the year				
Interest (net of amount capitalized)	$ 647	$ 69	$ 284	$179
Income taxes (net of refunds)	982	668	63	368
Other non-cash operating activities:				
Pension and non-pension postretirement benefits costs	$ 536	$ 240	$ 192	$ 47
Loss in equity method investments	27	3	—	24
Provision for uncollectible accounts	149	2	85	63
Stock-based compensation costs	70	—	—	—
Other decommissioning-related activity [(a)]	(163)	(163)	—	—
Energy-related options [(b)]	46	46	—	—
ARO adjustment [(c)]	(47)	(47)	—	—
Amortization of regulatory asset related to debt costs	25	—	21	4
Amortization of the regulatory liability related to the PURTA tax settlement	(2)	—	—	(2)
Other-than-temporary impairment to Rabbi trust investments [(d)]	7	—	7	—
Inventory write-down related to plant retirements	17	17	—	—
Other	(13)	6	4	5
Total other non-cash operating activities	$ 652	$ 104	$ 309	$141
Changes in other assets and liabilities:				
Under/over-recovered energy and transmission costs	$ 23	$ —	$ 13	$ 10
Other current assets	(2)	—	—	3
Other noncurrent assets and liabilities	(134)	(1)	(76) [(e)]	(47)
Total changes in other assets and liabilities	$(113)	$ (1)	$ (63)	$ (34)

	Exelon	Generation	ComEd	PECO
Non-cash investing and financing activities				
Change in ARC	$ 67	$ 67	$ —	$—
Capital expenditures not paid	70	97	37	4
Purchase accounting adjustments	9	9	—	—

(a) Includes the elimination of NDT fund activity for the Regulatory Agreement Units, including the elimination of operating revenues, ARO accretion, ARC amortization, investment income and income taxes related to all NDT fund activity for these units. See Note 12—Asset Retirement Obligations for additional information regarding the accounting for nuclear decommissioning.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

(b) Includes amounts reclassified to realized at settlement of contracts recorded to results of operations related to option premiums due to the settlement of underlying transactions.
(c) Represents the reduction in the ARO in excess of the existing ARC balances for Generation's nuclear generating units that are not subject to regulatory agreement with respect to decommissioning trust funding (the former AmerGen units and the portions of the Peach Bottom units).
(d) ComEd recorded an other-than-temporary impairment to Rabbi trust investments during the second quarter of 2009. See Note 8—Fair Value of Assets and Liabilities for additional information regarding the impairment.
(e) Relates primarily to a decrease in interest payable associated with the remeasurement of uncertain income tax positions. See Note 11—Income Taxes for additional information.

For the Year Ended December 31, 2008	Exelon	Generation	ComEd	PECO
Cash paid (refunded) during the year				
Interest (net of amount capitalized)	$ 716	$ 107	$ 300	$216
Income taxes (net of refunds)	938	660	(41)	379
Other non-cash operating activities:				
Pension and non-pension postretirement benefits costs	$ 314	$ 139	$ 101	$ 32
Loss in equity method investments	26	1	8	16
Provision for uncollectible accounts	247	17	71	160
Stock-based compensation costs	67	—	—	—
Other decommissioning-related activity [a]	219	219	—	—
Energy-related options [b]	5	5	—	—
Amortization of regulatory liability related to debt costs	25	—	21	4
Amortization of the regulatory liability related to the PURTA tax settlement [c]	(36)	—	—	(36)
Net impact of the 2007 distribution rate case order [d]	22	—	22	—
Reduction of guarantees [e]	(55)	(55)	—	—
Other	36	6	41	18
Total other non-cash operating activities	$ 870	$ 332	$ 264	$194
Changes in other assets and liabilities:				
Under/over-recovered energy and transmission costs	$ 32	—	$ 29	$ 3
Other current assets	12	(11)	14	(3)
Other noncurrent assets and liabilities	(179)	(70)	(18)	(14)
Total changes in other assets and liabilities	$(135)	$ (81)	$ 25	$ (14)

	Exelon	Generation	ComEd	PECO
Non-cash investing and financing activities				
Change in ARC	$ 128	$ 128	$ —	$—
Capital expenditures not paid	23	6	4	6
Purchase accounting adjustments	10	10	—	—

(a) Includes the elimination of NDT fund activity for the Regulatory Agreement Units, including the elimination of operating revenues, ARO accretion, ARC amortization, investment income and income taxes related to all NDT fund activity for these units. See Note 12—Asset Retirement Obligations for additional information regarding the accounting for nuclear decommissioning.
(b) Includes amounts reclassified to realized at settlement of contracts recorded to results of operations related to option premiums due to the settlement of underlying transactions.
(c) In March 2007, PECO prevailed in a Pennsylvania Supreme Court case in which PECO had contested the assessment of PURTA taxes applicable to 1997. As a result, PECO received approximately $38 million of real estate taxes previously remitted. This refund was recorded as a regulatory liability and PECO began amortizing this liability and refunding customers in January 2008.
(d) In September 2008, as a result of the 2007 Rate Case order, ComEd recorded $37 million of fixed asset disallowances; $35 million was recorded as operating and maintenance expense and $2 million was recorded as depreciation expense. In

addition, ComEd established regulatory assets totaling approximately $13 million associated with reversing previously incurred expenses deemed recoverable in future rates. See Note 2—Regulatory Matters for more information.

(e) Includes reversal of Sithe guarantee of $38 million and Distrigas guarantee of $13 million.

DOE Smart Grid Investment Grant (Exelon and PECO). For the year ended December 31, 2010, Exelon and PECO have included in the capital expenditures line item in investing activities of the cash flow statement capital expenditures of $28 million related to PECO's DOE SGIG. See Note 2—Regulatory Matters for additional information regarding the accounting for the DOE SGIG.

Repurchase Agreements (Exelon and Generation). Repurchase Agreements are financial instruments used to fund short-term liquidity requirements where a counterparty typically agrees to sell the financial instrument and repurchase it the following day. Exelon and Generation have historically presented purchases and sales of Repurchase Agreements with a maturity of three months or less on a gross basis in 'Investments in NDT funds and 'Proceeds from NDT fund sales', respectively, within Exelon and Generation's Consolidated Statement of Cash Flows. Due to the nature and volume of these transactions, effective December 31, 2010, Exelon and Generation have included the cash flows associated with the purchase and sale of Repurchase Agreements with a maturity of three months or less on a net basis in 'Proceeds from NDT fund sales' within their Consolidated Statement of Cash Flows. Cash flows associated with all other NDT funds investments will continue to be presented on a gross basis. The years ended December 31, 2009 and 2008 were adjusted to reflect this change in presentation, which is presented in the following table:

	Year Ended December 31, 2009		
	As previously stated	Adjustments	As Adjusted
Proceeds from NDT fund sales	$ 22,905	$ (18,613)	$ 4,292
Investments in NDT funds	$ (23,144)	$ 18,613	$ (4,531)

	Year Ended December 31, 2008		
	As previously stated	Adjustments	As Adjusted
Proceeds from NDT fund sales	$ 17,202	$ (6,545)	$ 10,657
Investments in NDT funds	$ (17,487)	$ 6,545	$ (10,942)

Supplemental Balance Sheet Information

The following tables provide additional information about assets and liabilities of the Registrants as of December 31, 2010 and 2009.

December 31, 2010	Exelon	Generation	ComEd	PECO
Investments				
Equity method investments:				
Financing trusts [(a)]	$ 15	$ —	$ 6	$ 8
Keystone Fuels, LLC	10	10	—	—
Conemaugh Fuels, LLC	13	13	—	—
NuStart Energy Development, LLC	1	1	—	—
Total equity method investments	39	24	6	8
Other investments:				
Net investment in direct financing leases	629	—	—	—
Employee benefit trusts and investments [(b)]	64	11	23	20
Total investments	$ 732	$ 35	$ 29	$ 28

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December 31, 2009	Exelon	Generation	ComEd	PECO
Investments				
Equity method investments:				
Financing trusts [(a)]	$ 20	$ —	$ 6	$ 13
Keystone Fuels, LLC	15	15	—	—
Conemaugh Fuels, LLC	19	19	—	—
NuStart Energy Development, LLC	1	1	—	—
Total equity method investments	55	35	6	13
Other investments:				
Net investment in direct financing leases	602	—	—	—
Employee benefit trusts and investments [(b)]	67	11	28	18
Total investments	$ 724	$ 46	$ 34	$ 31

(a) Includes investments in financing trusts which were not consolidated within the financial statements of Exelon. See Note 1—Significant Accounting Policies for additional information.
(b) The Registrants' investments in these marketable securities are recorded at fair market value.

December 2010 IRS Payment (Exelon). In the third quarter of 2010, Exelon and IRS Appeals reached a nonbinding, preliminary agreement to settle Exelon's involuntary conversion and CTC positions. In order to stop additional interest from accruing on the expected assessment resulting from the agreement, Exelon paid $302 million to the IRS on December 28, 2010. As of December 31, 2010, Exelon had not funded the specific bank account from which the IRS payment was disbursed resulting in a current liability. This amount was subsequently funded in January 2011. Under the authoritative guidance for offsetting balances, Exelon included this payment in Cash and cash equivalents with an offsetting amount in Other current liabilities on its Consolidated Balance Sheets. See Note 11—Income Taxes for additional information.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

Like-Kind Exchange Transaction (Exelon). Prior to the PECO/Unicom Merger in October 2000, UII, LLC (formerly Unicom Investments, Inc.) (UII), a wholly owned subsidiary of Exelon, entered into a like-kind exchange transaction pursuant to which approximately $1.6 billion was invested in passive generating station leases with two separate entities unrelated to Exelon. The generating stations were leased back to such entities as part of the transaction. For financial accounting purposes, the investments are accounted for as direct financing lease investments. UII holds the leasehold interests in the generating stations in several separate bankruptcy remote, special purpose companies it directly or indirectly wholly owns. The lease agreements provide the lessees with fixed purchase options at the end of the lease terms. If the lessees do not exercise the fixed purchase options, Exelon has the ability to require the lessees to return the leasehold interests or to arrange a service contract with a third party for a period following the lease term. If Exelon chooses the service contract option, the leasehold interests will be returned to Exelon at the end of the term of the service contract. In any event, Exelon will be subject to residual value risk if the lessees do not exercise the fixed purchase options. In the fourth quarter of 2000, under the terms of the lease agreements, UII received a prepayment of $1.2 billion for all rent, which reduced the investment in the leases. There are no minimum scheduled lease payments to be received over the remaining term of the leases. As of December 31, 2010 and 2009, the components of the net investment in long-term leases were as follows:

	December 31,	
	2010	2009
Estimated residual value of leased assets	$1,492	$1,492
Less: unearned income	863	890
Net investment in long-term leases	$ 629	$ 602

The following tables provide additional information about liabilities of the Registrants at December 31, 2010 and 2009.

December 31, 2010	Exelon	Generation	ComEd	PECO
Accrued expenses				
Compensation-related accruals [(a)]	$ 465	$ 229	$ 110	$ 51
Taxes accrued	297	38	83	9
Interest accrued	195	76	154	30
Severance accrued	22	10	4	1
Other accrued expenses	61	38	15	4
Total accrued expenses	$1,040	$ 391	$ 366	$ 95

December 31, 2009	Exelon	Generation	ComEd	PECO
Accrued expenses				
Compensation-related accruals [(a)]	$ 401	$ 202	$ 107	$ 35
Taxes accrued	264	385	62	3
Interest accrued	170	48	88	30
Severance accrued	36	14	10	1
Other accrued expenses	52	21	15	5
Total accrued expenses	$ 923	$ 670	$ 282	$ 74

(a) Primarily includes accrued payroll, bonuses and other incentives, vacation and benefits.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

The following tables provide information about accumulated OCI (loss) recorded (after tax) within Exelon's Consolidated Balance Sheets as of December 31, 2010 and 2009:

December 31, 2010	Exelon	Generation	ComEd	PECO
Accumulated other comprehensive income (loss)				
Net unrealized gain on cash flow hedges	400	1,013	—	—
Pension and non-pension postretirement benefit plans	(2,823)	—	—	—
Unrealized loss on marketable securities	—	—	(1)	—
Total accumulated other comprehensive income (loss)	$(2,423)	$ 1,013	$ (1)	$—

December 31, 2009	Exelon	Generation	ComEd	PECO
Accumulated other comprehensive income (loss)				
Net unrealized gain on cash flow hedges	551	1,157	—	1
Pension and non-pension postretirement benefit plans	(2,640)	—	—	—
Total accumulated other comprehensive income (loss)	$(2,089)	$ 1,157	$ —	$ 1

20. Segment Information (Exelon, Generation, ComEd and PECO)

During the first quarter of 2010, Exelon and Generation concluded that Generation no longer operates as a single reportable segment, primarily due to a change in the financial information regularly evaluated by the chief operating decision maker (CODM) in determining resource allocation and assessing performance. Certain regional results of Generation's power marketing activities are now being provided to the CODM and in other public disclosures. As a result, Generation had three reportable segments, the Mid-Atlantic, Midwest, and South, representing the different geographical areas in which Generation's power marketing activities are conducted. As a result of the acquisition of Exelon Wind during the fourth quarter of 2010, Generation adjusted its South reportable segment to include recently acquired assets located in the South and West geographical areas, forming the South and West reportable segment. In addition, the Exelon Wind assets located in the Midwest geographical area are included within the Midwest reportable segment. Consequently, Exelon has five reportable segments consisting of Mid-Atlantic, Midwest, South and West, ComEd and PECO.

Mid-Atlantic represents Generation's operations primarily in Pennsylvania, New Jersey and Maryland; Midwest includes the operations in Illinois, Indiana, Michigan and Minnesota; and the South and West includes operations primarily in Texas, Georgia, Oklahoma, Kansas, Missouri, Idaho and Oregon. Generation's retail gas, proprietary trading, other revenues and mark to market activities have not been allocated to a segment.

Exelon and Generation evaluate the performance of Generation's power marketing activities in Mid-Atlantic, Midwest, and South and West based on revenue net of purchased power and fuel expense. Generation believes that revenue net of purchased power and fuel expense is a useful measurement of operational performance. Revenue net of purchased power and fuel expense is not a presentation defined under GAAP and may not be comparable to other companies' presentations or deemed more useful than the GAAP information provided elsewhere in this report. Generation's operating revenues include all sales to third parties and affiliated sales to ComEd and PECO. Purchased power costs include all costs associated with the procurement of electricity including capacity, energy and ancillary services. Fuel expense includes the fuel costs for internally generated energy and fuel costs associated with tolling agreements. Generation's retail gas, proprietary trading, other revenue and mark-to-market activities are not allocated to a segment. Exelon and Generation do not use a measure of total assets in making decisions regarding allocating resources to or assessing the performance of these reportable segments.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

ComEd and PECO each represent a single reportable segment; as such, no separate segment information is provided for these Registrants. PECO has two operating segments, electric and gas delivery, which are aggregated into one reportable segment primarily due to their similar economic characteristics and the regulatory environments in which they operate. Exelon evaluates the performance of ComEd and PECO based on net income.

An analysis and reconciliation of the Registrants' reportable segment information to the respective information in the consolidated financial statements as follows:

	Generation [(a)]	ComEd	PECO	Other	Intersegment Eliminations	Consolidated
Total revenues [(b)]:						
2010	$ 10,025	$ 6,204	$5,519	$ 755	$ (3,859)	$ 18,644
2009	9,703	5,774	5,311	757	(4,227)	17,318
2008	10,754	6,136	5,567	697	(4,295)	18,859
Intersegment revenues [(c)]:						
2010	$ 3,102	$ 2	$ 5	$ 756	$ (3,859)	$ 6
2009	3,472	2	6	756	(4,227)	9
2008	3,586	4	10	695	(4,295)	—
Depreciation and amortization						
2010	$ 474	$ 516	$1,060	$ 25	$ —	$ 2,075
2009	333	494	952	55	—	1,834
2008	274	464	854	42	—	1,634
Operating expenses [(b)]:						
2010	$ 6,979	$ 5,148	$4,858	$ 792	$ (3,859)	$ 13,918
2009	6,408	4,931	4,614	840	(4,225)	12,568
2008	6,760	5,469	4,868	758	(4,295)	13,560
Interest expense, net:						
2010	$ 153	$ 386	$ 193	$ 85	$ —	$ 817
2009	113	319	187	112	—	731
2008	136	348	226	132	(10)	832
Income (loss) from continuing operations before income taxes:						
2010	$ 3,150	$ 694	$ 476	$ (91)	$ (8)	$ 4,221
2009	3,555	603	499	(235)	(3)	4,419
2008	3,388	329	475	(158)	—	4,034
Income taxes:						
2010	$ 1,178	$ 357	$ 152	$ (27)	$ (2)	$ 1,658
2009	1,433	229	146	(102)	6	1,712
2008	1,130	128	150	(91)	—	1,317
Income (loss) from continuing operations:						
2010	$ 1,972	$ 337	$ 324	$ (64)	$ (6)	$ 2,563
2009	2,122	374	353	(133)	(9)	2,707
2008	2,258	201	325	(67)	—	2,717
Income (loss) from discontinued operations:						
2010	$ —	$ —	$ —	$ —	$ —	$ —
2009	—	—	—	—	—	—
2008	20	—	—	—	—	20

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

	Generation [a]	ComEd	PECO	Other	Intersegment Eliminations	Consolidated
Net income (loss):						
2010	$ 1,972	$ 337	$ 324	$ (64)	$ (6)	$ 2,563
2009	2,122	374	353	(133)	(9)	2,707
2008	2,278	201	325	(67)	—	2,737
Capital expenditures:						
2010	$ 1,883	$ 962	$ 545	$ 14	$ (78)[d]	$ 3,326
2009	1,977	854	388	54	—	3,273
2008	1,699	953	392	73	—	3,117
Total assets:						
2010	$ 24,534	$21,652	$8,985	$6,651	$ (9,582)	$ 52,240
2009	22,406	20,697	9,019	6,088	(9,030)	49,180

(a) Generation represents the three segments, Mid-Atlantic, Midwest, and South and West as shown below. Intersegment revenues for the years ended December 31, 2010, 2009 and 2008, represent Mid-Atlantic revenue from sales to PECO of $2,092 million, $2,016 million and $2,081 million, respectively, and Midwest revenue from sales to ComEd of $1,010 million, $1,456 million and $1,505 million, respectively.
(b) For the years ended December 31, 2010, 2009 and 2008, utility taxes of $205 million, $232 million, and $236 million, respectively, are included in revenues and expenses for ComEd. For the years ended December 31, 2010, 2009 and 2008, utility taxes of $271 million, $249 million and $271 million, respectively, are included in revenues and expenses for PECO.
(c) The intersegment profit associated with Generation's sale of AECs to PECO is not eliminated in consolidation due to the recognition of intersegment profit in accordance with regulatory accounting guidance. See Note 2—Regulatory Matters for additional information on AECs. For Exelon, these amounts are included in operating revenues in the Consolidated Statements of Operations.
(d) Represents capital projects transferred from BSC to Generation, ComEd and PECO. These projects are shown as capital expenditures at Generation, ComEd and PECO and the capital expenditure is eliminated upon consolidation.

	Mid-Atlantic	Midwest	South and West	Other [b]	Generation
Total revenues [a]:					
2010	$3,246	$5,762	$ 692	$ 325	$ 10,025
2009	3,195	5,538	714	256	9,703
2008	3,381	5,602	1,298	473	10,754
Revenues net of purchased power and fuel expense:					
2010 [c]	$2,512	$4,081	$ (131)	$ 100	$ 6,562
2009	2,578	4,148	(117)	162	6,771
2008	2,721	4,100	(73)	434	7,182

(a) Includes all sales to third parties and affiliated sales to ComEd and PECO. For the years ended December 31, 2010, 2009 and 2008, there were no transactions among Generation's reportable segments which would result in intersegment revenue for Generation.
(b) Includes retail gas, proprietary trading, other revenue and mark-to-market activities as well as amounts paid related to the Illinois Settlement Legislation.
(c) In 2010, Other also includes the $57 million lower of cost or market impairment for the ARP SO_2 allowances further described in Note 18—Commitments and Contingencies.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

21. Related-Party Transactions (Exelon, Generation, ComEd and PECO)

Exelon

The financial statements of Exelon include related-party transactions as presented in the tables below:

	For the Years Ended December 31,		
	2010	2009	2008
Operating revenues from affiliates			
CTFT [(a)]	$—	$—	$ 3
PETT [(b)]	—	3	5
PECO [(c)]	6	9	—
Total operating revenues from affiliates	$ 6	$ 12	$ 8
Fuel purchases from related parties			
Keystone Fuels, LLC	$ 74	$ 56	$ 73
Conemaugh Fuels, LLC	70	69	54
Total fuel purchases from related parties	$144	$125	$127
Charitable contribution to Exelon Foundation [(d)]	$ 10	$ 10	$—
Interest expense to affiliates, net			
CTFT [(a)]	$—	$—	$ 6
ComEd Financing II [(e)]	—	—	2
ComEd Financing III	13	13	13
PETT [(b)]	—	51	101
PECO Trust III	6	6	6
PECO Trust IV	6	6	6
Other	—	1	(1)
Total interest expense to affiliates, net	$ 25	$ 77	$133
Loss in equity method investments			
ComEd Funding [(a)]	$—	$—	$ 8
PETT [(b)]	—	24	16
NuStart Energy Development, LLC	—	3	—
Other	—	—	2
Total loss in equity method investments	$—	$ 27	$ 26

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

	As of December 31, 2010	As of December 31, 2009
Investments in affiliates		
ComEd Financing III	$ 6	$ 7
PETT [(b)]	—	5
PECO Energy Capital Corporation	4	4
PECO Trust IV	5	4
Total investments in affiliates	$ 15	$ 20
Payables to affiliates (current)		
ComEd Financing III	$ 4	$ 4
PECO Trust III	1	1
Total payables to affiliates (current)	$ 5	$ 5
Long-term debt to PETT and other financing trusts (including due within one year)		
ComEd Financing III	$ 206	$ 206
PETT [(b)]	—	415
PECO Trust III	81	81
PECO Trust IV	103	103
Total long-term debt due to financing trusts	$ 390	$ 805

(a) During 2008, ComEd fully paid its long-term debt obligations to CTFT and received its current receivable from CTFT. ComEd Funding liquidated its investment in CTFT and ComEd liquidated its investment in ComEd Funding. This resulted in the elimination of operating revenues and interest expense applicable to CTFT, and equity in losses of the unconsolidated affiliate, ComEd Funding.

(b) PETT was consolidated in Exelon's and PECO's financial statements on January 1, 2010 pursuant to authoritative guidance relating to the consolidation of VIEs. See Note 1—Significant Accounting Policies for additional information. PETT was liquidated and dissolved upon repayment of the debt in September 2010.

(c) The intersegment profit associated with Generation's sale of AECs to PECO is not eliminated in consolidation due to the recognition of intersegment profit in accordance with regulatory accounting guidance. See Note 2—Regulatory Matters for additional information.

(d) Exelon Foundation is a nonconsolidated not-for-profit Illinois corporation. The Exelon Foundation was established in 2007 to serve educational and environmental philanthropic purposes and does not serve a direct business or political purpose of Exelon.

(e) ComEd Financing II was liquidated and dissolved upon repayment of the debt in 2008.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

Transactions involving Generation, ComEd, and PECO are further described in the tables below.

Generation

The financial statements of Generation include related-party transactions as presented in the tables below:

	For the Years Ended December 31,		
	2010	2009	2008
Operating revenues from affiliates			
ComEd [a]	$1,010	$1,456	$1,505
PECO [b]	2,092	2,016	2,081
Total operating revenues from affiliates	$3,102	$3,472	$3,586
Fuel purchases from related parties			
PECO	$ 1	$ 1	$ 1
ComEd	—	—	3
Keystone Fuels, LLC	74	56	73
Conemaugh Fuels, LLC	70	69	54
Total fuel purchases from related parties	$ 145	$ 126	$ 131
Operating and maintenance from affiliates			
ComEd [c]	$ 2	$ 2	$ 1
PECO [c]	4	6	9
BSC [d]	285	298	275
Total operating and maintenance from affiliates	$ 291	$ 306	$ 285
Loss in equity method investments			
NuStart Energy Development, LLC	$ —	$ 3	$ 1
Cash distribution paid to member	$1,508	$2,276	$1,545
Contribution from member	$ 62	$ 57	$ 86

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Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

	As of December 31, 2010	As of December 31, 2009
Mark-to-market derivative assets with affiliates (current)		
ComEd [e]	$ 450	$ 302
PECO [i]	5	—
Total mark-to-market derivative assets with affiliates (current)	$ 455	$ 302
Receivables from affiliates (current)		
ComEd [a][f][g]	$ 58	$ 123
PECO [b]	248	174
Total receivables from affiliates (current)	$ 306	$ 297
Receivable from affiliate (noncurrent)		
Exelon	$ 1	$ 1
Mark-to-market derivative assets with affiliates (noncurrent)		
ComEd [e]	$ 525	$ 669
PECO [i]	—	2
Total mark-to-market derivative assets with affiliates (noncurrent)	$ 525	$ 671
Payables to affiliates (current)		
Exelon [h]	$ 6	$ 7
BSC [d]	41	73
Total payables to affiliates (current)	$ 47	$ 80
Payables to affiliates (noncurrent)		
ComEd [j]	$ 1,892	$ 1,917
PECO [j]	375	311
Total payables to affiliates (noncurrent)	$ 2,267	$ 2,228

(a) Generation has a SFC and an ICC-approved RFP contract with ComEd to provide a portion of ComEd's electricity supply requirements. Generation also sells RECs to ComEd. In addition, Generation had revenue from ComEd associated with the settled portion of the financial swap contract established as part of the Illinois Settlement. See Note 2—Regulatory Matters for additional information.
(b) Generation had a PPA with PECO, to provide the full energy requirements to PECO through 2010. In addition, Generation has five-year and ten-year agreements with PECO to sell non-solar and solar AECs, respectively. See Note 2—Regulatory Matters for additional information.
(c) Generation requires electricity for its own use at its generating stations. Generation purchases electricity and distribution and transmission services from PECO and only distribution and transmission services from ComEd for the delivery of electricity to its generating stations.
(d) Generation receives a variety of corporate support services from BSC, including legal, human resources, financial, information technology and supply management services. All services are provided at cost, including applicable overhead. A portion of such services is capitalized.
(e) Represents the fair value of Generation's five-year financial swap contract with ComEd.
(f) Under the Illinois Settlement Legislation, Generation is responsible to contribute to rate relief programs for ComEd customers, which are issued through ComEd. As of December 31, 2010 and 2009, Generation had a $1 million and $0 million payable, respectively, which is netted against the receivable from ComEd. See Note 2—Regulatory Matters for additional information.
(g) As of December 31, 2010, Generation had a $40 million receivable from ComEd associated with the completed portion of the financial swap contract entered into as part of the Illinois Settlement. See Note 2—Regulatory Matters and Note 9—Derivative Financial Instruments for additional information.
(h) In order to facilitate payment processing, Exelon processes certain invoice payments on behalf of Generation.
(i) Represents the fair value of Generation's block contracts with PECO.
(j) Generation has long-term payables to ComEd and PECO as a result of the nuclear decommissioning contractual construct whereby, to the extent NDT funds are greater than the underlying ARO at the end of decommissioning, such amounts are due back to ComEd and PECO, as applicable, for payment to their respective customers. See Note 12—Asset Retirement Obligations.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

ComEd

The financial statements of ComEd include related-party transactions as presented in the tables below:

	For the Years Ended December 31,		
	2010	2009	2008
Operating revenues from affiliates			
Generation	$ 2	$ 2	$ 4
CTFT [(a)]	—	—	3
Total operating revenues from affiliates	$ 2	$ 2	$ 7
Purchased power from affiliate			
Generation [(b)]	$1,010	$1,456	$1,505
Operating and maintenance from affiliate			
BSC [(c)]	$ 152	$ 165	$ 168
Interest expense to affiliates, net			
CTFT [(a)]	$ —	$ —	$ 6
ComEd Financing II [(a)]	—	—	2
ComEd Financing III	13	13	13
Total interest expense to affiliates, net	$ 13	$ 13	$ 21
Loss in equity method investments			
ComEd Funding [(a)]	$ —	$ —	$ 8
Capitalized costs			
BSC [(c)]	$ 84	$ 72	$ 55
Cash dividends paid to parent	$ 310	$ 240	$ —
Contribution from parent	$ 2	$ 8	$ 14

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	As of December 31, 2010	As of December 31, 2009
Prepaid voluntary employee beneficiary association trust [(d)]	$ 7	$ 7
Investment in affiliate		
ComEd Financing III	$ 6	$ 6
Receivable from affiliates (noncurrent)		
Generation [(e)]	$ 1,892	$ 1,917
Other	3	3
Total receivable from affiliates (noncurrent)	$ 1,895	$ 1,920
Payables to affiliates (current)		
Generation [(b)(f)(g)]	$ 58	$ 123
BSC [(c)]	33	48
Exelon [(h)]	302	—
ComEd Financing III	4	4
Other	1	2
Total payables to affiliates (current)	$ 398	$ 177
Mark-to-market derivative liability with affiliate (current)		
Generation [(i)]	$ 450	$ 302
Mark-to-market derivative liability with affiliate (noncurrent)		
Generation [(i)]	$ 525	$ 669
Long-term debt to ComEd financing trust		
ComEd Financing III	$ 206	$ 206

(a) During 2008, ComEd fully paid its long-term debt obligations to CTFT and received its current receivable from the CTFT. ComEd Funding liquidated its investment in CTFT and ComEd liquidated its investment in ComEd Funding. This resulted in the elimination of operating revenues and interest expense applicable to CTFT, and equity in losses of the unconsolidated affiliate, ComEd Funding. In addition, ComEd Financing II was liquidated and dissolved upon repayment of the debt during 2008.

(b) ComEd procures a portion of its electricity supply requirements from Generation under a SFC and an ICC-approved RFP contract. ComEd also purchases RECs from Generation. In addition, purchased power expense includes the settled portion of the financial swap contract with Generation established as part of the Illinois Settlement. See Note 2—Regulatory Matters and Note 9—Derivative Financial Instruments for additional information.

(c) ComEd receives a variety of corporate support services from BSC, including legal, human resources, financial, information technology and supply management services. All services are provided at cost, including applicable overhead. A portion of such services is capitalized.

(d) The voluntary employee benefit association trusts covering active employees are included in corporate operations and are funded by the operating segments. A prepayment to the active welfare plans has accumulated due to actuarially determined contribution rates, which are the basis for ComEd's contributions to the plans, being higher than actual claim expense incurred by the plans over time. The prepayment is included in other current assets.

(e) ComEd has a long-term receivable from Generation as a result of the nuclear decommissioning contractual construct for generating facilities previously owned by ComEd. To the extent the assets associated with decommissioning are greater than the applicable ARO at the end of decommissioning; such amounts are due back to ComEd for payment to ComEd's customers.

(f) As of December 31, 2010, ComEd had a $40 million payable to Generation associated with the completed portion of the financial swap contract entered into as part of the Illinois Settlement. See Note 2—Regulatory Matters and Note 9—Derivative Financial Information for additional information.

(g) Under the Illinois Settlement Legislation, Generation is responsible to contribute to rate relief programs for ComEd customers, which are issued through ComEd. As of December 31, 2010 and 2009, ComEd had a $1 million and $0 million receivable, respectively, which is netted against the payable to Generation. See Note 2—Regulatory Matters for additional information.

(h) Under the Tax Sharing Agreement, Exelon made a payment to the IRS on December 28, 2010. As a result of the payment, ComEd recorded a short-term intercompany note payable to Exelon. ComEd expects to repay this amount plus interest to Exelon in the first half of 2011. Under Exelon policy, interest will accrue at the one month LIBOR rate plus 50 basis points. See Note 11—Income Taxes for additional information on Exelon's payment to the IRS.

(i) To fulfill a requirement of the Illinois Settlement, ComEd entered into a five-year financial swap with Generation.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

PECO

The financial statements of PECO include related-party transactions as presented in the tables below:

	For the Years Ended December 31,		
	2010	2009	2008
Operating revenues from affiliates			
Generation [(a)]	$ 5	$ 6	$ 10
PETT [(b)(c)]	—	3	4
Total operating revenues from affiliates	$ 5	$ 9	$ 14
Purchased power from affiliate			
Generation [(d)]	$2,085	$2,005	$2,083
Operating and maintenance from affiliates			
BSC [(e)]	$ 89	$ 94	$ 92
Generation	—	1	(2)
Total operating and maintenance from affiliates	$ 89	$ 95	$ 90
Interest expense to affiliates, net			
PETT [(c)]	$ —	$ 51	$ 101
PECO Trust III	6	6	6
PECO Trust IV	6	6	6
Other	—	—	1
Total interest expense to affiliates, net	$ 12	$ 63	$ 114
Loss in equity method investments			
PETT [(c)]	$ —	$ 24	$ 16
Capitalized costs			
BSC [(e)]	$ 40	$ 24	$ 21
Cash dividends paid to parent	$ 224	$ 312	$ 480
Repayment of receivable from parent	$ 180	$ 320	$ 284
Contribution from parent	$ 43	$ 27	$ 36

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Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

	As of December 31, 2010	As of December 31, 2009
Prepaid voluntary employee beneficiary association trust (f)	$ 1	$ 1
Investments in affiliates		
PETT (c)	$ —	$ 5
PECO Energy Capital Corporation	4	4
PECO Trust IV	4	4
Total investments in affiliates	$ 8	$ 13
Receivable from affiliate (noncurrent)		
Generation (g)	$ 375	$ 311
Mark-to-market derivative liability with affiliate (current)		
Generation (h)	$ 5	$ —
Payables to affiliates (current)		
Generation (d)	$ 248	$ 174
BSC (e)	25	13
Exelon	1	1
PECO Trust III	1	1
Total payables to affiliates (current)	$ 275	$ 189
Mark-to-market derivative liability with affiliate (noncurrent)		
Generation (h)	$ —	$ 2
Long-term debt to PETT and other financing trusts (including due within one year)		
PETT (c)	$ —	$ 415
PECO Trust III	81	81
PECO Trust IV	103	103
Total long-term debt to financing trusts	$ 184	$ 599
Shareholders' equity—receivable from parent (i)	$ —	$ 180

(a) PECO provides energy to Generation for Generation's own use.
(b) PECO receives a monthly administrative servicing fee from PETT based on a percentage of the outstanding balance of all series of transition bonds.
(c) PETT was consolidated in Exelon's and PECO's financial statements on January 1, 2010 pursuant to authoritative guidance relating to the consolidation of VIEs. See Note 1—Significant Accounting Policies for additional information. PETT was liquidated and dissolved upon repayment of the debt in September 2010.
(d) PECO obtained all of its electric supply from Generation through 2010 under a PPA. In addition, PECO has five-year and ten-year agreements with Generation to purchase non-solar and solar AECs, respectively. See Note 2—Regulatory Matters for additional information on AECs.
(e) PECO receives a variety of corporate support services from BSC, including legal, human resources, financial, information technology and supply management services. All services are provided at cost, including applicable overhead. A portion of such services is capitalized.
(f) The voluntary employee beneficiary association trusts covering active employees are included in corporate operations and are funded by the operating segments. A prepayment to the active welfare plans has accumulated due to actuarially determined contribution rates, which are the basis for PECO's contributions to the plans, being higher than actual claim expense incurred by the plans over time.
(g) PECO has a long-term receivable from Generation as a result of the nuclear decommissioning contractual construct, whereby, to the extent the assets associated with decommissioning are greater than the applicable ARO at the end of decommissioning, such amounts are due back to PECO for payment to PECO's customers.
(h) PECO entered into block contracts with Generation to procure electric generation for its residential procurement class beginning January 1, 2011 in accordance with its PAPUC-approved DSP Program.
(i) PECO had a non-interest bearing receivable from Exelon related to the 2001 corporate restructuring that settled in 2010.

Combined Notes to Consolidated Financial Statements—(Continued)
(Dollars in millions, except per share data unless otherwise noted)

22. Quarterly Data (Unaudited) (Exelon, Generation, ComEd and PECO)

Exelon

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

	Operating Revenues		Operating Income		Net Income	
	2010	2009	2010	2009	2010	2009
Quarter ended:						
March 31	$ 4,461	$ 4,722	$ 1,402	$ 1,255	$ 749	$ 712
June 30	4,398	4,141	1,018	1,016	445	657
September 30	5,291	4,339	1,367	1,403	845	757
December 31	4,494	4,116	939	1,076	524	581

	Average Basic Shares Outstanding (in millions)		Net Income per Basic Share	
	2010	2009	2010	2009
Quarter ended:				
March 31	661	659	$ 1.13	$ 1.08
June 30	661	659	0.67	1.00
September 30	662	660	1.28	1.15
December 31	662	660	0.79	0.88

	Average Diluted Shares Outstanding (in millions)		Net Income per Diluted Share	
	2010	2009	2010	2009
Quarter ended:				
March 31	662	661	$ 1.13	$ 1.08
June 30	662	661	0.67	0.99
September 30	663	662	1.27	1.14
December 31	663	662	0.79	0.88

The following table presents the New York Stock Exchange—Composite Common Stock Prices and dividends by quarter on a per share basis:

	2010				2009			
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
High price	$ 44.49	$ 43.32	$ 45.10	$ 49.88	$ 51.98	$ 54.47	$ 51.46	$ 58.98
Low price	39.05	37.63	37.24	42.97	45.90	47.30	44.24	38.41
Close	41.64	42.58	37.97	43.81	48.87	49.62	50.12	45.39
Dividends	0.525	0.525	0.525	0.525	0.525	0.525	0.525	0.525

Generation

The data shown below includes all adjustments that Generation considers necessary for a fair presentation of such amounts:

	Operating Revenues		Operating Income		Net Income	
	2010	2009	2010	2009	2010	2009
Quarter ended:						
March 31	$ 2,421	$ 2,601	$ 916	$ 862	$ 561	$ 528
June 30	2,353	2,378	587	676	382	512
September 30	2,655	2,445	883	1,046	605	657
December 31	2,596	2,278	660	711	424	425

ComEd

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

	Operating Revenues		Operating Income		Net Income	
	2010	2009	2010	2009	2010	2009
Quarter ended:						
March 31	$ 1,415	$ 1,553	$ 291	$ 206	$ 116	$ 114
June 30	1,499	1,389	256	209	9	116
September 30	1,918	1,475	280	203	121	46
December 31	1,372	1,357	229	224	91	98

PECO

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

	Operating Revenues		Operating Income		Net Income on Common Stock	
	2010	2009	2010	2009	2010	2009
Quarter ended:						
March 31	$ 1,455	$ 1,514	$ 194	$ 210	$ 100	$ 112
June 30	1,269	1,204	182	154	74	70
September 30	1,496	1,327	215	172	126	91
December 31	1,299	1,266	70	160	20	77

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

Exelon, Generation, ComEd, and PECO

None.

ITEM 9A. CONTROLS AND PROCEDURES

Exelon, Generation, ComEd and PECO

During the fourth quarter of 2010, each registrant's management, including its principal executive officer and principal financial officer, evaluated that registrant's disclosure controls and procedures related to the recording, processing, summarizing and reporting of information in that registrant's periodic reports that it files with the SEC. These disclosure controls and procedures have been designed by each registrant to ensure that (a) information relating to that registrant, including its consolidated subsidiaries, that is required to be included in filings under the Securities Exchange Act of 1934, is accumulated and made known to that registrant's management, including its principal executive officer and principal financial officer, by other employees of that registrant and its subsidiaries as appropriate to allow timely decisions regarding required disclosure, and (b) this information is recorded, processed, summarized, evaluated and reported, as applicable, within the time periods specified in the SEC's rules and forms. Due to the inherent limitations of control systems, not all misstatements may be detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls could be circumvented by the individual acts of some persons or by collusion of two or more people.

Accordingly, as of December 31, 2010, the principal executive officer and principal financial officer of each registrant concluded that such registrant's disclosure controls and procedures were effective to accomplish their objectives. Each registrant continually strives to improve its disclosure controls and procedures to enhance the quality of its financial reporting and to maintain dynamic systems that change as conditions warrant. However, there have been no changes in internal control over financial reporting that occurred during the fourth quarter of 2010 that have materially affected, or are reasonably likely to materially affect, Exelon's internal control over financial reporting.

Exelon, Generation, ComEd and PECO

Management is required to assess and report on the effectiveness of its internal control over financial reporting as of December 31, 2010. As a result of that assessment, management determined that there were no material weaknesses as of December 31, 2010 and, therefore, concluded that each registrant's internal control over financial reporting was effective. Management's Report on Internal Control Over Financial Reporting is included in ITEM 8. Financial Statements and Supplementary Data.

ITEM 9B. OTHER INFORMATION

Exelon, Generation and ComEd.

Anne R. Pramaggiore, President and Chief Operating Officer of ComEd, Michael J. Pacilio, President, Exelon Nuclear and Chief Nuclear Officer, Generation, and Sunil Garg, President, Exelon Power and Senior Vice President, Generation, each entered into a Change in Control Employment Agreement effective as of February 10, 2011. The terms of these change in control employment agreements are substantially the same as the change in control employment agreements entered into by other senior executives and previously disclosed, except that the agreements with Ms. Pramaggiore

and Messrs. Pacilio and Garg do not include excise tax gross-up provisions, consistent with a policy adopted by the compensation committee in April 2009. The form of Change in Control Employment Agreement is attached hereto as Exhibit 10-44.

PECO.

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS OF THE REGISTRANT AND CORPORATE GOVERNANCE

Exelon

Executive Officers

The information required by ITEM 10 relating to executive officers is set forth above in ITEM 1. Business—Executive Officers of the Registrants at February 10, 2011.

Directors, Director Nomination Process, and Audit Committee

The information required under ITEM 10 concerning directors and nominees for election as directors at Exelon's annual meeting of shareholders (Item 401 of Regulation S-K), the director nomination process (Item 407(c)(3)) and the audit committee (Item 407(d)(4) and (d)(5)) is incorporated herein by reference to information to be contained in Exelon's definitive 2011 proxy statement (2011 Exelon Proxy Statement) to be filed with the SEC before April 30, 2011 pursuant to Regulation 14A under the Securities Exchange Act of 1934.

Code of Ethics

Exelon's Code of Business Conduct is the code of ethics that applies to Exelon's Chief Executive Officer, Chief Financial Officer, Corporate Controller, and other finance organization employees. The Code of Business Conduct is filed as Exhibit 14 to this report and is available on Exelon's website at *www.exeloncorp.com*. The Code of Business Conduct will be made available, without charge, in print to any shareholder who requests such document from Bruce G. Wilson, Senior Vice President, Deputy General Counsel, and Corporate Secretary, Exelon Corporation, P.O. Box 805398, Chicago, Illinois 60680-5398.

If any substantive amendments to the Code of Business Conduct are made or any waivers are granted, including any implicit waiver, from a provision of the Code of Business Conduct, to its Chief Executive Officer, Chief Financial Officer or Corporate Controller, Exelon will disclose the nature of such amendment or waiver on Exelon's website, *www.exeloncorp.com*, or in a report on Form 8-K.

Section 16(a) Beneficial Ownership Reporting Compliance

Based upon signed affirmations received from directors and officers, as well as administrative review of company plans and accounts administered by private brokers on behalf of directors and officers which have been disclosed to Exelon by the individual directors and officers, Exelon believes that its directors and officers made all required filings on a timely basis during 2010, with the exception of one report that the company filed late on behalf of Mr. Cornew, which reported the withholding of shares to satisfy the tax obligations on the vesting of an off-cycle restricted stock grant.

Generation

Executive Officers

The information required by ITEM 10 relating to executive officers is set forth above in ITEM 1. Business—Executive Officers of the Registrants at February 10, 2011.

Directors

Generation operates as a limited liability company and has no board of directors.

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Audit Committee

Generation is a controlled subsidiary of Exelon and does not have a separate audit committee. Instead, that function is fulfilled by the audit committee of the Exelon board of directors. See discussion of Exelon's audit committee to be incorporated by reference to the 2011 Exelon Proxy Statement.

Code of Ethics

The Exelon Code of Business Conduct is the code of ethics that applies to all officers and employees of Generation. See discussion of Exelon's Code of Ethics above.

If any substantive amendments to Exelon's Code of Business Conduct are made or any waivers are granted, including any implicit waiver, from a provision of Exelon's Code of Business Conduct, as applied to Generation's Chief Executive Officer, Chief Financial Officer or Corporate Controller, Generation will cause the nature of such amendment or waiver to be disclosed on Exelon's website, *www.exeloncorp.com*, or in a report on Form 8-K.

ComEd

Executive Officers

The information required by ITEM 10 relating to executive officers is set forth above in ITEM 1. Business—Executive Officers of the Registrants at February 10, 2011.

Directors

Frank M. Clark. Age 65. Chairman and Chief Executive Officer since November 28, 2005. Previously Executive Vice President and Chief of Staff of Exelon and President of ComEd from 2004 to 2005; Senior Vice President, Exelon, and Executive Vice President of Exelon Energy Delivery and President of ComEd from 2003 to 2004. He is a director of Aetna, Inc. (insurance), Harris Financial Corporation (financial services) and Waste Management, Inc. (environmental services). Mr. Clark has worked for ComEd for over forty years and has extensive knowledge of ComEd's business and regulatory matters.

James W. Compton. Age 72. Director of ComEd since September 18, 2006. President and Chief Executive Officer of Chicago Urban League from 1978 through 2006; President and Chief Executive Officer of the Chicago Urban League Development Corporation from 1980 through 2006. Mr. Compton has extensive knowledge of ComEd and its business, having previously served as a director of ComEd from 1989-2000 and having served as a director of a community-based bank. In addition, he is very familiar with ComEd's customers and contributes to ComEd's outreach to diverse groups in Chicago.

Peter V. Fazio, Jr. Age 71. Director of ComEd since October 29, 2007. A partner of the law firm of Schiff Hardin, LLP. A past Chairman, Executive Committee Member and Managing Partner of Schiff Hardin. In addition to his general legal expertise, Mr. Fazio previously served as general counsel of another electric and gas utility and brings the ComEd board knowledge of utility regulatory and legal issues.

Sue L. Gin. Age 68. Director of ComEd since November 28, 2005. Founder, Owner, Chairman and Chief Executive Officer of Flying Food Group, LLC (in-flight catering company). She is also a director of Exelon and of Centerplate, Inc. and was a director of Briazz, Inc. (restaurants and catering) from 2003-2004. As a leader in the Chicago business community and as the chief executive of a privately held Chicago-based business, Ms. Gin is familiar with the Chicago economy and the needs of Chicago businesses served by ComEd. As a female member of the Asian-American community, Ms. Gin also brings diversity to the board and contributes to ComEd's diversity initiatives and community outreach.

Edgar D. Jannotta. Age 79. Director of ComEd since November 28, 2005. Chairman of William Blair & Company, L.L.C. (investment banking and brokerage company) since March 2001. He is also a director of Aon Corporation (insurance) and Molex, Inc. (automobile parts) and formerly served as a director of AAR Corporation and Bandag, Incorporated. Mr. Jannotta was a director of ComEd from 1994 to 2000 and a director of Exelon from 2000 through 2007. He is a leader in the Chicago business community and has extensive financial and investment banking experience that gives him knowledge of credit and capital markets and the needs of Chicago businesses served by ComEd.

Edward J. Mooney. Age 69. Director of ComEd since October 16, 2006. From March 2000 to March 2001, was Delegue General-North America of Suez Lyonnaise (private infrastructure services). Mr. Mooney was chairman and chief executive officer of Nalco Chemical Company from 1994 until March 2000. He is also a director of Northern Trust Corporation, FMC Corporation, FMC Technologies, Inc., Cabot Microelectronics Corporation and Polyone Corporation. Mr. Mooney's experience as a CEO and as a director of other corporations, as well as his involvement in the Chicago business community, make him a valuable member of the ComEd board.

Michael H. Moskow. Age 73. Director of ComEd since January 28, 2008. Vice Chairman and a Senior Fellow at the Chicago Council on Global Affairs. President and Chief Executive Officer (CEO) of the Federal Reserve Bank of Chicago from 1994 to 2007. He is also director of Discover Financial Services, Northern Trust Mutual Funds and Taylor Capital Group. Mr. Moskow is a recognized leader in the Chicago business community with knowledge of the economy of the Midwestern United States and the northern Illinois communities ComEd serves. His business experience and service on the boards of other companies and organizations enable him to contribute to the work of the ComEd board.

John W. Rowe. Age 65. Director of ComEd since April 27, 2009. Mr. Rowe has served as Chairman and Chief Executive Officer of Exelon since April of 2002 and he has been a Director of Exelon since its formation in 2000. At various times since 2000 he has also held the title of President of Exelon and from 2000 through April 2002 he was also Co-Chief Executive Officer of Exelon. Mr. Rowe is also a director of PECO, The Northern Trust Company and Sunoco, Inc. and formerly served as a director of UnumProvident Corporation from 1999 (upon the merger of Unum Corporation into Provident Companies, Inc.) to 2005; he had previously served on Unum Corporation Board from 1988, Fleet Boston Financial Corporation (bank) from 1999 (when BankBoston was acquired by Fleet Boston) to 2002 and Wisconsin Central Transportation Corporation from 1998 to 2001 (when it was acquired by Canadian National Railway). Mr. Rowe has an aggregate of over 25 years experience as the CEO of Exelon and other utilities.

Jesse H. Ruiz. Age 45. Director of ComEd since October 16, 2006. Partner at the law firm Drinker, Biddle & Reath LLP; Chairman of the Illinois State Board of Education. Mr. Ruiz's legal and governmental experience in the city and state where ComEd's business is conducted has enabled him to contribute to the ComEd board. Mr. Ruiz contributes to ComEd's outreach to diverse groups.

Richard L. Thomas. Age 80. Director of ComEd since November 28, 2005. Chairman of First Chicago NBD Corporation (banking and financial services) from December 1995 through May 1996 and the First Chicago Corporation from January 1992 through December 1996. Served as a director of Exelon from 2000 through 2007, and also previously as a director of Sara Lee Corporation, PMI Group, Inc., IMC Global Inc, and The SABRE Group Holdings, Inc. Mr. Thomas was a director of ComEd from 1998 through 2000 and a director of Exelon from 2000 through 2007. Mr. Thomas is a recognized leader in the Chicago business community with knowledge of the markets that ComEd serves. His experience as a CEO and his experience as a director of other companies enable him to contribute to the ComEd board. His experience as a banker and knowledge of the credit and capital markets are valuable to the ComEd board.

Audit Committee

The ComEd audit committee consisted of Sue L. Gin, Edgar D. Jannotta and Richard L. Thomas. Although ComEd is a controlled subsidiary of Exelon and, accordingly, is not required to have an audit committee, the ComEd board established an audit committee for the limited purpose of reviewing financial disclosures. The other ordinary functions of an audit committee, including oversight of the independent accountant, were carried out by the audit committee of the Exelon board of directors. The ComEd board discontinued its audit committee effective June 28, 2010. However, Mr. Thomas continues to attend meetings of the Exelon audit committee on behalf of the ComEd board.

Code of Ethics

Exelon's Code of Business Conduct is the code of ethics that applies to ComEd's Chief Executive Officer, Chief Financial Officer, Corporate Controller, and other finance organization employees. See discussion of Exelon's Code of Ethics above.

If any substantive amendments to Exelon's Code of Business Conduct are made or any waivers are granted, including any implicit waiver, from a provision of Exelon's Code of Business Conduct, as applied to ComEd's Chief Executive Officer, Chief Financial Officer or Corporate Controller, ComEd will cause the nature of such amendment or waiver to be disclosed on Exelon's website, *www.exeloncorp.com*, or in a report on Form 8-K.

PECO

Executive Officers

The information required by ITEM 10 relating to executive officers is set forth above in ITEM 1. Business—Executive Officers of the Registrants at February 10, 2011.

Directors

The board is classified into three classes, with two directors in Class I, three directors in Class II and three directors in Class III.

John W. Rowe. Age 65. Class I director. Mr. Rowe has served as Chairman and Chief Executive Officer of Exelon since April of 2002 and he has been a Director of Exelon since its formation in 2000. At various times since 2000 he has also held the title of President of Exelon and from 2000 through April 2002 he was also Co-Chief Executive Officer of Exelon. Mr. Rowe is also a director of ComEd, The Northern Trust Company and Sunoco, Inc. and formerly served as a director of UnumProvident Corporation, from 1999 (upon the merger of Unum Corporation into Provident Companies, Inc.) to 2005; he had previously served on Unum Corporation Board from 1988, Fleet Boston Financial Corporation (bank) from 1999 (when BankBoston was acquired by Fleet Boston) to 2002 and Wisconsin Central Transportation Corporation from 1998 to 2001 (when it was acquired by Canadian National Railway). Mr. Rowe has an aggregate of over 25 years experience as the CEO of Exelon and other utilities.

M. Walter D'Alessio. Age 77. Class II director. Director since July 23, 2007. Vice Chairman of NorthMarq Capital (a real estate investment banking firm) and Senior Managing Director of NorthMarq Advisors, LLC (a real estate consulting group), positions that he has held since July 2003. Chairman and CEO of Legg Mason Real Estate Services, Inc. from 1982 through July 2003. Also Chairman of the Board of Directors of Brandywine Real Estate Investment Trust, where he has been a trustee since 1996, and chair of Independence Blue Cross, where he has been a director since 1991, a director of the Federal Home Loan Bank Board of Pittsburgh since 2008, and a director of the Pennsylvania Real Estate Investment Trust since 2005. He is also a director of Exelon. Mr. D'Alessio is a leader in the

Philadelphia business community and has knowledge of the greater Philadelphia metropolitan area and economic trends in the region, particularly with respect to real estate development. Mr. D'Alessio contributes to the PECO board through his long history as a business leader and as a director of other business organizations.

Nelson A Diaz. Age 63. Class II director. Director since July 23, 2007. Of Counsel to Cozen O'Connor, a Philadelphia-based law firm since May 2007. Previously he was a partner of the law firm Blank Rome LLP from March 2004 through May 2007 and from February 1997 through December 2001. He also served as City Solicitor of the City of Philadelphia from December 2001 through January 2004 and as General Counsel, United States Department of Housing and Urban Affairs, from 1993 to 1997. He is also a director of Exelon. Judge Diaz's legal and governmental experience at the Federal level and in a city and state where PECO's business is conducted has enabled him to contribute to the board on matters related to Federal, state and local regulation and public policy. In addition, Judge Diaz's Puerto Rican heritage adds diversity to the PECO board. He serves on the boards of the National Association for Hispanic Elderly, the U.S. Hispanic Leadership Institute and the United States Hispanic Advocacy Association. He is active in Philadelphia government and community affairs and neighborhood development and has made contributions to PECO's outreach to diverse groups within Philadelphia and neighboring communities.

Rosemarie B. Greco. Age 64. Class I director. Director since July 23, 2007. Founding principal of GRECOVentures Ltd. (a private management consulting firm). She served as the director of the Governor's Office of Health Care Reform for the Commonwealth of Pennsylvania from January 2003 through December 2008, and the Senior Adviser to the Governor of Pennsylvania-Health Care Reform from January 2009 through December 2010. Formerly President of CoreStates Financial Corporation and former Director, President and CEO of CoreStates Bank, N.A. She is also a director of Sunoco, Inc. since 1998, a trustee of Pennsylvania Real Estate Investment Trust since 1997 and a trustee of SEI I Mutual Funds, a subsidiary of SEI Investments, Co. since 1999. She is also a director of Exelon. Her experience in the banking industry in Philadelphia has given her insight into the needs of the bank's clients, who are also customers of PECO. Ms. Greco's role as a female executive has brought diversity to PECO's board, and she has contributed to PECO's diversity initiatives. Her experience as a CEO with responsibility for overseeing the quality of operations is a useful background for her work on operational issues at PECO. Ms. Greco's experience as a CEO, a management consultant, and a member of a number of corporate boards contribute to her effectiveness as a member of the PECO board.

Charisse R. Lillie. Age 58. Class II director. Director since January 1, 2010. Vice President of Community Investment for Comcast Corporation and Executive Vice President of the Comcast Foundation since 2008. She served as Vice President of Human Resources for Comcast Corporation and Senior Vice President of Human Resources for Comcast Cable from 2005 to 2008. She was a partner in the law firm of Ballard, Spahr, Andrews & Ingersoll, LLP from January 1992 to February 2005. She also serves on the boards of Howard University, The Franklin Institute Science Museum, the American Arbitration Association, the Penn Mutual Life Insurance Company, the United Way of Southeastern Pennsylvania, and the Pyramid Club. Ms. Lillie's legal and regulatory experience and experience on the boards of other businesses and organizations enable her to contribute to the PECO board. She brings diversity to the PECO board and will contribute to PECO's diversity initiatives.

Denis P. O'Brien. Age 50. Class III director. Director since June 30, 2003. Executive Vice President of Exelon; President and Chief Executive Officer of PECO since August 2007. President of PECO from 2003 to 2007. Mr. O'Brien has spent his entire career in PECO's operations and has extensive knowledge of PECO's business and regulatory matters.

Thomas J. Ridge. Age 65. Class III director. Director since July 23, 2007. President, Ridge Global LLC and strategic limited partner in Doheny Global Group, a U.S.-based international developer of

energy facilities. Secretary of the United States Department of Homeland Security from January 2003 through January 2005, and the Assistant to the President for Homeland Security (an Executive Office created by President Bush) from October 2001 through December 2002. He served as Governor of the Commonwealth of Pennsylvania from 1994 through October 2001. He is also a director of Exelon, The Hershey Company (chocolate and sugar confectionary) since 2007 and Vonage Holdings Corp. (software technology for voice and messaging services) since 2005, and Brightpoint, Inc. since 2009. He previously served as a director of Home Depot Corporation (home improvement specialty retailer) from 2005-2007. Governor Ridge's governmental service at the Federal level and in Pennsylvania is valued by the board. His Department of Homeland Security experience provides valuable insight into issues relating to the security of PECO's transmission and distribution facilities. His service as a director of other companies brings additional perspective to the PECO board, which benefits greatly from Governor Ridge's insights from his experience in state government and his expertise on matters relating to the security of critical infrastructure.

Ronald Rubin. Age 80. Class III director. Director since July 23, 2007. Chairman and Chief Executive Officer of the Pennsylvania Real Estate Investment Trust (a real estate management and development company). Mr. Rubin was a director of PECO from 1988 through 2000 and a director of Exelon from 2000 through 2007. He previously served as a director of Continental Bank and Midlantic Bank. Mr. Rubin is active in the Philadelphia business community and has knowledge of the greater Philadelphia metropolitan area and economic trends in the region, particularly with respect to real estate development. Mr. Rubin contributes to the PECO board through his long history as a business leader and as a director of other business organizations.

Audit Committee

PECO is a controlled subsidiary of Exelon and does not have a separate audit committee. Instead, that function is fulfilled by the audit committee of the Exelon board of directors. See discussion of Exelon's audit committee to be incorporated by reference to the 2011 Exelon Proxy Statement.

Code of Ethics

Exelon's Code of Business Conduct is the code of ethics that applies to PECO's Chief Executive Officer, Chief Financial Officer, Corporate Controller, and other finance organization employees. See discussion of Exelon's Code of Ethics above.

If any substantive amendments to Exelon's Code of Business Conduct are made or any waivers are granted, including any implicit waiver, from a provision of Exelon's Code of Business Conduct, as applied to PECO's Chief Executive Officer, Chief Financial Officer or Corporate Controller, PECO will cause the nature of such amendment or waiver to be disclosed on Exelon's website, *www.exeloncorp.com*, or in a report on Form 8-K.

ITEM 11. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Executive Summary

Exelon's executive compensation programs are designed to motivate and reward senior management to achieve Exelon's vision of being the best group of electric generation and electric and gas delivery companies in the United States, providing superior value for Exelon's customers, employees, investors and the communities Exelon serves. The compensation committee has adopted a pay-for-performance philosophy, which places an emphasis on pay-at-risk. Exelon's compensation program is designed to reward superior performance, that is, meeting or exceeding financial and operational goals set by the compensation committee. When excellent performance is achieved, pay will increase. Failure to achieve the target goals established by the compensation committee will result in lower pay.

Reductions in Compensation for 2010

After a difficult year for earnings in 2009, and in anticipation of continued earnings challenges in 2010, the compensation committee and the Exelon and ComEd boards of directors took the following actions at the beginning of 2010 to reduce compensation:

- Executive salaries were frozen, except for changes in responsibilities;
- The annual incentive program ("AIP") payout scale was recalibrated to reduce the threshold payout from 50% to 25% and to reduce the payout at plan from 100% to 50%, while leaving distinguished payout at 200%;
- The shareholder protection features in the annual incentive plan were enhanced by limiting key performance indicator payouts to no more than 10% above the earnings payout percentage;
- The target values for long-term incentives were reduced by approximately 33%; and
- The company fixed match on 401(k) contributions was reduced from 5% to 3% of base salary, with the potential for a formula-based profit sharing contribution of up to an additional 3% of base salary.

Effect of Financial Performance on Incentive Compensation

Exelon's results for 2010 as compared to 2008 and 2009 demonstrate that Exelon's incentive compensation is consistent with Exelon's performance.

Exelon's AIP is based to a significant extent on adjusted (non-GAAP) operating earnings per share. After Exelon's earnings in 2009 declined to 97% of target, Exelon's original guidance for 2010 for adjusted (non-GAAP) operating earnings was a range of $3.60 to $4.00, and the plan, for a 50% payout, was $3.70 and target, for a 100% payout, was $3.90. During the year, the lower end of the guidance range was increased to $3.70 on April 23, 2010. The guidance range was raised on July 22, 2010 to $3.80 to $4.10 per share, and raised again on October 22, 2010 to $3.95 to $4.10 per share. Actual adjusted (non-GAAP) operating earnings as reported in Exelon's earnings release on January 26, 2011 were $4.06. However, the compensation committee decided, for purposes of calculating earnings for the AIP, that the increase in income tax expense pursuant to lower manufacturer's tax deductions as a result of the decision to contribute $2.1 billion to Exelon's pension funds should not be taken into account in determining the incentive pool. The committee wished to provide an incentive to management to make financial decisions that will benefit the company in the long run, even if they reduce earnings in the short run. This decision raised earnings for AIP purposes to $4.11 per share, or 152.5% of target. Accordingly, AIP payouts for 2010 were higher than in 2009 or

2008. However, because earnings were below 150% of target in 2008, below target in 2009, and below distinguished in 2010, the shareholder protection features in the annual incentive plan took effect and limited some or all of the AIP payouts on operating company/business unit key performance indicator goals.

Exelon's performance share award program is based on the relative total shareholder return for Exelon as compared to the Dow Jones Utility Index (60%) and the Standard & Poor's 500 Index (40%). Total shareholder return for the 2006-2008 performance period was at the 75th percentile of the Dow Jones Utility Index and the 85.6th percentile of the Standard & Poor's 500 Index, resulting in performance share payouts at the distinguished (200% of target) level for 2008. However, Exelon's total shareholder return for the 2007-2009 performance period was at the 37.5 percentile of the Dow Jones Utility Index and the 49.5 percentile of the Standard & Poor's 500 Index, resulting in a below target payout at 84.6% of target. In the 2007-2010 performance period, Exelon's total shareholder return was at the 8.3 percentile of the Dow Jones Utility Index and the 13.7 percentile of the Standard & Poor's 500 Index, resulting in a zero payout.

The following table shows the correlation between levels of financial performance and incentive compensation in 2008, 2009 and 2010:

Year	Adjusted (non-GAAP) Earnings Per Share	% of Target For Earnings Goals in Annual Incentive Plan (AIP) (a)	Limit on % of Payout for Other Goals in AIP based on Earnings	Total Shareholder Return %ile as compared to Dow Jones Utility Index	% of Target	Total Shareholder Return %ile as compared to S&P 500 Index	% of Target	Performance Share Unit Payout as % of Target (60% DJUI performance 40% S&P 500 performance)
2008	$ 4.20	116.67%	150.00%	75.00%	200.00%	85.60%	200.00%	200.00%
2009	4.12	97.00	100.00	37.50	75.00	49.50	99.10	84.60
2010	4.11	152.50	162.50	8.30	—	13.70	—	—

For additional information about Exelon's financial results for 2009 and 2010, see Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations.

Value of Compensation Actually Paid to Named Executive Officers

The valuation methods specified by the SEC rules for equity compensation reported in the Summary Compensation Table overstate the value of equity compensation in Exelon's situation. 2010 grant date fair value for performance share units for the 2008-2010 performance period is overstated because no performance shares were awarded. 2009 grant date fair value for performance share units for the 2007-2009 performance period is based in part on historical data for the previous two plan years, which resulted in a high valuation due to strong performance in the 2005-2007 and 2006-2008 performance periods (when Exelon's performance share program paid out at 184.9% of target and 200% of target, respectively, resulting in a valuation at 161% of target for the 2007-2009 performance period). The actual value of the 2007-2009 performance shares granted in January 2009 and awarded in January 2010 was significantly lower, reflecting both the actual performance at the award date and the decline in the stock price between the grant date and the award date. Similarly, the target number of performance shares for the 2006-2008 performance period was based on the January 2008 stock price of approximately $73, while the shares awarded in January 2009 were worth approximately $57. As a result, while Exelon's total shareholder return performance was at 200% of target, the value of the shares paid out was only about 153% of the target value. In addition, valuation of stock options in the Summary Compensation Table is overstated to the extent that the strike price of stock options is higher than the current price of Exelon's stock. None of the stock options granted since January 2006 is in the money; the 2006 strike price was $58.55; 2007, $59.96; 2008, $73.29; 2009, $56.51; and 2010, $46.09, while the price of Exelon's common stock on January 24, 2011 was $43.40.

The following table presents the compensation actually paid to Exelon's named executive officers (NEOs). Values for non-equity compensation are the same as in the Summary Compensation Table. Equity compensation is valued using the actual number of performance shares awarded at the end of the performance period multiplied by the stock price on the award date and no value for stock options that are not in the money, instead of grant date fair values.

For most NEOs, the compensation they actually received in 2010 was lower than in 2009 or 2008. This reflects the zero payout of performance shares and the ComEd long term incentive program in 2010, offset by increased AIP compensation in 2010 because Exelon's earnings were higher relative to expectations at the beginning of the year in 2010 than in 2009 and 2008. In addition, Mr. Rowe's compensation increased because of the increase in the change in the present value of his pension. Exelon is required to disclose the difference between the present value of pension benefits at the end of the year as compared to the present value at the end of the preceding year. This figure can be volatile depending on changes in the pension accounting disclosure assumptions. For 2010, the increase in the present value of Mr. Rowe's pension resulted from the increase in the average of his highest four year annual compensation (7.5%), a decrease in the discount rate (8.8%), and his additional year of service (3.1%), partially offset by the increase in his age (-2.5%). In contrast, for 2009 the increase in the average of his highest four year annual compensation was approximately 1% and the change in the discount rate increased the present value factors by less than 0.5%.

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Exelon, Generation and PECO

Compensation Actually Paid to NEOs
(Equity Valued at Actual Value on Award Date Instead of Grant Date Fair Value)

Name and Principal Position (A)	Year (B)	Salary ($) (C)	Bonus ($) (D)	Stock Awards Valued at Award Date ($) (E)	Value of In the Money Stock Options at 1/24/2011 ($) (F)	Non-Equity Incentive Plan Compensation ($) (G)	Change in Pension Value and Nonqualified Deferred Compen-sation Earnings ($) (H)	All Other Compen-sation ($) (I)	Total ($) (J)
Rowe	2010	$1,475,000	$ —	$ —	$ —	$ 2,474,313	$2,878,315	$ 405,521	$ 7,233,149
	2009	1,468,077	—	2,717,743	—	1,573,825	173,566	416,947	6,350,158
	2008	1,474,423	—	5,877,040	—	1,835,166	830,272	400,192	10,417,093
O'Brien	2010	536,000	63,177	—	—	631,768	213,789	28,712	1,473,446
	2009	532,923	—	538,101	—	395,970	233,772	55,464	1,756,230
	2008	495,538	—	1,175,408	—	428,934	105,978	175,687	2,381,545
Hilzinger	2010	446,000	18,962	—	—	379,245	88,452	20,465	953,124
	2009	442,769	13,079	261,238	—	261,579	85,891	31,725	1,096,281
	2008	408,627	—	942,300	—	318,750	57,492	143,916	1,871,085
Barnett	2010	309,900	12,435	—	—	248,695	59,205	11,876	642,111
	2009	307,996	—	163,758	—	153,788	55,038	23,407	703,987
	2008	297,308	(16,498)	361,664	—	148,477	35,808	561,590	1,388,349
Crane	2010	825,000	—	—	—	1,132,313	1,621,679	87,155	3,666,147
	2009	821,154	—	882,024	—	680,213	719,399	76,140	3,178,930
	2008	694,230	—	2,613,292	—	750,000	642,938	272,727	4,973,187
Von Hoene	2010	600,000	—	—	—	686,250	123,906	35,190	1,445,346
Pardee	2010	588,585	—	301,200	—	485,705	449,842	23,651	1,848,983
	2009	568,615	16,903	440,620	—	338,052	221,082	33,192	1,618,464
	2008	525,289	44,000	1,703,768	—	484,000	213,293	164,619	3,134,969
Pacilio	2010	450,946	—	451,800	—	385,316	998,116	23,211	2,309,389
Adams	2010	332,800	29,378	—	—	293,779	160,420	8,531	824,908
	2009	330,339	16,515	206,668	—	165,152	190,121	4,100	912,895
	2008	320,000	—	753,840	—	175,973	72,722	86,772	1,409,307
Bonney	2010	306,000	19,645	—	—	196,452	206,962	10,049	739,108
	2009	284,586	—	144,262	—	121,482	337,150	14,840	902,320
	2008	273,020	25,000	316,456	—	120,951	130,060	74,953	940,440
Acevedo	2010	216,000	—	—	—	107,141	34,247	7,082	364,470
	2009	212,208	3,695	84,385	—	73,899	33,958	10,610	418,755
McLean	2010	510,246	—	—	—	457,686	235,518	2,210,028	3,413,478
	2009	640,346	—	651,160	—	437,276	122,086	87,738	1,938,606
	2008	561,538	—	2,155,848	—	510,416	95,727	216,544	3,540,073
Zopp	2010	350,308	—	—	—	279,839	138,042	1,630,900	2,399,089

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ComEd

Compensation Actually Paid to NEOs
(Equity Valued at Actual Value on Award Date Instead of Grant Date Fair Value)

Name and Principal Position (A)	Year (B)	Salary ($) (C)	Bonus ($) (D)	Stock Awards Valued at Award Date ($) (E)	Value of In the Money Stock Options at 1/24/2011 ($) (F)	Non-Equity Incentive Plan Compensation ($) (G)	Change in Pension Value and Nonqualified Deferred Compen-sation Earnings ($) (H)	All Other Compen-sation ($) (I)	Total ($) (J)
Clark	2010	$567,000	39,016			$ 437,519	$ 928,222	$ 32,315	$2,004,072
	2009	564,385	—	254,300		1,461,250	180,950	85,888	2,546,773
	2008	546,692	—			2,049,371	548,986	193,738	3,338,787
Trpik	2010	280,000	18,620			129,635	49,626	15,644	493,525
	2009	263,810	6,300	43,417		257,556	51,563	27,312	649,958
Pramaggiore	2010	415,000	54,978			277,533	86,673	17,158	851,342
	2009	391,269	24,900			776,342	89,876	33,774	1,316,161
	2008	348,500	20,295			817,247	49,083	127,421	1,362,546
O'Neill	2010	315,000	24,384			169,760	57,974	14,734	581,852
Donnelly	2010	350,000	28,448			198,054	114,239	20,934	711,675
	2009	326,154	9,625			574,610	134,917	35,392	1,080,698
Bradford	2010	350,308	16,794			335,879	68,451	21,518	792,950

Elimination of Future Excise Tax Gross-ups on Termination Payments and Certain Perquisites

While the compensation committee and the Exelon and ComEd boards of directors took actions to reduce compensation in 2010, the compensation committee had previously taken actions to reduce severance payments and certain perquisites. In April 2009, the compensation committee adopted a policy that future employment or severance agreements that provide for benefits for NEOs on account of termination will not include an excise tax gross-up. The policy is more fully described below under Other Benefits—*Change In Control and Severance Benefits.* On October 27, 2009, the board of directors approved the Third Amended and Restated Employment Agreement with Mr. Rowe. In the agreement, Mr. Rowe's previous excise tax gross-up benefit was eliminated consistent with the policy. The agreement is more fully described below under Potential Payments upon Termination or Change in Control—Employment Agreement with Mr. Rowe. Anticipating an emerging trend among the peer group to curtail perquisite programs in the future, on January 22, 2007, the compensation committee approved the phase-out of many executive perquisites, effective January 1, 2008. The eliminated perquisites included: leased vehicles (existing leases allowed to expire), financial and estate planning, tax preparation and health and dining/airline club memberships.

Recoupment Policy

As described more fully below, in May 2007, the board of directors adopted a recoupment policy as part of Exelon's corporate governance principles that provides that the board may in its discretion seek recoupment of incentive compensation from an executive officer in the event of fraud or intentional misconduct resulting in a restatement of financial results and the payment of more incentive compensation than would have been earned.

Stock Ownership and Trading Requirements

To strengthen the alignment of executives' interests with shareholders, officers of Exelon and its subsidiaries (other than ComEd) are required to own certain amounts of Exelon stock. Executive vice presidents and above may only sell Exelon stock through a Rule 10b5-1 stock trading plan. The use of stock trading plans permits diversification as a part of retirement and tax planning activities while reducing the risk that investors will view such sales as a signal of negative expectations for Exelon's future stock value. Additional information is below and in the Stock Ownership Guidelines section in Item 12—Security Ownership of Certain Beneficial Owners and Management and related Stockholder Matters.

Changes to Incentive Compensation Programs for 2011

In January 2011 the compensation committee established the incentive compensation programs for 2011, including changes from the 2010 design. The 2011 AIP is structured substantially similar to the 2010 AIP, except that the payout scale has been restored to pay 50% at threshold and 100% at plan, and the shareholder protection feature has been changed to limit key performance indicator payouts to no more than 20 percentage points above the earnings payout percentage. The 2011ComEd AIP is substantially similar to the 2010 ComEd AIP, except that the net income limiter has been restructured to limit key performance indicator payouts to no more than 20 percentage points above the operating net income performance.

The long-term incentive program was also changed in 2011. The compensation committee was concerned about the volatility in the payouts (which ranged from 200% for the 2006-2008 performance period to 0% for the 2008-2010 performance period). The compensation committee was also concerned about the lack of alignment between total shareholder return and operational and financial performance due to factors beyond management's control, such as low energy prices. It did not want to perpetuate an incentive structure that would fail to reward outstanding operational and financial performance. The compensation committee believed it would be prudent to restructure the long term incentive program to reward the achievement of operational and financial performance with respect to factors that are largely within management's control. Accordingly, both the goals and the mix of long-term incentives were changed. Only officers, senior vice president and above, will continue to receive awards of stock options, reflecting their ability to make decisions with the potential for long term increases in shareholder value. Such officers will continue to receive 25% of their targeted long-term incentive opportunity in the form of stock options and 75% in the form of performance shares. Vice presidents will have their targeted long-term incentive opportunity reallocated to come 50% from performance shares and 50% from time-vested restricted stock. In connection with the realignment of goals and the changes in the mix of long-term incentives, the compensation committee determined that it would be advisable to reduce the maximum payout for performance shares from 200% of target to 125% of target, while raising the payout at threshold from 50% to 75%.

The specific goals for the performance share award program for 2011 have been changed from the exclusive reliance on comparative total shareholder return measures previously used to a qualitative assessment by the compensation committee of performance against six goals reflecting actions and initiatives enhancing the long-term value of the company. These goals include the following:

- Operational excellence, delivering low cost, clean and reliable energy and operating our facilities safely;
- Financial management, executing cost discipline and optimizing the balance sheet, cash flow, liquidity, and liability management to deliver value return;

- Policy advocacy, engaging with stakeholders to shape public policy to benefit shareholders and consumers;
- Participating in industry consolidation only when the time and price are right;
- Organic growth, creating commercial opportunities that leverage Exelon's unique investment platform, such as the nuclear uprate program; and
- Protecting shareholder and bondholder value through active risk management.

Total shareholder return data will continue to be provided to the compensation committee as a factor that will be taken into account in making the final payout decisions. The total shareholder return data will compare Exelon to a group of nine utilities with more than 25% unregulated generation.

The compensation committee also approved two changes to the terms of performance shares. First, there will be a restriction on the sale of any performance shares from a grant for a senior vice president or above until all of the shares from the grant have vested three years after the grant date. Second, all awards will be settled in shares, ending the current practice of settling performance shares in cash if the officer has achieved certain stock ownership thresholds. These changes are intended to further align the interests of recipients with shareholders by increasing the amount of incentive compensation paid in stock and by requiring senior officers to hold the stock for a longer period of time.

The ComEd 2011 long term incentive program is substantially similar to the 2010 program.

Objectives of the Compensation Program

The compensation committee has designed Exelon's executive compensation program to motivate and reward senior management for achieving financial, operational and strategic success consistent with Exelon's vision of being the best group of electric generation and electric and gas delivery companies in the United States, providing superior value for Exelon's customers, employees, investors and the communities Exelon serves. The compensation programs are also designed to attract and retain outstanding executives. Exelon's compensation program has three principles, as described below:

1. A substantial portion of compensation should be performance-based.

The compensation committee has adopted a pay-for-performance philosophy, which places an emphasis on pay-at-risk. Exelon's compensation program is designed to reward superior performance, that is, meeting or exceeding financial and operational goals set by the compensation committee. When excellent performance is achieved, pay will increase. Failure to achieve the target goals established by the compensation committee will result in lower pay. There are pay-for-performance features in both cash and equity-based compensation. The NEOs listed in the Summary Compensation Table participate in an annual incentive plan that provides cash compensation based on the achievement of performance goals established each year by the compensation committee. A substantial portion of each NEO's equity-based compensation is in the form of performance share units that are paid to the extent that longer-range performance goals set by the compensation committee are met, with the balance delivered in stock options that have value only to the extent that Exelon's stock price increases following the option grant date. As a result of the performance-based features of his cash and equity-based compensation, 77% of Mr. Rowe's 2010 target total direct compensation (base salary plus annual and long-term incentive compensation) was at-risk. Similarly, of the other NEOs' 2010 target total direct compensation, approximately 44% to 71% was at-risk.

Recoupment Policy

Consistent with the pay-for-performance policy, in May 2007, the board of directors adopted a recoupment policy as part of Exelon's corporate governance principles. The board of directors will seek recoupment of incentive compensation paid to an executive officer if the board determines, in its sole discretion, that

- the executive officer engaged in fraud or intentional misconduct;
- as a result of which Exelon was required to materially restate its financial results;
- the executive officer was paid more incentive compensation than would have been payable had the financial results been as restated;
- recoupment is not precluded by applicable law or employment agreements; and
- the board concludes that, under the facts and circumstances, seeking recoupment would be in the best interest of Exelon and its shareholders.

2. A substantial portion of compensation should be granted as equity-based awards.

The compensation committee believes that a substantial portion of compensation should be in the form of equity-based awards in order to align the interests of the NEOs with Exelon's shareholders. The objective is to make the NEOs think and act like owners. Equity-based compensation is in the form of performance share units, stock options, and restricted stock units that are valued in relation to Exelon's common stock, and they gain value in relation to the market price of Exelon's stock or Exelon's total shareholder return in comparison to other energy services companies and/or general industry. Conversely, when the market price of Exelon's stock decreases, the value of the equity compensation decreases.

3. Exelon's compensation program should enable the company to compete for and retain outstanding executive talent.

Exelon's shareholders are best served when we can successfully recruit and retain talented executives with compensation that is competitive and fair. The compensation committee strives to deliver total direct compensation generally at the median (the 50th percentile), which is deemed to be the competitive level of pay of executives in comparable positions at certain peer companies with which we compete for executive talent. If Exelon's performance is at target, the compensation will be targeted at the 50th percentile; if Exelon's performance is above target, the compensation will be targeted above the 50th percentile, and if performance is below target, the compensation will be targeted below the 50th percentile. This concept reinforces the pay-for-performance philosophy.

Each year the compensation committee commissions its consultant to prepare a study to benchmark total direct compensation against a peer group of companies. The study includes an assessment of competitive compensation levels at high-performing energy services companies and other large, capital asset-intensive companies in general industry, since the company competes for executive talent with companies in both groups. All competitive data was aged to January 2010 using a 2.7% annual update factor. The study indicated that base salaries were flat on average, with some positions up or down slightly, target annual incentives up modestly and target long-term incentives down 5% on a year- over-year basis, and that no changes were needed for the long-term incentive mix and design. The consultant considered Exelon's organization to determine how Exelon's positions compared with positions at its peers by establishing a benchmark match for each Exelon executive in the competitive market, where available, and data for positions matched to business-unit level jobs were size adjusted using regression analysis, where available. The study reviewed each element of compensation as well as total direct compensation.

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The peer group criteria include three primary factors:

- having revenue similar to Exelon's $17 billion,
- having market capitalization generally greater than $5 billion, and
- a balance of industry segments.

The members of the peer group are reviewed each year to determine whether their inclusion continues to be appropriate. Generally the peer group is comprised of 24 companies: 12 general industry companies and 12 energy services companies. The companies were selected by the compensation committee from the Towers Perrin Energy Services Industry Executive Compensation Database and their Executive Compensation Database. The peer group was the same in 2010 as it was in 2009. The peer group includes the following companies:

General Industry Companies	FY 2009 Revenue ($ Million)	FY 2009 Total Assets ($ Million)	October 2010 Market Cap ($ Million)
3M	$23,123	$ 27,250	$ 60,205
Abbott Laboratories	30,765	52,417	79,216
Caterpillar Inc.	32,396	60,038	49,555
General Mills Inc.	14,797	17,679	24,050
Hess Corporation	29,689	29,465	20,700
Honeywell International	30,908	36,004	36,754
International Paper	23,366	25,548	11,048
Johnson Controls Inc.	34,305	25,616	23,671
PepsiCo Inc.	43,232	39,848	103,490
PPG Industries, Inc.	12,239	14,240	12,667
Union Pacific Corp.	14,143	42,410	43,239
Weyerhaeuser Company	5,528	15,250	8,693
Energy Services Companies			
American Electric Power	$13,489	$ 48,348	$ 17,950
Centerpoint Energy	8,281	19,773	7,008
Dominion Resources, Inc.	15,131	42,554	25,229
Duke Energy Corp.	12,455	57,040	24,110
Edison International	12,361	41,444	12,022
Entergy Corp.	10,746	37,365	13,527
FirstEnergy Corp.	12,320	34,304	11,072
NextEra Energy (formerly FPL Group)	15,643	48,458	22,888
PG&E Corp.	13,399	42,945	18,686
Public Service Enterprise Group	12,406	28,730	16,362
Southern Co.	15,743	52,046	31,459
Xcel Energy, Inc.	9,644	25,488	10,978
Exelon	**$17,318**	**$ 49,180**	**$ 26,999**

The compensation committee generally applies the same policies with respect to the compensation of each of the individual NEOs. The compensation committee carefully considers the roles and responsibilities of each of the NEOs relative to the peer group, as well as the individual's performance and contribution to the performance of the business in establishing the compensation opportunity for each NEO. The differences in the amounts of compensation awarded to the NEOs reflect primarily two factors, the differences in the compensation paid to officers in comparable positions in the peer group and differences in the individual responsibility and experience of the Exelon officers. Time in position affects where individuals are relative to market percentiles, with cash compensation generally at the median and incentive compensation slightly above the median. The

nuclear organization's pay is generally closer to the 75th percentile given the size and quality of Exelon's nuclear fleet, and certain positions are at the 75th percentile because of unusual expertise in regulatory or nuclear matters. The delivery company presidents were evaluated as a blend of top energy delivery executives and freestanding CEOs, given the amount of independence they have. Mr. Rowe's target compensation was based on the same factors as the other NEOs, but his compensation reflected a greater degree of policy and decision-making authority and a higher level of responsibility with respect to strategic direction and financial and operating results of Exelon. His target compensation was assessed relative to other CEOs in the peer group. Mr. Rowe's compensation also reflects the fact that Exelon has the second largest market capitalization and the largest nuclear fleet in the industry. It also reflects that Mr. Rowe is the senior CEO in the industry.

The role of individual performance in setting compensation

While the consideration of benchmarking data to assure that Exelon's compensation is competitive is a critical component of compensation decisions, individual performance is factored into the setting of compensation in three ways:

- First, base salary adjustments are based on an assessment of the individual's performance in the preceding year as well as a comparison with market data for comparable positions in the peer group.
- Second, annual incentive targets are based on the individual's role in the enterprise—the most senior officers with responsibilities that span specific business units or functions have a target based on earnings per share for the company as a whole, while individuals with specific functional or business unit responsibilities have a significant portion of their targets based on the performance of that functional or business unit.
- Third, consideration is given as to whether an individual performance multiplier would be appropriately applied to the individual's annual incentive plan award, based on the individual's performance. The individual performance multiplier can result in a decision not to make an award or to decrease the amount of the award or to increase the amount of the award by up to 10% so long as the adjusted award does not exceed the maximum amount that could be paid to the executive based on achievement of the objective performance criteria applicable under the plan.

Elements of Compensation

This section is an overview of our compensation program for NEOs. It describes the various elements and discusses matters relating to those items, including why the compensation committee chooses to include items in the compensation program. The next section describes how 2010 compensation was determined and awarded to the NEOs.

Exelon's executive compensation program is comprised of four elements: base salary; annual incentives; long-term incentives; and other benefits.

Cash compensation is comprised of base salary and annual incentives. Equity compensation is delivered through long-term incentives. Together, these elements are designed to balance short-term and longer-range business objectives and to align NEOs' financial rewards with shareholders' interests. For all NEOs other than those at ComEd, approximately 48% to 76% of NEOs' total target direct compensation is delivered in the form of cash and equity compensation accounts for approximately 24% to 52% of NEO total target direct compensation. For ComEd NEOs, all total target direct compensation is delivered in the form of cash and there is no equity component, consistent with continuing efforts to recognize ComEd's independence and to maximize recovery in rates. The range

in the mix of cash and equity compensation is consistent with competitive compensation practices among companies in the peer group. The compensation committee believes that this mix of cash and equity compensation strikes the right balance of incentives to pursue specific short and long-term performance goals that drive shareholder value.

Base Salary

Exelon's compensation program for NEOs is designed so that approximately 23% to 56% of NEO total direct compensation is in the form of base salary, consistent with practices at the companies in the peer group.

Annual Incentives

Annual incentive compensation is designed to provide incentives for achieving short-term financial and operational goals for the company as a whole, and for subsidiaries, individual business units and operating groups, as appropriate. Under the annual incentive program, cash awards are made to NEOs and other employees if, and only to the extent that, performance conditions set by the compensation committee are met.

Long-term Incentives

Long-term incentives are made available to executives and key management employees who affect the long-term success of the company. The long-term incentive compensation programs are primarily equity based and designed to provide incentives and rewards closely related to the interests of Exelon's shareholders, generally as measured by the performance of Exelon's total shareholder return and stock price appreciation.

A portion of the long-term incentive compensation is in the form of performance share units that are awarded only to the extent that performance conditions established by the compensation committee are met. The balance of long-term incentive compensation is in the form of time-vested stock options that provide value only if, and to the extent that, the market price of Exelon's common stock increases following the grant. The use of both forms of long-term incentives is consistent with the practices in our peer group. The mix of long-term incentives depends on the compensation committee's assessment of competitive compensation practices of companies in the peer group.

Stock option repricing is prohibited by policy or the terms of the company's long-term incentive plans. Accordingly, no options have been repriced. Stock option awards are generally granted annually at the regularly scheduled January compensation committee meeting when the committee reviews results for the preceding year and establishes the compensation program for the coming year. There were no off-cycle grants of stock options made in 2010.

In 2007, consistent with the continuing efforts to recognize ComEd's independence, the compensation committee recommended, and the ComEd board adopted, a separate long-term incentive program for ComEd's executives. The goals under the ComEd 2010-2012 long-term incentive program are the achievement of goals relating to total cost, outage duration and frequency and safety, operational performance, employee engagement and communication, and environmental commitments. Payments under this plan are made in cash, and are awarded annually by the ComEd board based on the assessment of performance during the year and the recommendation of the Exelon compensation committee. Because compensation above target is not recoverable in rates, any payout above 100% will be consistent with Exelon long-term incentive compensation levels. In addition, payouts may be modified at the discretion of the ComEd Chairman and CEO and the board of directors based on overall performance of the company and the prevailing economic environment at the time of the award. Other features of the program are similar to the Exelon performance share award program, including the payout of awards ranging from 0-200% of target and vesting over three years.

Executive stock ownership and trading requirements

To strengthen the alignment of executives' interests with those of shareholders, officers of the company are required to own certain amounts of Exelon common stock by the later of five years after their employment or promotion to their current position. However, in 2007, the compensation committee terminated the stock ownership requirements for ComEd officers in light of the continuing efforts to recognize ComEd's independence and the compensation committee's recommendation that ComEd officers participate in a separate cash-based long-term incentive program instead of receiving Exelon performance shares. For additional information about Exelon's stock ownership guidelines, please see the Stock Ownership Guidelines section in Item 12—Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Exelon has adopted a policy requiring officers, executive vice presidents and above, who wish to sell Exelon common stock to do so only through Rule 10b5-1 stock trading plans, and permitting other officers to enter into such plans. This requirement is designed to enable officers to diversify a portion of their holdings in excess of the applicable stock ownership requirements in an orderly manner as part of their retirement and tax planning activities. The use of Section 10b5-1 stock trading plans serves to reduce the risk that investors will view routine portfolio diversification stock sales by executive officers as a signal of negative expectations with respect to the future value of Exelon's stock. In addition, the use of Rule 10b5-1 stock trading plans reduces the potential for accusations of trading on the basis of material, non-public information that could damage the reputation of the company. Two of the NEOs have such plans, and their exercises during 2010 are reflected in the "Option Exercises and Stock Vested" table below. Exelon's stock trading policy does not permit short sales or hedging.

Other Benefits

Other benefits offered by Exelon include such things as qualified and non-qualified deferred compensation programs, post-termination compensation, retirement benefit plans and perquisites. The company also provides other benefits such as medical and dental coverage and life insurance to each NEO to generally the same extent as such benefits are provided to other Exelon employees, except that executives pay a higher percentage of their total medical premium. These benefits are intended to make our executives more efficient and effective and provide for their health, well-being and retirement planning needs. The compensation committee reviews these other benefits to confirm that they are reasonable and competitive in light of the overall goal of designing the compensation program to attract and retain talent while maximizing the interests of our shareholders.

Change In Control and Severance Benefits

The compensation committee believes that change in control employment agreements and severance benefits are an important part of Exelon's compensation structure for NEOs. The compensation committee believes that these agreements will help to secure the continued employment and dedication of the NEOs to continue to work in the best interests of shareholders, notwithstanding any concern they might have regarding their own continued employment prior to or following a change in control. The compensation committee also believes that these agreements and the Exelon Corporation Senior Management Severance Plan are important as recruitment and retention devices, as all or nearly all of the companies with which Exelon competes for executive talent have similar protections in place for their senior leadership.

In 2007, the compensation committee adopted a policy limiting the amount of future severance benefits to be paid to NEOs under future arrangements without shareholder approval to 2.99 times salary plus annual incentive. This policy clarifies that severance benefits include cash severance payments and other post-employment benefits and perquisites, but do not include:

- Amounts earned in the ordinary course of employment rather than upon termination, such as pension benefits and retiree medical benefits;

- Amounts payable under plans approved by shareholders;
- Amounts available to one or more classes of employees other than the NEOs;
- Excise tax gross-up payments, but only if the compensation includable in determining whether excise taxes apply exceed 110% of the threshold amount; otherwise the NEO's benefits are reduced so that no excise tax is imposed; and
- Amounts that may be required by existing agreements that have not been materially modified, Exelon's indemnification obligations or the reasonable terms of a settlement agreement.

In April 2008, the compensation committee reviewed the level of non-change in control severance benefits provided to senior vice presidents. These benefits had varied over time as the corporate organization evolved within a range of 1.25 to 2 times annual salary and incentive. The compensation consultant reported that 1.5 times annual salary and incentive was more appropriate and consistent with competitive practices. The compensation committee determined that non-change in control severance benefits for senior vice presidents would be reset at 1.5 times annual salary and bonus, provided that those senior vice presidents with such benefits at 2 times annual salary and bonus would be grandfathered at that level. In December 2008, the individual change in control employment agreements provided to the NEOs (other than the CEO) and certain other executives were amended to comply with section 409A of the Internal Revenue Code, which requires that certain payments of deferred compensation be paid not earlier than six months following a termination of employment. In addition, the severance multiple available to executives who entered into such agreements prior to 2007 was reduced from 3.0 to 2.99 times base salary and annual incentive, consistent with the 2007 compensation committee policy described immediately above, and the board's recoupment policy was incorporated.

In April 2009, the compensation committee adopted a policy that no future employment or severance agreement that provides for benefits for NEOs on account of termination will include an excise tax gross-up. The policy applies to employment, change in control, severance and separation agreements entered into, adopted, or materially changed on or after April 2, 2009, other than agreements changed to comply with law or to reduce or eliminate rights, agreements assumed in a corporate transaction, and automatic extensions or renewals where other terms are not changed. The compensation committee has the sole and absolute power to interpret and apply the policy, and it can amend, waive or terminate it if in the best interest of the company, provided that prompt disclosure is made.

Retirement Benefit Plans

The compensation committee believes that retirement benefit plans are an important part of the NEO compensation program. These plans serve a critically important role in the retention of senior executives, as retirement benefits increase for each year that these executives remain employed. The plans thereby encourage our most senior executives to remain employed and continue their work on behalf of the shareholders. Exelon sponsors both qualified traditional defined benefit and cash balance defined benefit pension plans and related non-qualified supplemental pension plans (the SERPs).

Exelon previously granted additional years of credited service under the SERP to a few executives in order to recruit or retain them. As of January 1, 2004, Exelon ceased the practice of granting additional years of credited service to executives under the non-qualified pension plans that supplement the Exelon Corporation Retirement Program for any period in which services are not actually performed, except that up to two years of service credits may be provided under severance or change in control agreements first entered into after such date. Service credits available under employment, change in control or severance agreements or arrangements (or any successor arrangements) in effect as of January 1, 2004 were not affected by this policy. To attract a new

executive, Exelon is permitted to grant additional years of service under the SERP related to its cash balance pension plan to make the executive whole for retirement benefits lost from another employer by joining Exelon, provided such a grant is disclosed to shareholders. To date, Exelon has not made any such grant.

Perquisites

Exelon provides limited perquisites intended to serve specific business needs for the benefit of Exelon; however, it is understood that some may be used for personal reasons as well. When perquisites are utilized for personal reasons, the cost or value is imputed to the officer as income and the officer is responsible for all applicable taxes; however, in certain cases, the personal benefit is closely associated with the business purpose in which case the company may reimburse the officer for the taxes due on the imputed income. In 2005, the compensation consultant reviewed Exelon's perquisites program. Although specific data for Exelon's peer group was not available, the compensation consultant based its analysis on survey data for large energy and general industry companies. The compensation consultant found that Exelon's perquisite program was competitive. The compensation committee reviewed the costs of the perquisite program and determined the costs to be appropriate for a company of Exelon's size. Since then, many executive perquisites were phased out effective January 1, 2008. The eliminated perquisites included: leased vehicles (existing leases allowed to expire), financial and estate planning, tax preparation and health and dining/airline club memberships.

How The Amount of 2010 Compensation Was Determined

This section describes how 2010 compensation was determined and awarded to the NEOs.

The independent directors of the Exelon board, on the recommendations of the Exelon corporate governance committee, conducted a thorough review of Mr. Rowe's performance in 2010. The review considered performance requirements in the areas of finance and operations, strategic planning and implementation, succession planning and organizational goals, communications and external relations, board relations, leadership, and shareholder relations. Mr. Rowe prepared a detailed self-assessment reporting to the board on his performance during the year with respect to each of the performance requirements. The Exelon board considered the financial highlights of the year and a strategy scorecard that assessed performance against the company's vision and goals. The factors considered included:

- goals with respect to protecting the current value of the company, including:
  - delivering superior operating performance in terms of safety, reliability, efficiency, and the environment,
  - supporting competitive markets,
  - protecting the value of our generation assets, and
  - building healthy, self-sustaining delivery companies; as well as
- goals relating to growing long-term value, including:
  - organizational improvement,
  - advancing an environmental strategy that sets the industry standard for low carbon energy generation and delivery, and
  - rigorously evaluating new growth opportunities.

The Exelon board considered, in particular, the following results:

- Operational and financial performance that beat the plans set at the beginning of the year, despite low gas prices and the continued effect of the recession;
- The average capacity factor of the nuclear generating plants was high, with 2010 being the eighth consecutive year with capacity factor above 93%;
- ComEd and PECO turned in strong performance despite intense storm activity, and it appeared that improved storm response led to increased in customer satisfaction at both companies;
- While operating earnings declined as compared to the prior year, they were much better than was expected at the beginning of 2010 because of better than planned portfolio position at Generation, better than planned revenue net fuel at PECO, and effective cost management at all of the operating companies;
- Effective performance at PECO resulted in a favorable rate case settlement that closed out the deregulation transition;
- 2010 progress in advancing longer-term goals, including:
  - progress on the multi-year nuclear uprate strategy, with 101 MW added to date,
  - the acquisition of John Deere Renewables (now Exelon Wind) that enabled Exelon to enter the wind generation business and increased value with long-term PPAs in place, and
  - tangible steps to capture value from transmission;
- Progress in talent development, diversity, succession planning, and the corporate culture.

The board also considered the regulatory difficulties and adverse judicial decisions at ComEd and difficulties encountered in advancing the company's environmental strategy, as well as an employee fatality in the supply organization.

How base salary was determined

At its January 25, 2010 meeting, the compensation committee determined not to make any annual increases in base salary for the NEOs as part of the initiatives to reduce 2010 compensation expenses that were considered in the fall of 2009.

In June 2010 Exelon's executive leadership organizational structure was reorganized and the compensation committee recommended, and the board of directors approved, compensation adjustments in connection with the additional responsibilities assumed by certain officers as a result of promotions under the reorganization. These increases were based on the compensation committee's determination that the compensation for these officers in their new roles was not competitive, as evidenced by market comparisons with the peer group prepared by the compensation committee's consultant using the same methodology used for annual adjustments or were otherwise appropriate. Four of the NEOs received salary increases in this manner.

The amounts of base pay, percentages of increase, and effective dates of base salary increases are set forth in the following table.

Exelon, Generation and PECO

Name	Base Salary	Percent Increase	Effective Date
Rowe	$ —	— %	
O'Brien	—	—	
Hilzinger	—	—	
Barnett	—	—	
Crane	—	—	
Von Hoene	—	—	
Pardee	600,000	4.9	6/1/2010
Pacilio	475,000	14.2	6/1/2010
Adams	—	—	
Bonney	—	—	
Acevedo	—	—	
McLean	—	—	
Zopp	—	—	

ComEd

Name	Base Salary	Percent Increase	Effective Date
Clark	$ —	— %	
Trpik	—	—	
Pramaggiore	—	—	
O'Neill	330,000	10.0	7/5/2010
Donnelly	—	—	
Bradford	395,000	19.7	7/5/2010

How 2010 annual incentives were determined

For 2010, the annual incentive payments to Mr. Rowe and each of nine other senior executives were funded by a notional incentive pool established by the Exelon compensation committee under the Annual Incentive Plan for Senior Executives, a shareholder-approved plan, which is intended to comply with Section 162(m). The incentive pool was funded with 1.5% of Exelon's 2010 operating income, the same percentage used in 2009 and 2008, but was not fully distributed to participants because the committee decided on substantially lesser awards.

Annual incentive payments for 2010 to Messrs. Rowe, O'Brien, Crane, McLean, Clark, Pardee, Von Hoene, and Hilzinger were made from the portion of the incentive pool available to fund awards for each of them based on the company's operating earnings per share, adjusted for non-operating charges and other unusual or non-recurring items.

For 2010, the annual incentive payout scale was recalibrated so that the payout at threshold would be 25% of target rather than 50% of target, the payout at plan would be 50% of target rather than 100% of target, and the payout at distinguished would remain capped at 200%. For executives with general corporate responsibilities, the goal was adjusted (non-GAAP) operating earnings per share so that they would focus their efforts on overall corporate performance. The earnings per share goal ranges were set to be like the forecast earnings ranges. In accordance with the design of the annual

incentive program, the compensation committee reviewed 2010 earnings and decided not to include the effects of significant one-time charges or credits that are not normally associated with ongoing operations and mark-to-market adjustments from economic hedging activities in adjusting earnings for purposes of making awards under the annual incentive plan. The adjusted earnings are consistent with the adjusted (non-GAAP) operating earnings that Exelon reports in its quarterly earnings releases. For 2010, the adjustments included:

- the cost of Illinois rate relief associated with the legislative settlement and a settlement with the City of Chicago,
- mark-to-market impacts of economic hedging activities,
- unrealized gains and losses on nuclear decommissioning trust fund investments,
- costs associated with the John Deere Renewables acquisition,
- charges associated with the impairment of certain emissions allowances,
- expenses associated with the closing of certain fossil generating assets,
- remeasurement of income tax uncertainties relating to ComEd's 1999 sale of fossil generating assets and CTCs received by ComEd and PECO from 1999-2001,
- deferred income tax charges associated with the health care reform legislation enacted in 2010, and
- the effect of updated studies of asset retirement obligations, including nuclear decommissioning.

Actual adjusted (non-GAAP) operating earnings as reported in Exelon's earnings release on January 26, 2011 were $4.06. However, the compensation committee decided, for purposes of calculating earnings for the AIP, that the increase in income tax expense pursuant to lower manufacturer's tax deductions as a result of the decision to contribute $2.1 billion to Exelon's pension funds should not be taken into account. The committee wished to provide an incentive to management to make financial decisions that will benefit the company in the long run, even if they reduce earnings in the short run. This decision raised earnings for AIP purposes to $4.11 per share, or 152.5% of target.

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2010 annual incentive payments for other NEOs with specific business unit responsibilities were based upon a combination of adjusted (non-GAAP) operating earnings per share (so that they would focus on overall corporate performance) and business unit financial and/or operating measures, depending on the nature of their responsibilities (so they would focus on the performance of their business unit). Under the terms of the plan, the business unit financial measures are adjusted from GAAP measures. For ComEd executive officers, adjusted (non-GAAP) operating earnings of Exelon were not a goal, consistent with the continuing efforts to recognize ComEd's independence as described above. ComEd's goals included other financial and operational goals. The following table summarizes the goals and weights applicable to the NEOs for 2010:

Exelon, Generation and PECO

Name	Adjusted Operating Earnings Per Share	Adjusted Generation Net Income	Adjusted PECO Net Income	Exelon Nuclear Fleet-Wide Capacity Factor	Adjusted PECO Total Cost	Adjusted BSC Total Cost	PECO Reliability, Safety, Customer Satisfaction Measures, Focused Initiatives & Environ-mental Index	Adjusted Nuclear, Power, Power Team & ExGen Corporate Operating Expense
Rowe	100%	— %	— %	— %	— %	— %	— %	— %
O'Brien	50	—	20	—	—	—	30	—
Hilzinger	75	—	—	—	—	25	—	—
Barnett	20	—	25	—	25	—	30	—
Crane	100	—	—	—	—	—	—	—
Von Hoene	100	—	—	—	—	—	—	—
Pardee	50	25	—	—	—	—	—	25
Pacilio	50	25	—	25	—	—	—	—
Adams	20	—	25	—	25	—	30	—
Bonney	20	—	25	—	25	—	30	—
Acevedo	75	—	—	—	—	25	—	—
McLean	100	—	—	—	—	—	—	—
Zopp	75	—	—	—	—	25	—	—

ComEd

Name	Adjusted ComEd Total Capital Expenditures	Adjusted ComEd Total O&M Expense	ComEd Reliability, Safety, Customer Satisfaction Measures, Focused Initiatives & Environ-mental Index
Clark	25%	25%	50%
Trpik	25	25	50
Pramaggiore	25	25	50
O'Neill	25	25	50
Donnelly	25	25	50
Bradford (a)	NA	NA	NA

(a) Mr. Bradford served as Senior Vice President Regulatory & Energy Policy & General Counsel, ComEd until July 4, 2010. He was appointed Senior Vice President and General Counsel, Exelon effective July 5, 2010 and his applicable annual incentive goals for 2010 were Adjusted Operating Earnings Per Share and Adjusted BSC Total Cost with goal weights of 75% and 25%, respectively.

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The following table describes the performance scale and result for the 2010 goals:

Exelon, Generation, and PECO

2010 Goals	Threshold	Plan	Distinguished	2010 Results	Payout as a Percentage of Target
Adjusted (non-GAAP) Operating Earnings Per Share (EPS)	$ 3.35	$ 3.70	$ 4.30	$ 4.11	152.5%
Adjusted Generation Net Income ($M)	$ 1,623	$ 1,803	$ 2,092	$ 1,960.4	131.7%
Adjusted PECO Net Income ($M)	$ 261.9	$ 290.9	$ 334.9	$ 352.5	200.0%
Exelon Nuclear Fleet-Wide Capacity Factor	91.5%	93.5%	94.7%	93.9%	104.1%
Adjusted PECO Total Cost ($M)	$ 991.4	$ 944.2	$ 849.8	$ 871.8	165.1%
Adjusted BSC Total Cost ($M)	$ 631.5	$ 601.4	$ 541.3	$ 577.6	109.4%
PECO Reliability Measure—Customer Average Interruption Duration Index (CAIDI) (minutes per outage)	95	88	84	95	25.0%
PECO Reliability Measure—System Average Interruption Frequency Index (SAIFI) (outages per customer)	0.99	0.84	0.75	0.83	66.7%
PECO Reliability Measure—Reduction in Gas Facility Service Record Inaccuracy	50,000	55,000	60,000	60,147	200.0%
PECO Safety Measure—Occupational Safety and Health Administration (OSHA) Recordable Rate	1.68	1.04	0.99	0.87	200.0%
PECO Customer Satisfaction (weighted combined score of residential, small business and large business customers)	79.0	81.2	83.0	82.1	126.5%
PECO Focused Initiatives & Environmental Index	90%	100%	110%	147.5%	200.0%
Adjusted Nuclear, Power, Power Team & ExGen Corporate Operating Expense	$ 1,869	$ 1,780	$ 1,602	$ 1,766.4	61.4%

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ComEd

2010 Goals	Threshold	Plan	Distinguished	2010 Results	Payout as a Percentage of Target
Adjusted ComEd Total Capital Expenditures ($M)	$ 718.6	$684.4	$ 616.0	$ 656.9	110.3%
Adjusted ComEd Total O&M Expense ($M)	$ 679.8	$647.4	$ 582.7	$ 618.4	117.2%
ComEd Reliability Measure—CAIDI (minutes per outage)	95	86	83	90	38.9%
ComEd Reliability Measure—SAIFI (outages per customer)	1.09	0.97	0.90	0.94	114.3 %
ComEd Safety Measure—OSHA Recordable Rate	1.25	1.04	0.99	1.30	— %
ComEd Customer Satisfaction (weighted combined score of residential, small business and large business customers)	78	80	82	81.5	162.5%
ComEd Focused Initiatives & Environmental Index	90%	100%	110%	113%	200.0%

The 2010 annual incentive program included the following shareholder protection features (SPF):

- If threshold earnings per share are not achieved, then no payments will occur; and
- Operating company/business unit key performance indicator payments cannot exceed the earnings per share performance by more than ten percentage points.

As a result of 2010 earnings for AIP purposes being at 152.5% of target, the operating company/business unit key performance indicators could not exceed 162.5% of target. The effect of these SPF reductions is shown in the table below.

The ComEd annual incentive program includes a limit of payments above plan based on ComEd's operating net income (the "NI Limiter"). To the extent that the goals yield a payment percentage greater than 50%, those amounts will be limited by ComEd's net income ranging from a 50% payout at operating net income of $429 million to a 200% payout at operating net income of $496 million.

ComEd's performance under the annual incentive program would have resulted in a preliminary payout at 110.3% of target, which would have been reduced to 102.9% of target by the NI Limiter. In light of overall company performance and the desire for rough parity in the payout levels of the operating companies, management recommended that the NI Limiter be modified to provide for ten percentage point allowance above the cap, similar to the Exelon SPF reduction methodology. This modification would permit a payout at 110.3%. In addition, ComEd management originally proposed a 25% payout for the ComEd 2011 long term incentive program. Given that the Exelon performance share program was paying out at zero, as described below, ComEd management asked that the amount that its management would have been distributed under a 25% ComEd long term incentive program payout be instead paid out to all ComEd employees who participated in the ComEd annual incentive program, rather than providing the benefit to ComEd leadership only. The compensation committee agreed with these recommendations, and this adjustment increased the payout percentage under the ComEd annual incentive program to 112.1% of target.

In making annual incentive awards, the compensation committee has the discretion to reduce or not pay awards even if the targets are met.

With respect to the NEOs in the table below, individual performance multipliers (IPM) other than 100% were approved and recommended by the compensation committee based upon assessments of NEO performance and input from the CEO. Under the terms of the Annual Incentive Program, the individual performance multiplier is used to adjust awards from minus 50% to plus 10% subject to the maximum 200% of target opportunity and the amounts available under the incentive pool. Increases in IPM shown below reflect exceptional performance.

Based on the performance against the goals shown in the tables above, and taking into account the reductions resulting from the shareholder protection feature and the caps and adjustments discussed above, the compensation committee recommended and the Exelon or the ComEd board of directors, as the case may be (or in the case of Mr. Rowe, the independent directors) approved the following awards for the NEOs:

Exelon, Generation, and PECO	Payout as a % of Target (pre-SPF)	Payout $ (pre-SPF)	SPF Reduction $	Payout as a % of Target (post-SPF & pre-IPM)	Payout $ (post-SPF & pre-IPM)	IPM %	Payout $ (post-SPF & post-IPM)
Rowe	152.5%	$2,474,313	$ —	152.5%	$2,474,313	100%	$2,474,313
O'Brien	157.2	631,768	—	157.2	631,768	110	694,944
Hilzinger	141.7	379,245	—	141.7	379,245	105	398,207
Barnett	162.7	252,056	(3,362)	160.5	248,695	105	261,129
Crane	152.5	1,132,313	—	152.5	1,132,313	100	1,132,313
Von Hoene	152.5	686,250	—	152.5	686,250	100	686,250
Pardee	124.5	485,705	—	124.5	485,705	100	485,705
Pacilio	135.2	385,316	—	135.2	385,316	100	385,316
Adams	162.7	297,750	(3,971)	160.5	293,779	110	323,157
Bonney	162.7	199,107	(2,655)	160.5	196,452	110	216,097
Acevedo	141.7	107,141	—	141.7	107,141	100	107,141
McLean	152.5	457,686	—	152.5	457,686	100	457,686
Zopp	141.7	279,839	—	141.7	279,839	100	279,839

ComEd	Payout as a % of Target (pre-NI Limiter Modification)	Payout $ (pre-NI Limiter Modification)	Discretionary Increase $	Payout as a % of Target (post-Discretionary Increase & pre-IPM)	Payout $ (post-Discretionary Increase & pre-IPM)	IPM %	Payout $ (post-Discretionary Increase & post-IPM)
Clark	110.3%	$ 469,061	$ 7,474	112.1%	$ 476,535	100%	$ 476,535
Trpik	110.3	138,981	2,215	112.1	141,196	105	148,255
Pramaggiore	110.3	297,541	4,741	112.1	302,282	110	332,510
O'Neill	110.3	181,999	2,900	112.1	184,899	105	194,144
Donnelly	110.3	212,332	3,383	112.1	215,716	105	226,501
Bradford	141.7	335,879	NA	NA	NA	105	352,672

How long-term incentives were determined

The compensation committee reviewed the amount of long-term compensation paid in the peer group for positions comparable to the positions held by the NEOs and reduced the targeted amount of long-term incentive compensation by 33% (except for Mr. Crane, whose targeted amount was reduced by 26%), as part of its initiative to reduce compensation expenses. The committee then applied a ratio of stock options to performance shares in order to determine the target long-term equity incentives for each NEO, using Black-Scholes valuation for stock options and a 90 day weighted-average price for the preceding quarter to value performance shares. Stock option grants for 2010 were all at the targeted amounts. The actual amounts of performance shares awarded to the NEOs depended on the extent to which the performance measures were achieved.

Stock option awards

The company granted non-qualified stock options to the Exelon Corporation senior officers, including the NEOs, but excluding the ComEd NEOs, on January 25, 2010. The stock option grants for 2010 were all at the targeted amounts. These options were awarded at an exercise price of $46.09, which was the closing price on the January 25, 2010 grant date. The number of the option awards granted in 2010 was larger than in 2009, reflecting the decrease in the price of Exelon's stock on the grant date in 2010 as compared to the price on the grant date in 2009.

Exelon performance share unit awards

The 2010 Long-Term Performance Share Unit Award Program was based on two measures, Exelon's three-year Total Shareholder Return (TSR), compounded monthly, as compared to the TSR for the companies listed in the Dow Jones Utility Index (60% of the award), and Exelon's three-year TSR, as compared to the companies in the Standard and Poor's 500 Index (40% of the award). This structure was consistent with the structure used in the 2009 program.

Payouts are determined based on the following scale: the threshold TSR Position Ranking, for a 50% of target payout, was the 25th percentile; the target, for a 100% payout, was 50th percentile; and distinguished, for a 200% payout, was the 75th percentile, with payouts interpolated for performance falling between the threshold, target, and distinguished levels.

Exelon fell below threshold performance levels with respect to both TSR measures. For the performance period of January 1, 2008 through December 31, 2010, Exelon's relative ranking of TSR as compared to the Dow Jones Utility Index was at the 8.3 percentile ranking or 0% of target payout. For the same time period, the company's relative ranking of TSR in the S&P 500 Index was at the 13.7 percentile ranking or 0% of target payout. Overall performance against both measures combined resulted in a zero payout to participants for 2010.

The amount of each NEO's target opportunity was based on the portion of the long-term incentive value for each NEO attributable to performance share units (75%) and the weighted average Exelon stock price for the fourth quarter of 2009.

Based on the formula, 2010 Performance Share Unit Awards for NEOs were as set forth in the following table. The first third of the awarded performance shares vests upon the award date, with the remaining thirds vesting on the date of the compensation committee's January meeting in the next two years.

Exelon, Generation, and PECO	Shares	Value
Rowe	—	$—
O'Brien	—	—
Hilzinger	—	—
Barnett	—	—
Crane	—	—
Von Hoene	—	—
Pardee	—	—
Pacilio	—	—
Adams	—	—
Bonney	—	—
Acevedo	—	—
McLean	—	—
Zopp	—	—
O'Neill *	—	—
Bradford **	—	—

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* Mr. O'Neill was eligible for a pro-rated performance share unit award for the period that he was an Exelon officer before becoming an officer of ComEd
** Mr. Bradford was eligible for a pro-rated performance share unit award for the period that he was an Exelon officer.

2010-2012 ComEd Long-Term Incentive Program

In 2007 the compensation committee recommended, and the ComEd board adopted, a long-term incentive program designed to align the incentive compensation program with ComEd's status as a fully regulated operating company. Accordingly, the program pays out in cash; there is no Exelon equity component to the program. The goals for the program for the 2010-2012 performance period and performance for 2010 are as follows:

Goal	Weight	Performance Cycle Target	2010 Performance
ComEd total cost (O&M and Capital)	25%	Manage controllable costs to be relatively flat year over year through 2013	Above plan/below distinguished
Outage duration and frequency and safety	25%	By year-end 2012 outage duration should be in the second quartile striving for the first quartile and outage frequency and safety should be in the first quartile	Frequency: Above plan/below distinguished; Duration: below plan, above threshold; Safety: below plan, below threshold
Operational performance	15%	Implement an operational performance index by year-end 2011 and integrate it into operational and financial processes for unit cost management and efficiencies by year-end 2012	On plan
Employee engagement and communications	10%	Increase employee engagement by 2% each year using a survey index; develop an employee communications survey index and establish appropriate goals for each year	Below plan, above threshold
Environmental goals related to ComEd's part of Exelon's 2020 program	25%	By 2013, meet or exceed each of ComEd's annual commitments in support of Exelon 2020	Above plan, below distinguished

Based on their evaluation of this performance, and in consideration of the level of long-term incentive payouts at the other Exelon operating companies, the compensation committee recommended and the ComEd board approved payouts to participants for 2010 that represented 0% of each participant's target opportunity.

Based on the formula and the exercise of discretion to cap the awards, 2010 ComEd Long-Term Incentive Awards for NEOs were as set forth in the following table. The first third of the award vests upon the award date, with the remaining thirds vesting on the date of the compensation committee's January meeting in the next two years.

ComEd	Value
Clark	$—
Trpik	—
Pramaggiore	—
O'Neill *	—
Donnelly	—
Bradford **	—

* Mr. O'Neill was eligible for a pro-rated ComEd long-term incentive program award for the period that he was an officer of ComEd.
** Mr. Bradford was eligible for a pro-rated ComEd long-term incentive program award for the period that he was a ComEd officer before becoming an Exelon officer.

Retention awards

In conjunction with their promotions and salary increases that were approved at the June 29, 2010 meeting of the committee, three NEOs received additional equity awards or retention agreements intended to encourage them to remain employed by Exelon or its subsidiaries. These grants were made, in part, because of the expectation that annual and long term incentive compensation payouts in 2010 would be low and a fear that these individuals might be recruited by other companies. Effective June 1, 2010, the committee granted Mr. Pardee 8,000 shares of Exelon common stock that will vest on the third anniversary of such date and Mr. Pacilio 12,000 shares of Exelon common stock that will vest on the fifth anniversary of such date. The committee recommended, and the ComEd board approved, a retention agreement with Mr. O'Neill effective July 5, 2010 that will pay him $250,000 if he remains employed by ComEd or an affiliate on the fifth anniversary of that date.

Severance payments

Ms. Andrea Zopp resigned from her position as Exelon's Executive Vice President and General Counsel, effective as of May 31, 2010. Ms. Zopp remained as an employee of Exelon through September 30, 2010 to cooperate in the orderly transition of her duties and to perform such other services as may be reasonably requested from time to time. She remained eligible for salary and annual incentive compensation through September 30, 2010. Ms. Zopp entered into a separation agreement, the terms of which are consistent with the Exelon Corporation Senior Management Severance Plan and the Exelon Corporation Long-Term Incentive Plan, in which she agreed to restrictive covenants relating to non-solicitation, non-competition, confidential information, intellectual property, and non-disparagement. In addition to the amounts that she will receive that are consistent with the Exelon Corporation Senior Management Severance Plan and the Exelon Corporation Long-Term Incentive Plan, the committee and the Exelon board of directors approved a payment of $200,000 to compensate her for the loss of restricted stock granted her when she was first employed by Exelon, consistent with the treatment of other executives affected by an involuntary separation. All amounts that Ms. Zopp will receive under her separation agreement are reflected in the Summary Compensation Table and the related compensation disclosure tables.

Mr. Ian McLean resigned from his position as Exelon's Executive Vice President and President, Exelon Transmission Company, effective as of July 15, 2010. Mr. McLean remained as an employee of Exelon through August 31, 2010 to cooperate in the orderly transition of his duties and to perform such other services as may be reasonably requested from time to time. He remained eligible for salary and annual incentive compensation through August 31, 2010. Mr. McLean entered into a retirement and

separation agreement, the terms of which are consistent with the Exelon Corporation Senior Management Severance Plan and the Exelon Corporation Long-Term Incentive Plan, in which he agreed to restrictive covenants relating to non-solicitation, non-competition, confidential information, intellectual property, and non-disparagement. All amounts that Mr. McLean will receive under his retirement and separation agreement are reflected in the Summary Compensation Table and the related compensation disclosure tables.

Tax Consequences

Under Section 162(m) of the Code, executive compensation in excess of $1 million paid to a CEO or other person among the four other highest compensated officers is generally not deductible for purposes of corporate Federal income taxes. However, qualified performance-based compensation, within the meaning of Section 162(m) and applicable regulations, remains deductible. The compensation committee intends to continue reliance on performance-based compensation programs, consistent with sound executive compensation policy. The compensation committee's policy has been to seek to cause executive incentive compensation to qualify as "performance-based" in order to preserve its deductibility for Federal income tax purposes to the extent possible, without sacrificing flexibility in designing appropriate compensation programs.

Because it is not "qualified performance-based compensation" within the meaning of Section 162(m), base salary is not eligible for a Federal income tax deduction to the extent that it exceeds $1 million. Accordingly, Exelon is unable to deduct that portion of Mr. Rowe's base salary in excess of $1 million. Annual incentive awards and performance share units payable to NEOs are intended to be qualified performance-based compensation under Section 162(m), and are therefore deductible for Federal income tax purposes. However, because of the element of compensation committee and ComEd board of directors discretion in the 2010-2012 ComEd Long-Term Incentive Program, payments under that program are not eligible for Federal income tax deduction to the extent that, combined with an individual's base salary, payments exceed $1 million. Restricted stock and restricted stock units are not deductible by the company for Federal income tax purposes under the provisions of Section 162(m) if NEOs' compensation that is not "qualified performance-based compensation" is in excess of $1 million.

Under Section 4999 of the Internal Revenue Code, there is a excise tax if change in control or severance benefits are greater than 2.99 times the five-year average amount of income reported on an individual's W-2. In April 2009 the compensation committee adopted a policy that no future employment or severance agreements that provide for benefits for NEOs on account of termination will include an excise tax gross-up. However, certain NEOs have change in control severance agreements that pre-date April 2009 that provide excise tax gross-ups, and avoid gross-ups by reducing payments to under the threshold if the amount otherwise payable to an executive is not more than 110% of the threshold.

Conclusion

The compensation committee is confident that Exelon's compensation programs are performance-based and consistent with sound executive compensation policy. They are designed to attract, retain and reward outstanding executives and to motivate and reward senior management for achieving high levels of business performance, customer satisfaction and outstanding financial results that build shareholder value.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in the 2010 Annual Report on Form 10-K and the 2011 Proxy Statement.

February 8, 2011

The Compensation Committee
Rosemarie B. Greco, Chair
John A. Canning, Jr.
M. Walter D'Alessio
William C. Richardson
Stephen D. Steinour

Summary Compensation Table

The tables below summarize the total compensation paid or earned by each of the NEOs of Exelon, Generation, PECO (shown in one table because of the overlap in their named executive officers) and ComEd for the year ended December 31, 2010.

Salary amounts may not match the amounts discussed in Compensation Discussion and Analysis because that discussion concerns salary rates; the amounts reported in the Summary Compensation Tables reflect actual amounts paid during the year including the effect of changes in salary rates. Changes to base salary generally take effect on March 1, and there may also be changes at other times during the year to reflect promotions or changes in responsibilities.

Bonus reflects discretionary bonuses or amounts paid under the annual incentive plan on the basis of the individual performance multiplier or discretionary amounts approved by the compensation committee and the board of directors or, in the case of Mr. Rowe, approved by the independent directors.

Stock awards and option awards show the grant date fair value calculated in accordance with FASB ASC Topic 718.

Stock awards consist primarily of performance share awards pursuant to the terms of the 2006 Long-Term Incentive Plan. The compensation committee established a performance share unit award program based on total shareholder return for Exelon as compared to the companies in the Standard & Poor’s 500 Index and the Dow Jones Utility Index for a three-year period. The threshold, target and distinguished goals for performance unit share awards are established on the grant date (generally the date of the first compensation committee meeting in the fiscal year). The actual performance against the goals and the number of performance unit share awards are established on the award date (generally the date of the first compensation committee meeting after the completion of the fiscal year). Upon retirement or involuntary termination without cause, earned but non-vested shares are eligible for accelerated vesting. The form of payment provides for payment in Exelon common stock to executives with lower levels of stock ownership, with increasing portions of the payments being made in cash as executives’ stock ownership levels increase in excess of the ownership guidelines. If an executive achieves 125% or more of the applicable ownership target, performance shares will be paid half in cash and half in stock. If executive vice presidents and above achieve 200% or more of their applicable stock ownership target, their performance shares will be paid entirely in cash. In limited cases, the compensation committee has determined that it is necessary to grant restricted shares of Exelon common stock or restricted stock units to executives as a means to recruit and retain talent. They may be used for new hires to offset annual or long-term incentives that are forfeited from a previous employer. They are also used as a retention vehicle and are subject to forfeiture if the executive voluntarily terminates, and in some cases may incorporate performance criteria as well as time-based vesting. When awarded, restricted stock or stock units are earned by continuing employment for a pre-determined period of time or, in some instances, after certain performance requirements are met. In some cases, the award may vest ratably over a period; in other cases, it vests in full at one or more pre-determined dates. Amounts of restricted shares held by each NEO, if any, are shown in the footnotes to the Outstanding Equity Table.

All option awards are made pursuant to the terms of the 2006 Long-Term Incentive Plan. All options are granted at a strike price that is not less than the fair market value of a share of stock on the date of grant. Fair market value is defined under the plans as the closing price on the grant date as reported on the New York Stock Exchange. Individuals receiving stock options are provided the right to buy a fixed number of shares of Exelon common stock at the closing price of such stock on the grant date. The target for the number of options awarded is determined by the portion of the long-term incentive value attributable to stock options and a theoretical value of each option determined by the

compensation committee using a lattice binomial ratio valuation formula. Options vest in equal annual installments over a four-year period and have a term of ten years. Employees who are retirement eligible are eligible for accelerated vesting upon retirement or termination without cause. Time vesting adds a retention element to the stock option program. All grants to the NEOs must be approved by the full board of directors, which acts after receiving a recommendation from the compensation committee, except grants to Mr. Rowe, which must be approved by the independent directors, who act after receiving recommendation from the compensation committee.

Non-equity incentive plan compensation includes the amounts earned under the annual incentive plan by the extent to which the applicable financial and operational goals were achieved and, for ComEd NEOs, amounts paid under the ComEd Long Term Incentive Program. The amount of the annual incentive target opportunity is expressed as a percentage of the officer’s or employee’s base salary, and actual awards are determined using the base salary at the end of the year. Threshold, target and distinguished (i.e. maximum) achievement levels are established for each goal. Threshold is set at the minimally acceptable level of performance, for a payout of 50% of target. Target is set consistent with the achievement of the business plan objectives. Distinguished is set at a level that significantly exceeds the business plan and has a low probability of payout, and is capped at 200% of target. Awards are interpolated to the extent performance falls between the threshold, target, and distinguished levels. For 2010, the payout scales were recalibrated, with threshold paying out at 25%, plan paying out at 50%, target paying out at 100%, and distinguished paying out at 200%.

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Exelon, Generation and PECO

Summary Compensation Table

Name and Principal Position (A)	Year (B)	Salary ($) (C)	Bonus ($) See Note 20 (D)	Stock Awards ($) See Note 21 (E)	Option Awards ($) See Note 22 (F)	Non-Equity Incentive Plan Compensation ($) See Note 23 (G)	Change in Pension Value and Nonqualified Deferred Compen-sation Earnings ($) See Note 24 (H)	All Other Compen-sation ($) See Note 25 (I)	Total ($) (J)
Rowe [1]	2010	$1,475,000	—	$1,070,210	$1,115,040	$ 2,474,313	$2,878,315	$ 405,521	$ 9,418,399
	2009	1,468,077	—	6,341,383	2,236,650	1,573,825	173,566	416,947	12,210,448
	2008	1,474,423	—	6,402,614	2,093,040	1,835,166	830,272	400,192	13,035,707
O'Brien [2]	2010	536,000	63,177	212,060	218,160	631,768	213,789	28,712	1,903,666
	2009	532,923	—	1,255,539	443,001	395,970	233,772	55,464	2,916,669
	2008	495,538	—	1,280,523	403,920	428,934	105,978	175,687	2,890,580
Hilzinger [3]	2010	446,000	18,962	103,057	107,464	379,245	88,452	20,465	1,163,645
	2009	442,769	13,079	609,573	215,007	261,579	85,891	31,725	1,659,623
	2008	408,627	—	992,836	201,960	318,750	57,492	143,916	2,123,581
Barnett [4]	2010	309,900	12,435	65,402	67,064	248,695	59,205	11,876	774,577
	2009	307,996	—	382,121	135,642	153,788	55,038	23,407	1,057,992
	2008	297,308	(16,498)	394,007	123,012	148,477	35,808	561,590	1,543,704
Crane [5]	2010	825,000	—	396,374	428,240	1,132,313	1,621,679	87,155	4,490,761
	2009	821,154	—	2,049,674	707,070	680,213	719,399	76,140	5,053,650
	2008	694,230	—	2,748,159	514,080	750,000	642,938	272,727	5,622,134
Von Hoene [6]	2010	600,000	—	251,697	266,640	686,250	123,906	35,190	1,963,683
Pardee [7]	2010	588,585	—	473,623	180,992	485,705	449,842	23,651	2,202,398
	2009	568,615	16,903	1,028,086	363,636	338,052	221,082	33,192	2,569,566
	2008	525,289	44,000	1,788,668	348,840	484,000	213,293	164,619	3,568,709
Pacilio [8]	2010	450,946	—	539,468	84,840	385,316	998,116	23,211	2,481,897
Adams [9]	2010	332,800	29,378	81,257	84,840	293,779	160,420	8,531	991,005
	2009	330,339	16,515	482,200	168,831	165,152	190,121	4,100	1,357,258
	2008	320,000	—	794,269	152,388	175,973	72,722	86,772	1,602,124
Bonney [10]	2010	306,000	19,645	57,474	59,792	196,452	206,962	10,049	856,374
	2009	284,586	—	336,630	119,769	121,482	337,150	14,840	1,214,457
	2008	273,020	25,000	344,756	110,160	120,951	130,060	74,953	1,078,900
Acevedo [11]	2010	216,000	—	29,728	30,704	107,141	34,247	7,082	424,902
	2009	212,208	3,695	119,356	—	73,899	33,958	10,610	453,726
McLean [12]	2010	510,246	—	251,697	266,640	457,686	235,518	2,210,028	3,931,815
	2009	640,346	—	1,519,384	536,796	437,276	122,086	87,738	3,343,626
	2008	561,538	—	2,281,177	514,080	510,416	95,727	216,544	4,179,482
Zopp [13]	2010	350,308	—	172,423	180,992	279,839	138,042	1,630,900	2,752,504

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ComEd

Summary Compensation Table

Name and Principal Position (A)	Year (B)	Salary ($) (C)	Bonus ($) See Note 20 (D)	Stock Awards ($) See Note 21 (E)	Option Awards ($) See Note 22 (F)	Non-Equity Incentive Plan Compensation ($) See Note 23 (G)	Change in Pension Value and Nonqualified Deferred Compen-sation Earnings ($) See Note 24 (H)	All Other Compen-sation ($) See Note 25 (I)	Total ($) (J)
Clark [14]	2010	$567,000	39,016	$ —	$ —	$ 437,519	$ 928,222	$ 32,315	$2,004,072
	2009	564,385	—	254,300	—	1,461,250	180,950	85,888	2,546,773
	2008	546,692	—	—	—	2,049,371	548,986	193,738	3,338,787
Trpik [15]	2010	280,000	18,620	—	—	129,635	49,626	15,644	493,525
	2009	263,810	6,300	172,864	62,049	257,556	51,563	27,312	841,454
Pramaggiore [16]	2010	415,000	54,978	—	—	277,533	86,673	17,158	851,342
	2009	391,269	24,900	—	—	776,342	89,876	33,774	1,316,161
	2008	348,500	20,295	—	—	817,247	49,083	127,421	1,362,546
O'Neill [17]	2010	315,000	24,384	65,402	67,064	169,760	57,974	14,734	714,318
Donnelly [18]	2010	350,000	28,448	—	—	198,054	114,239	20,934	711,675
	2009	326,154	9,625	—	—	574,610	134,917	35,392	1,080,698
Bradford [19]	2010	350,308	16,794	7,770	—	335,879	68,451	21,518	800,720

Notes to the Summary Compensation Tables

(1) John W. Rowe, Chairman and CEO, Exelon; Chairman, Generation.
(2) Denis P. O'Brien, Executive Vice President, Exelon; President and CEO, PECO.
(3) Matthew F. Hilzinger, Senior Vice President and Chief Financial Officer, Exelon and Generation.
(4) Phillip S. Barnett, Senior Vice President and Chief Financial Officer, PECO.
(5) Christopher M. Crane, President and Chief Operating Officer, Exelon and Generation.
(6) William A. Von Hoene, Executive Vice President, Finance and Legal, Exelon.
(7) Charles G. Pardee, Senior Vice President, Exelon; President and Chief Nuclear Officer, Exelon Nuclear (Generation).
(8) Michael J. Pacilio, President, Exelon Nuclear and Chief Nuclear Officer (Generation).
(9) Craig L. Adams, Senior Vice President & Chief Operating Officer, PECO.
(10) Paul R. Bonney, Vice President, Regulatory Affairs and General Counsel, PECO.
(11) Jorge A. Acevedo, Vice President and Controller, PECO.
(12) Ian P. McLean, Executive Vice President, Exelon; Chief Executive Officer, Exelon Transmission Company (through July 15, 2010).
(13) Andrea L. Zopp, Executive Vice President and General Counsel (through May 31, 2010).
(14) Frank M. Clark, Chairman and CEO, ComEd.
(15) Joseph R. Trpik, Jr., Senior Vice President, Chief Financial Officer and Treasurer, ComEd.
(16) Anne R. Pramaggiore, President and Chief Operating Officer, ComEd.
(17) Thomas S. O'Neill, Senior Vice President, Regulatory and Energy Policy and General Counsel, ComEd (from July 5, 2010).
(18) Terence R. Donnelly, Executive Vice President, Operations, ComEd.
(19) Darryl M. Bradford, Senior Vice President, Regulatory and Energy Policy and General Counsel, ComEd (until July 5, 2010).
(20) In recognition of their overall performance, certain NEOs received an individual performance multiplier to their annual incentive payments or other special recognition awards in certain years. In addition, 2010 bonuses for ComEd NEOs reflect the modification of the NI Limiter and a discretionary increase to ComEd annual incentive program payouts, as described in Compensation Discussion & Analysis above.
(21) The amounts shown in this column include the aggregate grant date fair value of stock awards granted on January 25, 2010 with respect to the three year performance period ending December 31, 2010. The grant date fair value of the stock award have been computed in accordance with FASB ASC Topic 718 using the assumptions described in Note 16 of the Combined Notes to Consolidated Financial Statements. For the 2010 grants for Messrs. Rowe, O'Brien, Hilzinger, Barnett, Crane, Von Hoene Jr., Pardee, Pacilio, Adams, Bonney, Acevedo, McLean, Ms. Zopp, and Messrs. O'Neill and Bradford, the grant date fair value of their awards assuming that the highest level of performance conditions would be achieved was $4,977,720, $986,326, $479,336, $304,194, $1,843,600, $1,170,686, $801,966, $426,507, $377,938, $267,322, $138,270, $1,170,686, $801,966, $304,194, and $194,249, respectively.

(22) The amounts shown in this column include the aggregate grant date fair value of stock option awards granted on January 25, 2010. The grant date fair value of the stock options award have been computed in accordance with FASB ASC Topic 718 using the assumptions described in Note 16 of the Combined Notes to Consolidated Financial Statements.

(23) The amounts shown in this column represent payments made pursuant to the Annual Incentive Plan and the ComEd Long-Term Incentive Plan. Both programs are paid with respect to 2010 performance and were awarded on January 25, 2010. The table below details ComEd Employee's payments applicable to the ComEd Annual Incentive Plan and the ComEd Long-Term Incentive Plan.

Name	Year	Annual Incentive Plan	ComEd Long-Term Incentive Plan	Total
Clark	2010	$ 437,519	$ —	$ 437,519
	2009	425,250	1,036,000	1,461,250
	2008	495,371	1,554,000	2,049,371
Trpik	2010	129,635	—	129,635
	2009	126,000	131,556	257,556
Pramaggiore	2010	277,533	—	277,533
	2009	249,000	527,342	776,342
	2008	223,247	594,000	817,247
O'Neill	2010	169,760	—	169,760
Donnelly	2010	198,054	—	198,054
	2009	192,500	382,110	574,610
Bradford	2010	335,879	—	335,879

(24) The amounts shown in the column represent the change in the accumulated pension benefit from December 31, 2009 to December 31, 2010. For certain NEOs the amount may include the value of above market earnings upon their investment in a particular fund within their non-qualified deferred compensation account. For 2010 and 2009, no NEOs had above market earnings; in 2008, Messrs. Crane, McLean, and Pardee recognized $48, $160, and $30 of above market earnings respectively.

(25) The amounts shown in this column include the items summarized in the following tables:

Exelon, Generation and PECO

All Other Compensation

Name (a)	Perquisites $ See Note 1 (b)	Reimbursement for Income Taxes $ See Note 2 (c)	Payments or Accruals for Termination or Change in Control (CIC) $ See Note 3 (d)	Company Contributions to Savings Plans $ See Note 4 (e)	Company Paid Term Life Insurance Premiums $ See Note 5 (f)	Dividends or Earnings not included in Grants $ (g)	Total $ (h)
Rowe	$219,792	$ 3,678	$ —	$ 44,250	$137,801	$ —	$ 405,521
O'Brien	1,774	2,737	—	16,080	8,121	—	28,712
Hilzinger	3,000	—	—	13,380	4,085	—	20,465
Barnett	—	—	—	9,297	2,579	—	11,876
Crane	42,831	7,215	—	24,750	12,359	—	87,155
Von Hoene	7,193	4,037	—	18,000	5,960	—	35,190
Pardee	688	544	—	17,658	4,761	—	23,651
Pacilio	2,395	2,721	—	13,528	4,567	—	23,211
Adams	1,777	2,072	—	—	4,682	—	8,531
Bonney	—	—	—	7,350	2,699	—	10,049
Acevedo	—	—	—	6,480	602	—	7,082
McLean	—	—	2,189,600	13,524	6,904	—	2,210,028
Zopp	2,788	3,478	1,608,000	9,849	6,785	—	1,630,900

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All Other Compensation

Name (a)	Perquisites $ See Note 1 (b)	Reimbursement for Income Taxes $ See Note 2 (c)	Payments or Accruals for Termination or Change in Control (CIC) $ See Note 3 (d)	Company Contributions to Savings Plans $ See Note 4 (e)	Company Paid Term Life Insurance Premiums $ See Note 5 (f)	Dividends or Earnings not included in Grants $ See Note 6 (g)	Total $ (h)
Clark	$ 9,869	$ —	—	$ 17,010	$ 5,436	$ —	$32,315
Trpik	5,644	—	—	8,400	1,600	—	15,644
Pramaggiore	6,480	—	—	5,686	4,992	—	17,158
O'Neill	2,944	—	—	9,450	2,340	—	14,734
Donnelly	6,480	—	—	10,500	3,954	—	20,934
Bradford	4,322	2,282	—	10,875	4,039	—	21,518

Notes to All Other Compensation Tables

(1) The amounts shown in this column represent the incremental cost to Exelon to provide certain perquisites to NEOs as summarized in the Perquisites Table below.
(2) Officers receive a reimbursement to cover applicable taxes on imputed income for business-related spousal travel expenses for those cases where the personal benefit is closely related to the business purpose.
(3) Represents the expense, if applicable, or the accrual of the expense that Exelon has recorded during 2010 after the announcement of the officer's retirement or resignation for severance related costs including salary and Annual Incentive Plan (AIP) continuation, outplacement fees, medical benefits, and a prorated portion of his cash retention award.
(4) Represents company matching contributions to the NEO's qualified and non-qualified savings plans. The 401(k) plan is available to all employees and the annual contribution for 2010 was generally limited by IRS rules to $16,500. NEOs and other officers may participate in the Deferred Compensation Plan, into which payroll contributions in excess of the specified IRS limit are credited under the separate, unfunded plan that has the same portfolio of investment options as the 401(k) plan.
(5) Exelon provides basic term life insurance, accidental death and disability insurance, and long-term disability insurance to all employees, including NEOs. The values shown in this column include the premiums paid during 2010 for additional term life insurance policies for the NEOs, additional supplemental accidental death and dismemberment insurance and for additional long-term disability insurance over and above the basic coverage provided to all employees. Mr. Rowe has two term life insurance policies and one additional accidental death and dismemberment policy.

Exelon, Generation and PECO

Perquisites

Name (a)	Personal and Spouse Travel $ See Note 1 & Note 2 (b)	Automobile Lease and Parking $ See Note 3 (c)	Other Items $ See Note 4 (d)	Total $ (e)
Rowe	$ 216,104	$ 3,000	$ 688	$219,792
O'Brien	1,774	—	—	1,774
Hilzinger	—	3,000	—	3,000
Barnett	—	—	—	—
Crane	39,143	3,000	688	42,831
Von Hoene	3,505	3,000	688	7,193
Pardee	—	—	688	688
Pacilio	1,707	—	688	2,395
Adams	1,777	—	—	1,777
Bonney	—	—	—	—
Acevedo	—	—	—	—
McLean	—	—	—	—
Zopp	1,288	1,500	—	2,788

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Perquisites

Name (a)	Personal and Spouse Travel $ See Note 1 & Note 2 (b)	Automobile Lease and Parking $ See Note 3 (c)	Other Items $ See Note 4 (d)	Total $ (e)
Clark	$ 389	$ 9,480	$ —	$9,869
Trpik	—	5,644	—	5,644
Pramaggiore	—	6,480	—	6,480
O’Neill	—	2,944	—	2,944
Donnelly	—	6,480	—	6,480
Bradford	—	4,322	—	4,322

Note to Perquisite Tables

(1) Mr. Rowe is entitled to up to 60 hours of personal use of corporate aircraft each year. Mr. Crane was also permitted to use the corporate aircraft on two occasions in 2010 to minimize the time he spent away from Exelon responsibilities while attending meetings of another board of directors on which he serves. The figures shown in this column include $206,852 and $31,684 representing the aggregate incremental cost to Exelon for personal use of corporate aircraft by Mr. Rowe and Mr. Crane respectively. These costs were calculated using the hourly cost for flight services paid to the aircraft vendor, Federal excise tax, fuel charges, and domestic segment fees. From time to time Mr. Rowe’s spouse accompanies Mr. Rowe in his travel on corporate aircraft. The aggregate incremental cost to the company, if any, for Mrs. Rowe’s travel on corporate aircraft is included in this amount. For all executive officers, including Mr. Rowe, Exelon pays the cost of spousal travel, meals, and other related amenities when they attend company or industry-related events where it is customary and expected that officers attend with their spouses. The aggregate incremental cost to Exelon for these expenses is included in the table. In most cases, there is no incremental cost to Exelon of providing transportation or other amenities for a spouse, and the only additional cost to Exelon is to reimburse officers for the taxes on the imputed income attributable to their spousal travel, meals, and related amenities when attending company or industry-related events. This cost is shown in column (b) of the All Other Compensation Table above.

(2) The company maintains several cars and drivers in order to provide transportation services for the NEOs and other officers to carry out their duties among the company’s various offices and facilities which are located throughout northeastern Illinois and southeastern Pennsylvania. Messrs. Rowe, Clark, and O’Brien are also entitled to limited personal use of the company’s cars and drivers, including use for commuting which allows them to work while commuting. The cost included in the table represents the estimated incremental cost to Exelon to provide limited personal service. This cost is based upon the number of hours that the drivers worked overtime providing services to each NEO, multiplied by the average overtime rate for drivers plus an additional amount for fuel and maintenance. Personal use was imputed as additional taxable income to Messrs. Rowe, Clark, and O’Brien.

(3) For NEOs whose primary work location is downtown Chicago, Exelon’s office lease provides for a limited number of parking spaces that are available for Exelon use. When NEOs are unable to utilize the available spaces, Exelon provides reimbursement for parking expenses incurred at other public garages.

(4) Executive officers may use company-provided vendors for comprehensive physical examinations and related follow-up testing. Executives also receive certain gifts during the year in recognition of their services that are imputed to the officer as additional taxable income. Certain NEOs were also provided with company paid travel insurance during 2010, the cost of this insurance was imputed to the NEO as additional taxable income.

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Exelon, Generation and PECO
Grants of Plan Based Awards

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (See Note 1)			Estimated Possible Payouts Under Equity Incentive Plan Awards (See Note 2)			All other Stock Awards: Number of Shares or Units (See Note 3)	All Other Options Awards: Number of Securities Under-lying Options	Exercise or base Price of Option Awards.	Grant Date Fair Value of Stock and Option Awards (See Note 4)
Name (a)	Grant Date (b)	Thres-hold ($) (c)	Plan ($) (d)	Maxi-mum ($) (e)	Thres-hold (#) (f)	Target (#) (g)	Maxi-mum (#) (h)	(#) (i)	(#) (j)	($) (k)	($) (l)
Rowe	25 Jan.2010	$ 405,625	$ 811,250	$ 3,245,000							
	25 Jan.2010				27,000	54,000	108,000				1,070,210
	25 Jan.2010								138,000	46.09	1,115,040
O'Brien	25 Jan.2010	100,500	201,000	804,000							
	25 Jan.2010				5,350	10,700	21,400				212,060
	25 Jan.2010								27,000	46.09	218,160
Hilzinger	25 Jan.2010	66,900	133,800	535,200							
	25 Jan.2010				2,600	5,200	10,400				103,057
	25 Jan.2010								13,300	46.09	107,464
Barnett	25 Jan.2010	38,738	77,475	309,900							
	25 Jan.2010				1,650	3,300	6,600				65,402
	25 Jan.2010								8,300	46.09	67,064
Crane	25 Jan.2010	185,625	371,250	1,485,000							
	25 Jan.2010				10,000	20,000	40,000				396,374
	25 Jan.2010								53,000	46.09	428,240
Von Hoene	25 Jan.2010	112,500	225,000	900,000							
	25 Jan.2010				6,350	12,700	25,400				251,697
	25 Jan.2010								33,000	46.09	266,640
Pardee	25 Jan.2010	92,950	185,900	743,600							
	1 Jun.2010	4,550	9,100	36,400							
	25 Jan.2010				4,350	8,700	17,400				172,423
	25 Jan.2010								22,400	46.09	180,992
	1 Jun.2010							8,000			301,200
Pacilio	25 Jan.2010	57,200	114,400	457,600							
	1 Jun.2010	14,050	28,100	112,400							
	25 Jan.2010				2,050	4,100	8,200				81,257
	1 Jun.2010				323	645	1,290				6,411
	25 Jan.2010								10,500	46.09	84,840
	1 Jun.2010							12,000			451,800
Adams	25 Jan.2010	45,760	91,520	366,080							
	25 Jan.2010				2,050	4,100	8,200				81,257
	25 Jan.2010								10,500	46.09	84,840
Bonney	25 Jan.2010	30,600	61,200	244,800							
	25 Jan.2010				1,450	2,900	5,800				57,474
	25 Jan.2010								7,400	46.09	59,792
Acevedo	25 Jan.2010	18,900	37,800	151,200							
	25 Jan.2010				750	1,500	3,000				29,728
	25 Jan.2010								3,800	46.09	30,704
McLean	25 Jan.2010	112,700	225,400	901,600							
	25 Jan.2010				6,350	12,700	25,400				251,697
	25 Jan.2010								33,000	46.09	266,640
Zopp	25 Jan.2010	66,000	132,000	528,000							
	25 Jan.2010				4,350	8,700	17,400				172,423
	25 Jan.2010								22,400	46.09	180,992

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Grants of Plan Based Awards

Name (a)	Grant Date (b)		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (See Note 1) Thres-hold ($) (c)	Plan ($) (d)	Maxi-mum ($) (e)	Estimated Possible Payouts Under Equity Incentive Plan Awards (See Note 2) Thres-hold (#) (f)	Target (#) (g)	Maxi-mum (#) (h)	All other Stock Awards: Number of Shares or Units (See Note 3) (#) (i)	All Other Options Awards: Number of Securities Under-lying Options (#) (j)	Exercise or base Price of Option Awards. ($) (k)	Grant Date Fair Value of Stock and Option Awards (See Note 4) ($) (l)
Clark	25 Jan.2010	CE LTI	$347,500	$695,000	$1,390,000							
	25 Jan.2010	AIP	106,313	212,625	850,500							
Trpik [1]	25 Jan.2010	CE LTI	106,500	213,000	426,000							
	25 Jan.2010	AIP	31,500	63,000	252,000							
Pramaggiore	25 Jan.2010	CE LTI	200,000	400,000	800,000							
	25 Jan.2010	AIP	67,438	134,875	539,500							
O'Neill	25 Jan.2010	AIP	33,750	67,500	270,000							
	5 Jul.2010	AIP	7,500	15,000	60,000							
	25 Jan.2010					1,650	3,300	6,600				65,402
	5 Jul.2010	CE LTI	52,521	105,041	210,082							
	25 Jan.2010									8,300	46.09	67,064
Donnelly	25 Jan.2010	CE LTI	132,500	265,000	530,000							
	25 Jan.2010	AIP	48,125	96,250	385,000							
Bradford	25 Jan.2010	CE LTI	106,500	213,000	426,000							
	5 Jul.2010					1,282	2,564	5,128				7,770
	25 Jan.2010	AIP	41,250	82,500	330,000							
	5 Jul.2010	AIP	18,000	36,000	144,000							

Notes to Grants of Plan Based Awards Tables

(1) All NEOs have annual incentive plan target opportunities based on a fixed percentage of their base salary. ComEd NEOs have a long-term incentive plan target based on a cash target (for the ComEd NEOs, the rows labeled "CE LTI" are for the long-term incentive, and the rows labeled "AIP" are for the annual incentive). Under the terms of both incentive plans, threshold performance earns 25% of the respective target, while performance at plan earns 50% of the respective target and the maximum payout is capped at 200% of target. For additional information about the terms of these programs, see Compensation Discussion and Analysis above.

(2) Non-ComEd NEOs have a long-term performance share target opportunity that is a fixed number of performance shares commensurate with the officer's position. For additional information about the terms of these programs, see Compensation Discussion and Analysis and the narrative preceding the Summary Compensation Table above.

(3) This column shows additional restricted share awards made during the year. The vesting dates of the awards are provide in the footnote 2 to the Outstanding Equity Table below.

(4) This column shows the grant date fair value, calculated in accordance with FASB ASC Topic 718, of the performance share awards, stock options, and restricted stock granted to each NEO during 2010. Fair value of performance share awards granted on January 25, 2010 is based on an estimated payout of 43% of target. Fair value of performance share awards granted on June 1, 2010 is based on an estimated payout of 26.4% of target. Fair value of performance share awards granted on July 5, 2010 is based on an estimated payout of 8% of target.

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Exelon, Generation and PECO

Outstanding Equity Awards at Year End

	Options (See Note 1)					Stock (See Note 2)			
Name (a)	Number of Securities Underlying Unexercised Options That Are Exercisable (#) (b)	Number of Securities Underlying Unexercised Options That Are Not Exercisable (#) (c)	Option Exercise or Base Price ($) (d)	Option Grant Date (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Yet Vested (#) (g)	Market Value of Share or Units of Stock That Have Not Yet Vested Based on 12/31 Closing Price $41.64 ($) (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Yet Vested (#) (i)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Yet Vested ($) (j)
Rowe	—	138,000	$ 46.09	25 Jan. 2010	24 Jan. 2020	79,353	$ 3,304,259	54,000	$ 2,248,560
	38,750	116,250	56.51	26 Jan. 2009	25 Jan. 2019				
	57,000	57,000	73.29	28 Jan. 2008	27 Jan. 2018				
	112,500	37,500	59.96	22 Jan. 2007	21 Jan. 2017				
	229,000	—	42.85	24 Jan. 2005	23 Jan. 2015				
O'Brien	—	27,000	46.09	25 Jan. 2010	24 Jan. 2020	15,788	$ 657,412	10,700	$ 445,548
	7,675	23,025	56.51	26 Jan. 2009	25 Jan. 2019				
	11,000	11,000	73.29	28 Jan. 2008	27 Jan. 2018				
	14,250	4,750	59.96	22 Jan. 2007	21 Jan. 2017				
	20,000	—	58.55	23 Jan. 2006	22 Jan. 2016				
	29,000	—	42.85	24 Jan. 2005	23 Jan. 2015				
	30,000	—	32.54	26 Jan. 2004	25 Jan. 2014				
	30,000	—	24.81	27 Jan. 2003	26 Jan. 2013				
Hilzinger	—	13,300	46.09	25 Jan. 2010	24 Jan. 2020	12,629	$ 525,872	5,200	$ 216,528
	3,725	11,175	56.51	26 Jan. 2009	25 Jan. 2019				
	5,500	5,500	73.29	28 Jan. 2008	27 Jan. 2018				
	7,875	2,625	59.96	22 Jan. 2007	21 Jan. 2017				
	10,500	—	58.55	23 Jan. 2006	22 Jan. 2016				
	14,000	—	42.85	24 Jan. 2005	23 Jan. 2015				
	4,500	—	32.54	26 Jan. 2004	25 Jan. 2014				
Barnett	—	8,300	46.09	25 Jan. 2010	24 Jan. 2020	4,831	$ 201,163	3,300	$ 137,412
	2,350	7,050	56.51	26 Jan. 2009	25 Jan. 2019				
	3,350	3,350	73.29	28 Jan. 2008	27 Jan. 2018				
	6,375	2,125	59.96	22 Jan. 2007	21 Jan. 2017				
	8,500	—	58.55	23 Jan. 2006	22 Jan. 2016				
	9,675	—	42.85	24 Jan. 2005	23 Jan. 2015				
	3,500	—	32.54	26 Jan. 2004	25 Jan. 2014				
Crane	—	53,000	46.09	25 Jan. 2010	24 Jan. 2020	52,999	$ 2,206,878	20,000	$ 832,800
	12,250	36,750	56.51	26 Jan. 2009	25 Jan. 2019				
	14,000	14,000	73.29	28 Jan. 2008	27 Jan. 2018				
	26,250	8,750	59.96	22 Jan. 2007	21 Jan. 2017				
	22,500	—	58.55	23 Jan. 2006	22 Jan. 2016				
	18,000	—	42.85	24 Jan. 2005	23 Jan. 2015				
	13,500	—	32.54	26 Jan. 2004	25 Jan. 2014				
Von Hoene	—	33,000	46.09	25 Jan. 2010	24 Jan. 2020	19,167	$ 798,114	12,700	$ 528,828
	6,300	18,900	56.51	26 Jan. 2009	25 Jan. 2019				
	9,500	9,500	73.29	28 Jan. 2008	27 Jan. 2018				
	14,250	4,750	59.96	22 Jan. 2007	21 Jan. 2017				
	17,000	—	58.55	23 Jan. 2006	22 Jan. 2016				
	14,000	—	42.85	24 Jan. 2005	23 Jan. 2015				
	4,500	—	32.54	26 Jan. 2004	25 Jan. 2014				

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Name (a)	Number of Securities Underlying Unexercised Options That Are Exercisable (#) (b)	Number of Securities Underlying Unexercised Options That Are Not Exercisable (#) (c)	Option Exercise or Base Price ($) (d)	Option Grant Date (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Yet Vested (#) (g)	Market Value of Share or Units of Stock That Have Not Yet Vested Based on 12/31 Closing Price $41.64 ($) (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Yet Vested (#) (i)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Yet Vested ($) (j)
	Options (See Note 1)					Stock (See Note 2)			
Pardee	—	22,400	46.09	25 Jan. 2010	24 Jan. 2020	30,843	$1,284,303	8,700	362,268
	6,300	18,900	56.51	26 Jan. 2009	25 Jan. 2019				
	9,500	9,500	73.29	28 Jan. 2008	27 Jan. 2018				
	14,250	4,750	59.96	22 Jan. 2007	21 Jan. 2017				
	12,750	—	58.55	23 Jan. 2006	22 Jan. 2016				
	14,500	—	42.85	24 Jan. 2005	23 Jan. 2015				
	10,000	—	32.54	26 Jan. 2004	25 Jan. 2014				
Pacilio	—	10,500	46.09	25 Jan. 2010	24 Jan. 2020	26,069	$1,085,513	4,745	197,582
	2,925	8,775	56.51	26 Jan. 2009	25 Jan. 2019				
	4,150	4,150	73.29	28 Jan. 2008	27 Jan. 2018				
	4,250	2,125	59.96	22 Jan. 2007	21 Jan. 2017				
	4,250	—	58.55	23 Jan. 2006	22 Jan. 2016				
	3,500	—	42.85	24 Jan. 2005	23 Jan. 2015				
Adams	—	10,500	46.09	25 Jan. 2010	24 Jan. 2020	10,069	$ 419,273	4,100	170,724
	2,925	8,775	56.51	26 Jan. 2009	25 Jan. 2019				
	4,150	4,150	73.29	28 Jan. 2008	27 Jan. 2018				
	6,375	2,125	59.96	22 Jan. 2007	21 Jan. 2017				
	8,500	—	58.55	23 Jan. 2006	22 Jan. 2016				
	7,000	—	42.85	24 Jan. 2005	23 Jan. 2015				
	4,500	—	32.54	26 Jan. 2004	25 Jan. 2014				
Bonney	—	7,400	46.09	25 Jan. 2010	24 Jan. 2020	4,242	$ 176,637	2,900	120,756
	2,075	6,225	56.51	26 Jan. 2009	25 Jan. 2019				
	3,000	3,000	73.29	28 Jan. 2008	27 Jan. 2018				
	5,775	1,925	59.96	22 Jan. 2007	21 Jan. 2017				
	7,800	—	58.55	23 Jan. 2006	22 Jan. 2016				
	6,900	—	42.85	24 Jan. 2005	23 Jan. 2015				
	4,500	—	32.54	26 Jan. 2004	25 Jan. 2014				
Acevedo	—	3,800	46.09	25 Jan. 2010	24 Jan. 2020	1,408	$ 58,629	1,500	62,460
	6,700	—	58.55	23 Jan. 2006	22 Jan. 2016				
	4,100	—	42.85	24 Jan. 2005	23 Jan. 2015				
	2,000	—	32.54	26 Jan. 2004	25 Jan. 2014				
McLean	33,000	—	46.09	25 Jan. 2010	1 Sep. 2015	—	$ —	12,700	528,828
	37,200	—	56.51	26 Jan. 2009	1 Sep. 2015				
	28,000	—	73.29	28 Jan. 2008	1 Sep. 2015				
	35,000	—	59.96	22 Jan. 2007	1 Sep. 2015				
	35,000	—	58.55	23 Jan. 2006	1 Sep. 2015				
	56,000	—	42.85	24 Jan. 2005	23 Jan. 2015				
	80,000	—	32.54	26 Jan. 2004	25 Jan. 2014				
	72,000	—	24.81	27 Jan. 2003	26 Jan. 2013				
	9,288	—	24.84	25 Feb. 2002	24 Feb. 2012				
	90,000	—	23.46	28 Jan. 2002	27 Jan. 2012				
Zopp	—	—				—	$ —	8,700	362,268

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Outstanding Equity Awards at Year End

	Options (See Note 1)					Stock (See Note 2)			
Name (a)	Number of Securities Underlying Unexercised Options That Are Exercisable (#) (b)	Number of Securities Underlying Unexercised Options That Are Not Exercisable (#) (c)	Option Exercise or Base Price ($) (d)	Option Grant Date (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Yet Vested (#) (g)	Market Value of Share or Units of Stock That Have Not Yet Vested Based on 12/31 Closing Price $41.68 ($) (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Yet Vested (#) (i)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Yet Vested ($) (j)
Clark	30,000	—	$ 58.55	23 Jan. 2006	22 Jan. 2016	—	$ —	—	—
	36,000	—	42.85	24 Jan. 2005	23 Jan. 2015				
Trpik	1,075	3,225	56.51	26 Jan. 2009	25 Jan. 2019	4,685	$ 195,083	—	—
	1,700	1,700	73.29	28 Jan. 2008	27 Jan. 2018				
	3,000	1,000	59.96	22 Jan. 2007	21 Jan. 2017				
	3,063	—	58.55	23 Jan. 2006	22 Jan. 2016				
	3,262	—	42.85	24 Jan. 2005	23 Jan. 2015				
	1,625	—	32.54	26 Jan. 2004	25 Jan. 2014				
Pramaggiore	5,300	—	58.55	23 Jan. 2006	22 Jan. 2016	4,000	$ 166,560	—	—
	10,150	—	42.85	24 Jan. 2005	23 Jan. 2015				
	11,400	—	32.54	26 Jan. 2004	25 Jan. 2014				
O'Neill	—	8,300	46.09	25 Jan. 2010	24 Jan. 2020	7,990	$ 332,704	3,300	137,412
	2,075	6,225	56.51	26 Jan. 2009	25 Jan. 2019				
	3,000	3,000	73.29	28 Jan. 2008	27 Jan. 2018				
	5,775	1,925	59.96	22 Jan. 2007	21 Jan. 2017				
	6,500	—	58.55	23 Jan. 2006	22 Jan. 2016				
	7,250	—	42.85	24 Jan. 2005	23 Jan. 2015				
	10,000	—	32.54	26 Jan. 2004	25 Jan. 2014				
	4,000	—	24.81	27 Jan. 2003	26 Jan. 2013				
Donnelly	6,375	2,125	59.96	22 Jan. 2007	21 Jan. 2017	4,000	$ 166,560	—	—
	6,500	—	58.55	23 Jan. 2006	22 Jan. 2016				
	10,000	—	42.85	24 Jan. 2005	23 Jan. 2015				
	13,000	—	32.54	26 Jan. 2004	25 Jan. 2014				
	13,800	—	24.81	27 Jan. 2003	26 Jan. 2013				
	10,000	—	23.46	28 Jan. 2002	27 Jan. 2012				
Bradford	5,300	—	58.55	23 Jan. 2006	22 Jan. 2016	4,000	166,560	2,564	106,765
	6,188	—	42.85	24 Jan. 2005	23 Jan. 2015				
	2,850	—	32.54	26 Jan. 2004	25 Jan. 2014				

Notes to Outstanding Equity Tables

(1) Non-qualified stock options are granted to NEOs pursuant to the company's long-term incentive plans. Grants made prior to 2003 vested in three equal increments, beginning on the first anniversary of the grant date. Grants made in 2003 and thereafter vest in four equal increments, beginning on the first anniversary of the grant date. All grants expire on the tenth anniversary of the grant date. For all data above, the number of shares and exercise prices have been adjusted to reflect the 2 for 1 stock split of May 5, 2004.

(2) The amount shown includes the unvested portion of performance share awards earned with respect to the three-year performance periods ending December 31, 2009 and December 31, 2008, and any unvested restricted stock unit awards as shown in the following table. The amount of shares shown in column (i) represents the target number of performance shares available to each NEO for the performance period ending December 31, 2010. Shares are valued at $41.64 closing price on December 31, 2010.

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Unvested Restricted Stock or Restricted Stock Units

Name	Grant Date	Number of Restricted Shares	Vesting Dates
Hilzinger	01 Aug. 2008	5,000	01 Aug. 2013
Crane	03 Sep. 2007	15,000	03 Sep. 2011
	01 Aug. 2008	15,000	01 Aug. 2013
Von Hoene	01 Aug. 2008	5,000	01 Aug. 2013
Pardee	01 Jun. 2010	8,000	01 Jun. 2013
	01 Aug. 2008	10,000	01 Aug. 2013
Pacilio	01 Aug. 2008	8,000	01 Aug. 2013
	01 Jun. 2010	12,000	01 Jun. 2015
Adams	01 Aug. 2008	4,000	01 Aug. 2013
Acevedo	28 Jan. 2008	227	24 Jan. 2011
	26 Jan. 2009	586	24 Jan. 2011, 23 Jan. 2012
Trpik	01 May 2007	3,000	01 May 2011
Pramaggiore	03 Sep. 2007	4,000	03 Sep. 2012
O'Neill	01 Jul. 2008	3,500	01 Jul. 2012
Donnelly	03 Sep. 2007	4,000	03 Sep. 2012
Bradford	03 Sep. 2007	4,000	03 Sep. 2012

Exelon, Generation and PECO

Option Exercises and Stock Vested

	Option Awards		Stock Awards (See Note 1)	
Name (a)	Number of Shares Acquired on Exercise (b) (#)	Value Realized on Exercise (c) ($)	Number of Shares Acquired on Vesting (d) (#)	Value Realized on Vesting (e) ($)
Rowe	—	$ —	98,898	$4,558,201
O'Brien (Note 2)	17,000	379,334	17,091	787,704
Hilzinger	—	—	8,681	400,098
Barnett (Note 3)	—	—	10,060	456,438
Crane	—	—	25,770	1,187,719
Von Hoene	—	—	15,624	720,100
Pardee (Note 4)	—	—	22,993	1,082,001
Pacilio	—	—	6,927	319,263
Adams	—	—	6,927	319,263
Bonney	—	—	5,310	244,719
Acevedo (Note 5)	—	—	1,032	47,557
McLean (Note 2)	33,600	448,006	23,606	1,087,991
Zopp	—	—	24,359	1,037,491

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Option Exercises and Stock Vested

Name (a)	Option Awards: Number of Shares Acquired on Exercise (b) (#)	Option Awards: Value Realized on Exercise (c) ($)	Stock Awards (See Note 1): Number of Shares Acquired on Vesting (d) (#)	Stock Awards (See Note 1): Value Realized on Vesting (e) ($)
Clark	—	—	—	—
Trpik	—	—	2,480	114,284
Pramaggiore (Note 6)	—	—	5,000	197,650
O'Neill	—	—	5,428	250,158
Donnelly (Note 7)	7,000	87,646	6,650	299,241
Bradford	—	—	—	—

Notes to Option Exercises and Stock Vested Table

(1) Share amounts are generally composed of performance shares that vested on January 25, 2010, which included 1/3 of the grant made with respect to the three-year performance period ending December 31, 2009; 1/3 of the grant made with respect to the three-year performance period ending December 31, 2008, and 1/3 of the grant made with respect to the three-year performance period ending December 31, 2007. Shares were valued at $46.09 upon vesting.

(2) Mr. O'Brien and Mr. McLean (prior to his separation from Exelon) each exercised options pursuant to Rule 10b5-1 trading plans that were entered into when each was unaware of any material information regarding Exelon that had not been publicly disclosed. The formula for the exercise and sale dates, number of options, and sale price was set at the time the trading plans were established.

(3) For Mr. Barnett, the shares received upon vesting includes 4,000 restricted shares that vested on April 1, 2010 and were valued at $44.28.

(4) For Mr. Pardee, the shares received upon vesting includes 8,000 restricted shares that vested on January 1, 2010 and were valued at $48.87.

(5) For Mr. Acevedo, the shares received upon vesting includes 748 shares from the Key Manager Restricted Stock Unit Program that vested on January 25, 2010 that were valued at $46.09.

(6) For Ms. Pramaggiore, the shares received upon vesting includes 5,000 restricted shares that vested on November 28, 2010 and were valued at $39.53.

(7) For Mr. Donnelly, the shares received upon vesting includes 4,000 restricted shares that vested on April 1, 2010 and were valued at $44.28.

Pension Benefits

Exelon sponsors the Exelon Corporation Retirement Program, a traditional defined benefit pension plan that covers certain management employees who commenced employment prior to January 1, 2001 and certain collective bargaining unit employees. The Exelon Corporation Retirement Program includes the Service Annuity System (SAS), the legacy ComEd pension plan, and the Service Annuity Plan (SAP), the legacy PECO pension plan. Effective January 1, 2001, Exelon also established two cash balance defined benefit pension plans in order to both reduce future retirement benefit costs and provide an option that is portable as the company anticipated a work force that was more mobile than the traditional utility workforce. The cash balance defined benefit pension plans cover management employees and certain collective bargaining unit employees hired on or after such date, as well as certain management employees hired prior to such date who elected to transfer to a cash balance plan. Each of these plans is intended to be tax-qualified under Section 401(a) of the Internal Revenue Code. An employee can participate in only one of the qualified pension plans.

For NEOs participating in the SAS, the annuity benefit payable at normal retirement age is equal to the sum of 1.25% of the participant's earnings as of December 25, 1994, reduced by a portion of the participant's Social Security benefit as of that date, plus 1.6% of the participant's highest average annual pay, multiplied by the participant's years of credited service (up to a maximum of 40 years). For NEOs participating in the SAP, the annuity benefit payable at normal retirement age is equal to the greater of the amount determined under the Career Pay Formula, which is 2% of each year's

pensionable pay, and the amount determined under the Final Average Pay Formula, which is the sum of (a) 5% of average earnings, plus 1.2% of average earnings for each year of pension service (up to a maximum of 40 years), and (b) 0.35% of average earnings in excess of covered compensation for each year of pension service (up to a maximum of 40 years). Pension-eligible compensation for the SAS and the SAP's Final Average Pay Formula includes base pay and annual incentive awards. Pension eligible compensation in the SAP's Career Pay Formula includes base pay, incentive awards and other regular remuneration. Benefits under the SAS and SAP are vested after five years of service.

The "normal retirement age" under both the SAS and the SAP is 65. Each of these plans also offers an early retirement benefit prior to age 65, which is payable if a participant retires after attainment of age 50 and completion of ten years of service. The annual pension payable under each plan is determined as of the early retirement date, reduced by 2% for each year of payment before age 60 to age 58, then 3% for each year before age 58 to age 50. In addition, under the SAS, the early retirement benefit is supplemented by a temporary payment equal to 80% of the participant's estimated monthly Social Security benefit. The supplemental benefit is partially offset by a reduction in the regular annuity benefit.

Under the cash balance pension plan, a notional account is established for each participant, and the account balance grows as a result of annual benefit credits and annual investment credits. (Employees who participated in the SAS or the SAP prior to January 1, 2001 and elected to transfer to the cash balance plan also have a frozen transferred benefit from the former plan, and received a "transition" credit based on their age, service and compensation at the time of transfer.) Beginning January 1, 2008, the annual benefit credit under the plan is 7.00% of base pay and annual incentive award (subject to applicable Internal Revenue Code limit). For the portion of the account balance accrued beginning January 1, 2008, the annual investment credit is the third segment rate of interest on long-term investment grade corporate bonds, as provided for in Internal Revenue Code Section 430(h)(2)(C)(iii). The Segment Rate will be determined as of November of the year for which the cash balance account receives the investment credit. For the portion of the benefit accrued before January 1, 2008, pending Internal Revenue Service guidance, the annual investment credit is the greater of 4%, or the average for the year of the S&P 500 Index and the applicable interest rate specified in Section 417(e) of the Internal Revenue Code that is used to determine lump sum payments (the interest rate is determined in November of each year). Benefits are vested after three years of service, and are payable in an annuity or a lump sum at any time following termination of employment. Apart from the benefit credits and vesting requirement, and as described above, years of service are not relevant to a determination of accrued benefits under the cash balance pension plans.

The Internal Revenue Code limits to $245,000 the individual annual compensation that may be taken into account under the tax-qualified retirement plan. As permitted by Employee Retirement Income Security Act, Exelon sponsors two supplemental executive retirement plans (or "SERPs") that allow the payment to a select group of management or highly-compensated individuals out of its general assets of any benefits calculated under provisions of the applicable qualified pension plan which may be above these limits. The SERPs offers a lump sum as an optional form of payment, which includes the value of the marital annuity, death benefits and other early retirement subsidies at a designated interest rate. The interest rate applicable for distributions to participants in the SAS in 2010 is 4.49% and for participants in the SAP in 2010 is 2.5%. For participants in the cash balance pension plan, the lump sum is the value of the non-qualified account balance. The value of the lump sum amounts do not include the value of any pension benefits covered under the qualified pension plans, and the methods and assumptions used to determine the non-qualified lump sum amount are different than the assumptions used to generate the present values shown in the tables of benefits to be received upon retirement, termination due to death or disability, involuntary separation not related to a change in control, or upon a qualifying termination following a change in control which appear later in this document.

Under the terms of the SERPs, participants are provided the amount of benefits they would have received under the SAS, SAP or cash balance plan, as applicable, but for the application of the Internal Revenue Code limits. In addition, certain executives previously received grants of additional credited service under a SERP. In particular, Mr. Crane received an additional ten years of credited service through December 31, 2010 as part of his employment offer that provides one additional year of service credit for each year of employment to a maximum of 10 additional years. Pursuant to his employment agreement first entered into when he joined the Company in 1998, Mr. Rowe is entitled to receive a SERP benefit that, when added to SAS benefit, will be determined as though he had earned 20 years of service on March 16, 1998 and one additional year of service on each anniversary of that date occurring prior to his termination of employment. A portion of Mr. Rowe's benefit may be forfeited upon a termination for "cause" (see below under Potential Payments upon Termination or Change in Control—Employment Agreement with Mr. Rowe).

As of January 1, 2004, Exelon does not grant additional years of credited service to executives under the SERP for any period in which services are not actually performed, except that up to two years of service credits may be provided under severance or change in control agreements first entered into after such date. Service credits previously available under employment, change in control or severance agreements or arrangements (or any successors arrangements) are not affected by this policy.

The amount of the change in the pension value for each of the named executive officers is the amount included in the Summary Compensation Table above in the column headed "Change in Pension Value & Nonqualified Deferred Compensation Earnings." The present value of each NEO's accumulated pension benefit is shown in the following tables. The assumptions used in estimating the present values include the following: for Service Annuity System participants, pension benefits are assumed to begin at each participant's earliest unreduced retirement age; and for cash balance plan participants, pension benefits are assumed to begin at the earliest unreduced age. The applicable discount rates are 5.83% as of December 31, 2009 and 5.26% as of December 31, 2010. The lump sum rate amounts are determined using the rate of 5% for SAS participants and 4.0% for SAP participants, both at the assumed retirement age, and the account balance for cash balance pension plan participants. The applicable mortality table as of December 31, 2009 is the IRS-required mortality table for 2010 funding valuation. The applicable table as of December 31, 2010 is the IRS required mortality table for 2011 funding valuation.

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Name (a)	Plan Name (b)	Number of Years Credited Service (#) (c)	Present Value of Accumulated Benefit ($) (d)	Payments During Last Fiscal Year ($) (e)
Rowe (Note 1)	SAS	12.80	557,484	—
	SERP	32.80	19,362,602	—
O'Brien	Cash Balance	28.51	811,480	—
	SERP	28.51	771,277	—
Hilzinger	Cash Balance	8.72	168,316	—
	SERP	8.72	258,683	—
Barnett	Cash Balance	7.68	143,269	—
	SERP	7.68	137,118	—
Crane	SAS	12.26	432,606	—
	SERP	22.26	4,305,794	—
Von Hoene	Cash Balance	8.93	168,316	—
	SERP	8.93	349,921	—
Pardee	SAS	10.84	344,285	—
	SERP	10.84	1,016,070	—
Pacilio	SAS	28.53	934,657	—
	SERP	28.53	1,808,643	—
Adams	Cash Balance	21.38	798,716	—
	SERP	21.38	574,612	—
Bonney	SAP	21.00	719,706	—
	SERP	21.00	727,402	—
Acevedo	Cash Balance	8.17	146,657	—
	SERP	8.17	22,387	—
McLean	Cash Balance	8.00	145,159	—
	SERP	8.00	558,710	—
Zopp	Cash Balance	4.38	88,144	—
	SERP	4.38	213,969	—

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Name (a)	Plan Name (b)	Number of Years Credited Service (#) (c)	Present Value of Accumulated Benefit ($) (d)	Payments During Last Fiscal Year ($) (e)
Clark	SAS	40.00	1,884,324	—
	SERP	40.00	5,652,057	—
Trpik	Cash Balance	9.60	187,537	—
	SERP	9.60	84,154	—
Pramaggiore	Cash Balance	12.93	317,140	—
	SERP	12.93	156,873	—
O'Neill	Cash Balance	9.36	188,372	—
	SERP	9.36	122,072	—
Donnelly	Cash Balance	27.53	697,662	—
	SERP	27.53	206,662	—
Bradford	Cash Balance	7.76	145,159	—
	SERP	7.76	136,947	—

(1) Based on discount rates prescribed by the SEC executive compensation disclosure rules, the present value of Mr. Rowe's SERP benefit is $19,362,602. Based on lump sum plan rates for immediate distributions, the comparable lump sum amount applicable for service through December 31, 2010 is $22,329,736. Note that, in any event, payments made upon termination may be delayed for six months in accordance with U.S. Treasury Department guidance.

Deferred Compensation Programs

Exelon offers deferred compensation plans to permit the deferral of certain cash compensation to facilitate tax and retirement planning and satisfaction of stock ownership requirements for executives and key managers. Exelon maintains non-qualified deferred compensation plans that are open to certain highly-compensated employees, including the NEOs.

The Deferred Compensation Plan is a non-qualified plan that permits executives and key managers to defer receipt of base compensation and the company to credit related matching contributions that would have been contributed to the Exelon Corporation Employee Savings Plan (the company's tax-qualified 401(k) plan) but for the applicable limits under the Internal Revenue Code. The Deferred Compensation Plan permits participants to defer taxation of a portion of their income. It benefits the company by deferring the payment of a portion of its compensation expense, thus preserving cash.

The Employee Savings Plan is tax-qualified under Sections 401(a) and 401(k) of the Internal Revenue Code (the "Code"). Exelon maintains the Employee Savings Plan to attract and retain qualified employees, including the NEOs, and to encourage employees to save some percentage of their cash compensation for their eventual retirement. The Employee Savings Plan permits employees to do so, and allows the company to make matching contributions in a relatively tax-efficient manner. The company maintains the excess matching feature of the Deferred Compensation Plan to enable management employees to save for their eventual retirement to the extent they otherwise would have were it not for the limits established by the IRS for purposes of Federal tax policy.

The Stock Deferral Plan is a non-qualified plan that permitted executives to defer performance share units prior to 2007.

In response to declining plan enrollment and the administrative complexity of compliance with Section 409A of the Code, the compensation committee approved amendments to the Deferred Compensation and Stock Deferral Plans at its December 4, 2006 meeting. The amendments cease future compensation deferrals for the Stock Deferral Plan and Deferred Compensation Plan other than the excess Employee Savings Plan contribution deferrals.

The following tables show the amounts that NEOs have accumulated under both the Deferred Compensation Plan and the Stock Deferral Plan. Both plans were closed to new deferrals of base pay (other than excess Employee Savings Plan deferrals), annual incentive payments or performance shares awards in 2007, and participants were granted a one-time election to receive a distribution of their accumulated balance in each plan during 2007. Existing balances will continue to accrue dividends or other earnings until payout upon termination. Balances in the Deferred Compensation Plan will be settled in cash upon the termination event selected by the officer and will be distributed either in a lump sum, or in annual installments. Share balances in the Stock Deferral Plan continue to earn the same dividends that are available to all shareholders, which are reinvested as additional shares in the plan. Balances in the plan are distributed in shares of Exelon stock in a lump sum or installments upon termination of employment.

The Deferred Compensation Plan continues in effect, without change, for those officers who participate in the 401(k) savings plan and who reach their statutory contribution limit during the year. After this limit is reached, their elected payroll contributions and company matching contribution will be credited to their account in the Deferred Compensation Plan. The investment options under the Deferred Compensation Plan consist of a basket of mutual funds benchmarks that mirror those funds available to all employees through the 401(k) plan, with the exception of one benchmark fund that offers a fixed percentage return over a specified market return. Deferred amounts represent unfunded unsecured obligations of the company.

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Exelon, Generation and PECO

Nonqualified Deferred Compensation

Name (a)	Executive Contributions in 2010 (b) Note (1)	Registrant Contributions in 2010 (c) Note (2)	Aggregate Earnings in 2010 (d) Note (3)	Aggregate Withdrawals/ Distributions (e)	Aggregate Balance at 12/31/10 (f) Note (4)
Rowe	$ 61,500	$ 36,900	$ 36,075	—	$ 471,705
O'Brien (5)	14,550	8,730	99,204	—	1,452,681
Hilzinger	10,050	6,030	2,075	—	65,409
Barnett	29,985	5,833	12,259	—	159,765
Crane	66,000	19,610	734	—	322,869
Von Hoene	17,750	10,650	(1,674)	—	108,111
Pardee	42,358	10,070	576	—	206,712
Pacilio	28,595	7,125	500	—	131,525
McLean (5)	10,290	6,174	(27,921)	—	409,765
Zopp	16,331	4,772	179	—	133,911

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Nonqualified Deferred Compensation

Name (a)	Executive Contributions in 2010 (b) Note (1)	Registrant Contributions in 2010 (c) Note (2)	Aggregate Earnings in 2010 (d) Note (3)	Aggregate Withdrawals/ Distributions (e)	Aggregate Balance at 12/31/10 (f) Note (4)
Clark	$ 40,200	$ 11,776	(12,785)	—	$177,939
Trpik	2,100	1,050	184	—	8,294
O'Neill (5)	46,500	6,819	26,150	—	491,305
Donnelly (5)	32,500	6,865	(1,328)	—	160,147
Bradford	7,050	3,525	27,254	—	351,564

(1) The full amount shown for executive contributions is included in the base salary figures for each NEO shown above in the Summary Compensation Table.

(2) The full amount shown under registrant contributions is included in the company contributions to savings plans for each NEO shown above in the All Other Compensation Table.

(3) The amount shown under aggregate earnings reflects the NEO's gain or loss based upon the individual allocation of their notional account balance into the basket of mutual fund benchmarks. These gains or losses do not represent current income to the NEO and have not been included in any of the compensation tables shown above.

(4) For all NEOs the aggregate balance (Column F) shown above includes those amounts, both executive contributions and registrant contributions, that have been disclosed either as base salary as described in Note 1 or as company contributions under all other compensation as described in Note 2 for the current fiscal year. Messrs. Adams, Bonney, Acevedo, and Ms. Pramaggiore do not participate in the plan.
In 2007, all participants in the deferred compensation plan were eligible to receive a distribution of their entire account balance in the plan accumulated through December 31, 2006. Messrs. Rowe, Hilzinger, Barnett, Crane, Pardee, Clark, Trpik and Donnelly elected to receive this distribution. Since receiving a distribution of their entire accumulated balance in 2007, all executive contributions which are included in the aggregate balance at fiscal year end have been included in base salary in the Summary Compensation Table for each year, and all registrant contributions that are included in the aggregate balance at fiscal year end have been included in all other compensation in the Summary Compensation Table for each year for each of these NEOs.
For Messrs. O'Brien and McLean, who did not elect to receive the distribution of their accumulated plan balance in 2007, the following amounts consisting of both executive contributions and registrant contributions have been included in the Summary Compensation Table either as either base salary or all other compensation for prior years where these individuals have been included as NEOs: $875,884 and $275,281 respectively.
Messrs. Von Hoene, Pacilio, O'Neill, Bradford and Ms. Zopp are included as NEOs for the first time and no other executive contributions or registrant contributions except for the current fiscal year have been disclosed in the Summary Compensation Table.

(5) For Mssrs. O'Brien, McLean, O'Neill and Donnelly, the amounts shown in column (d) and column (f) also include the aggregate earnings and aggregate balance respectively of their Stock Deferral Plan accounts.

Potential Payments upon Termination or Change in Control

Employment Agreement with Mr. Rowe

Under the third amended and restated employment agreement between Exelon and Mr. Rowe, Mr. Rowe will continue to serve as Chief Executive Officer of Exelon, Chairman of Exelon's board of directors and a member of the board of directors until December 31, 2012.

If, prior to July 1, 2011, Exelon terminates Mr. Rowe's employment for reasons other than cause, death or disability or Mr. Rowe terminates his employment for good reason, he would be eligible for the following benefits:

- a lump sum payment of Mr. Rowe's accrued but unpaid base salary and annual incentive, if any, and a prorated annual incentive for the year in which his employment terminates based on the lesser of (1) the annual incentive that would have been paid based on actual performance without application of negative discretion to reduce the amount of the award, and (2) the formula annual incentive (i.e., the greater of the annual incentive for the last year ending prior to termination or the average of the annual incentives payable with respect to Mr. Rowe's last three full years of employment);
- a lump sum severance payment equal to his base salary and the formula annual incentive, multiplied by the number of years (including fractional years) remaining until the later of July 1, 2011 or the first anniversary of the termination date;
- continuation of life, disability, accident, health and other active welfare benefits for him and his family for a period equal to the number of years (including fractional years) remaining until the later of July 1, 2011 or the first anniversary of the termination date, followed by post-retirement healthcare coverage for him and his wife for the remainder of their respective lives;
- all exercisable stock options remain exercisable until the applicable option expiration date;
- non-vested stock options become exercisable and thereafter remain exercisable until the applicable option expiration date;
- previously earned but non-vested performance share units vest, consistent with the terms of the performance share unit award program under the LTIP, and an award based on actual performance for the year in which the termination occurs; and
- any non-vested restricted stock award vests.

If such a termination occurs within 24 months after a Change in Control of Exelon or within 18 months after a Significant Acquisition, as such terms are described under "Change in Control Employment Agreements and Severance Plan Covering Other Named Executives," or Mr. Rowe resigns before July 1, 2011 because of the failure to be appointed or elected as Exelon's Chief Executive Officer, Chairman of Exelon's board of directors, and a member of the board of directors, then Mr. Rowe would receive the termination benefits described above except that:

- the annual incentive award described above and payable for the year in which Mr. Rowe's employment terminates will be paid in full, rather than prorated;
- in determining the amount of such full formula annual incentive and the lump sum severance payment described above, the formula annual incentive will be the greater of the amount described in the preceding paragraph or the target annual incentive for the year in which his employment terminates, but not greater than the annual incentive for the year in which the termination occurs based on actual performance without the application of negative discretion to reduce the amount of the award;

- the SERP benefit will be determined taking into account the lump sum severance payment, as though it were paid in installments and Mr. Rowe remained employed during the severance period; and
- professional outplacement services will be provided for up to twelve months.

The term “good reason” means any material breach of the employment agreement by Exelon, including:

- a failure to provide compensation and benefits required under the employment agreement (including a reduction in base salary that is not commensurate with and applied to Exelon’s other senior executives) without Mr. Rowe’s consent;
- causing Mr. Rowe to report to someone other than Exelon’s board of directors;
- any material adverse change in Mr. Rowe’s status, responsibilities or perquisites; or
- any public announcement by Exelon’s board of directors without Mr. Rowe’s consent that Exelon is seeking his replacement, other than with respect to the period following July 1, 2011.

With respect to a termination of employment during the Change in Control or Significant Acquisition periods described above, the following events will constitute additional grounds for termination for good reason:

- a good faith determination by Mr. Rowe that he is substantially unable to perform, or that there has been a material reduction in, any of his duties, functions, responsibilities or authority;
- the failure of any successor to assume his employment agreement;
- a relocation of Exelon’s principal offices by more than 50 miles; or
- a 20% increase in the amount of time that Mr. Rowe must spend traveling for business outside of the Chicago area.

In the event Mr. Rowe’s employment terminates for cause, all outstanding stock options (whether vested or non-vested), non-vested performance shares and restricted stock will be forfeited. Upon a termination for cause on or before March 16, 2010 (the retirement date specified under a prior version of his employment agreement), the portion of the SERP benefit that accrued after March 16, 2006 (the retirement date specified under his original employment agreement) also would be forfeited.

The term “cause” means any of the following, unless cured within the time period specified in the agreement:

- conviction of a felony or of a misdemeanor involving moral turpitude, fraud or dishonesty;
- willful misconduct in the performance of duties intended to personally benefit the executive; or
- material breach of the agreement (other than as a result of incapacity due to physical or mental illness).

Upon Mr. Rowe’s retirement or his termination of employment due to disability or death:

- Mr. Rowe (or his beneficiary or estate) will receive a prorated annual incentive for the year in which the termination occurs, determined under the method described above for a “good reason” termination;
- all exercisable stock options remain exercisable until the applicable option expiration date;
- non-vested stock options become exercisable and thereafter remain exercisable until the applicable option expiration;

- previously earned but non-vested performance share units vest, consistent with the terms of the performance share award program under the LTIP, and he (or his beneficiary or estate) will receive an award for the year in which the termination occurs;
- any non-vested restricted stock award vests, unless otherwise provided in the grant instrument; and
- he will be entitled to receive post-retirement healthcare coverage for him and his wife for the remainder of their respective lives.

The term “retirement” means:

- Mr. Rowe’s termination of employment prior to July 1, 2011 other than a termination by him for good reason or a termination by the Company with or without cause or upon disability or death;
- Mr. Rowe’s termination of employment on or after July 1, 2011 other than a termination by the Company with cause or upon disability or death.

Upon Mr. Rowe’s retirement or termination of employment for any reason other than cause, disability or death:

- For a period of five years, Mr. Rowe is required to attend board of directors meetings as requested by the board or the then-chairman, attend civic, charitable and corporate events, serve on civic and charitable boards and represent the Company at industry and trade association events as the Company’s representative, and provide the then-chairman or the then-CEO advice or counseling on energy policy issues or strategy, each as mutually agreed;
- The Company is required to provide Mr. Rowe with five years of office and secretarial services.

Mr. Rowe is subject to confidentiality restrictions and to non-competition, non-solicitation and non-disparagement restrictions continuing in effect for two years following his termination of employment, and is required to sign a general release to receive severance payments. If the payments or benefits payable to Mr. Rowe would be subject to excise taxes imposed under Section 4999 of the Internal Revenue Code on excess parachute payments or under similar state or local law, such payments and benefits shall be reduced or eliminated to the extent necessary to avoid such excise taxes unless doing so would leave Mr. Rowe with less after-tax payments and benefits than paying such amounts and the applicable excise taxes. Any payment to Mr. Rowe upon a termination of employment is subject to a six-month delay to the extent required under Section 409A of the Internal Revenue Code, and his agreement will be otherwise interpreted and construed to comply with Section 409A.

Change in control employment agreements and severance plan covering other named executives

Exelon’s change in control and severance benefits policies were initially adopted in January 2001 and harmonized the policies of Exelon’s predecessor companies. In adopting the policies, the compensation committee considered the advice of a consultant who advised that the levels were consistent with competitive practice and reasonable. The Exelon benefits include multiples of change in control benefits ranging from two times base salary and annual bonus for corporate and subsidiary vice presidents to 2.99 times base salary and annual bonus for the executive committee and select senior vice presidents other than the CEO. In 2003, the compensation committee reviewed the terms of the Senior Management Severance Plan and revised it to reduce the situations when an executive could terminate and claim severance benefits for “good reason”, clarified the definition of “cause”, and reduced non-change in control benefits for executives with less than two years of service. In December 2004, the compensation committee’s consultant presented a report on competitive practice on executive severance. The competitive practices described in the report were generally comparable to

the benefits provided under Exelon's severance policies. In discussing the compensation consultant's December 2007 annual report to the committee on compensation trends, the consultant commented that Exelon's change in control and severance policies were conservative, citing the use of double triggers, and that they remained competitive. In April 2009 the compensation committee adopted a policy that Exelon would not include excise tax gross-up payment provisions in senior executive employment, change in control, or severance plans, programs or agreements that are entered into, adopted or materially amended on or after April 2, 2009 (other than renewals of existing arrangements that are not materially amended or arrangements assumed pursuant to a corporate transaction).

Exelon has entered into change in control employment agreements with the named executive officers other than Mr. Rowe, which generally protect such executives' position and compensation levels for two years after a change in control of Exelon. The agreements are initially effective for a period of two years, and provide for a one-year extension each year thereafter until cancellation or termination of employment.

During the 24-month period following a change in control, or during the 18-month period following another significant corporate transaction affecting the executive's business unit in which Exelon shareholders retain between 60% and 66$^{2}/_{3}$% control (a significant acquisition), if a named executive officer resigns for good reason or if the executive's employment is terminated by Exelon other than for cause or disability, the executive is entitled to the following:

- the executive's annual incentive and performance share unit awards for the year in which termination occurs;
- severance payments equal to 2.99 times the sum of (1) the executive's base salary plus (2) the higher of the executive's target annual incentive for the year of termination or the executive's average annual incentive award payments for the two years preceding the termination, but not more than the annual incentive for the year of termination based on actual performance before the application of negative discretion;
- a benefit equal to the amount payable under the SERP determined as if (1) the SERP benefit were fully vested, (2) the executive had 2.99 additional years of age and years of service (2.0 years for executives who first entered into such agreements after 2003) and (3) the severance pay constituted covered compensation for purposes of the SERP;
- a benefit equal to the actuarial equivalent present value of any non-vested accrued benefit under Exelon's qualified defined benefit retirement plan;
- all previously-awarded stock options, performance shares or units, restricted stock, or restricted share units become fully vested, and the stock options remain exercisable until (1) the option expiration date, for options granted before January 1, 2002 or (2) the earlier of the fifth anniversary of his termination date or the option's expiration date, for options granted after that date;
- life, disability, accident, health and other welfare benefit coverage continues for three years on the same terms and conditions applicable to active employees, followed by retiree health coverage if the executive has attained at least age 50 and completed at least ten years of service (or any lesser eligibility requirement then in effect for regular employees); and
- outplacement services for at least twelve months.

The change in control benefits are also provided if the executive is terminated other than for cause or disability, or terminates for good reason (1) after a tender offer or proxy contest commences, or after Exelon enters into an agreement which, if consummated, would cause a change in control, and within one year after such termination a change in control does occur, or (2) within two years after a sale or spin-off of the executive's business unit in contemplation of a change in control that actually occurs within 60 days after such sale or spin-off (a disaggregation).

A change in control generally occurs:

- when any person acquires 20% of Exelon's voting securities;
- when the incumbent members of the Exelon board of directors (or new members nominated by a majority of incumbent directors) cease to constitute at least a majority of the members of the Exelon board of directors;
- upon consummation of a reorganization, merger or consolidation, or sale or other disposition of at least 50% of Exelon's operating assets (excluding a transaction where Exelon shareholders retain at least 60% of the voting power); or
- upon shareholder approval of a plan of complete liquidation or dissolution.

The term good reason under the change in control employment agreements generally includes any of the following occurring within two years after a change in control or disaggregation or within 18 months after a significant acquisition:

- a material reduction in salary, incentive compensation opportunity or aggregate benefits, unless such reduction is part of a policy, program or arrangement applicable to peer executives;
- failure of a successor to assume the agreement;
- a material breach of the agreement by Exelon; or
- any of the following, but only after a change in control or disaggregation: (1) a material adverse reduction in the executive's position, duties or responsibilities (other than a change in the position or level of officer to whom the executive reports or a change that is part of a policy, program or arrangement applicable to peer executives) or (2) a required relocation by more than 50 miles.

The term cause under the change in control employment agreements generally includes any of the following:

- refusal to perform or habitual neglect in the performance of duties or responsibilities or of specific directives of the officer to whom the executive reports which are not materially inconsistent with the scope and nature of the executive's duties and responsibilities;
- willful or reckless commission of acts or omissions which have resulted in or are likely to result in a material loss or material damage to the reputation of Exelon or any of its affiliates, or that compromise the safety of any employee;
- commission of a felony or any crime involving dishonesty or moral turpitude;
- material violation of the code of business conduct which would constitute grounds for immediate termination of employment, or of any statutory or common-law duty of loyalty; or
- any breach of the executive's restrictive covenants.

Executives other than Mr. Rowe who have entered into such change in control employment agreements prior to April 2, 2009 (and which have not been materially amended after such date) will be eligible to receive an additional payment to cover excise taxes imposed under Section 4999 of the Internal Revenue Code on excess parachute payments or under similar state or local law, but only if the after-tax amount of payments and benefits subject to these taxes exceeds 110% of the safe harbor amount that would not subject the employee to these excise taxes. If the after-tax amount is less than 110% of the safe harbor amount, then payments and benefits subject to these taxes would be reduced or eliminated to equal the safe harbor amount.

If a named executive officer other than Mr. Rowe resigns for good reason or is terminated by Exelon other than for cause or disability, in each case under circumstances not covered by an individual change in control employment agreement, the named executive officer may be eligible for the following non-change in control benefits under the Exelon Corporation Senior Management Severance Plan:

- prorated payment of the executive's annual incentive and performance share unit awards for the year in which termination occurs;
- for a two-year severance period, continued payment of an amount representing base salary and target annual incentive;
- a benefit equal to the amount payable under the SERP determined as if the severance payments were paid as ordinary base salary and annual incentive;
- for the two-year severance period, continuation of health, basic life and other welfare benefits the executive was receiving immediately prior to the severance period on the same terms and conditions applicable to active employees, followed by retiree health coverage if the executive has attained at least age fifty and completed at least ten years of service (or any lesser eligibility requirement then in effect for non-executive employees); and
- outplacement services for at least six months.

Payments under the Senior Management Severance Plan are subject to reduction by Exelon to the extent necessary to avoid imposition of excise taxes imposed by Section 4999 of the Internal Revenue Code on excess parachute payments or under similar state or local law.

The term "good reason" under the Senior Management Severance Plan means either of the following:

- a material reduction of the executive's salary, incentive compensation opportunity or aggregate benefits unless such reduction is part of a policy, program or arrangement applicable to peer executives of Exelon or of the business unit that employs the executive; or
- a material adverse reduction in the executive's position or duties (other than a change in the position or level of officer to whom the executive reports) that is not applicable to peer executives of Exelon or of the executive's business unit, but excluding any change (1) resulting from a reorganization or realignment of all or a significant portion of the business, operations or senior management of Exelon or of the executive's business unit or (2) that generally places the executive in substantially the same level of responsibility.

The term cause under the Senior Management Severance Plan has the same meaning as the definition of such term under the individual change in control employment agreements.

Benefits under the change in control employment agreements and the Senior Management Severance Plan are subject to termination upon an executive's violation of his or her restrictive covenants, and incentive payments under the agreements and the plan may be subject to the recoupment policy adopted by the Compensation Committee of the Board of Directors.

Estimated Value of Benefits to be Received Upon Retirement

The following tables show the estimated value of payments and other benefits to be conferred upon the NEOs assuming they retired as of December 31, 2010. These payments and benefits are in addition to the present value of the accumulated benefits from each NEO's qualified and non-qualified pension plans shown in the tables within the Pension Benefit section and the aggregate balance due to each NEO that is shown in the tables within the Nonqualified Deferred Compensation section.

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Exelon, Generation and PECO

Name	Cash Payment ($) Note (1)	Value of Unvested Equity Awards ($) Note (2)	Perquisites and Other Benefits ($) Note (4)	Total Value of All Payments and Benefits ($) Note (5)
Rowe	$ 2,474,000	$ 3,080,000	$ 1,500,000	$ 7,054,000
O'Brien	632,000	613,000	—	1,245,000
Hilzinger	—	—	—	—
Barnett	—	—	—	—
Crane	1,132,000	895,000	—	2,027,000
Von Hoene	—	—	—	—
Pardee	486,000	499,000	—	985,000
Pacilio	385,000	236,000	—	621,000
Adams	294,000	236,000	—	530,000
Bonney	196,000	165,000	—	361,000
Acevedo	—	—	—	—

ComEd

Name	Cash Payment ($) Note (1)	Value of Unvested Equity Awards ($) Note (2)	Value of ComEd Cash Based LTIP Awards ($) Note (3)	Perquisites and Other Benefits ($) Note (4)	Total Value of All Payments and Benefits ($) Note (5)
Clark	$477,000	$ —	$1,209,000	$ —	$1,686,000
Trpik	—	—	—	—	—
Pramaggiore	302,000	—	550,000	—	852,000
O'Neill	—	—	—	—	—
Donnelly	—	—	—	—	—
Bradford	—	—	—	—	—

(1) Under the terms of the 2010 AIP, a pro-rated actual incentive award is payable upon retirement assuming an Individual Performance Multiplier (IPM) of 100% and based on the number of days worked during the year of retirement. Pursuant to Section 7.4(a) of his employment agreement, Mr. Rowe is entitled to a pro-rata portion of the lesser of his (i) actual annual incentive in the year of retirement (determined before the application of negative discretion by the board of directors) or (ii) Formula Annual Incentive, based on days worked during the year of retirement. His Formula Annual Incentive is defined as the greater of the (i) target annual incentive for the year of termination, (ii) the actual annual incentive paid for the latest calendar year ended on or before the termination, and (iii) the average annual incentive paid for the three years prior to the year of termination. Incentive calculations assume an IPM of 100% for the termination year.

(2) The Value of Unvested Equity Awards includes the sum of previously unvested stock options, previously earned but unvested performance share units, a pro-rated performance share unit award based on actual results for the year of termination due to retirement, and, if applicable (depending upon each officer's individual restricted stock or restricted stock unit awards (if any)), the value of any unvested restricted stock or restricted stock units that may vest upon retirement. For previously unvested stock options, the value is determined by taking the spread between the closing price of Exelon stock on December 31, 2010, which was $41.64 and the exercise price of each unvested stock option grant, multiplied by the number of unvested options. If an NEO has attained age 50 with 10 or more years of service (or deemed service), his or her unvested stock options will vest upon termination of employment because he or she has satisfied the definition of retirement under the LTIP. For all performance share units and restricted shares or restricted share units, the value is based on the December 31, 2010 closing price of Exelon stock.

(3) The value of cash based LTIP awards includes the value of earned and unvested award amounts and unearned award amounts. Pursuant to the ComEd LTIP, participants receive a pro-rated incentive award based on actual results for the year of termination, if termination occurs due to retirement. The SEC rules indicate registrants are to assume the termination occurred on the last business day of the fiscal year.

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(4) Represents the estimated value of (i) five years of office and secretarial services (at an assumed cost of $300,000/yr), which is to be provided pursuant to Section 7.7 of Mr. Rowe's employment agreement.
(5) The estimate of total payments and benefits is based on a December 31, 2010 retirement date.

Estimated Value of Benefits to be Received Upon Termination due to Death or Disability

The following tables show the estimated value of payments and other benefits to be conferred upon the NEOs assuming their employment is terminated due to death or disability as of December 31, 2010. These payments and benefits are in addition to the present value of the accumulated benefits from the NEO's qualified and non-qualified pension plans shown in the tables within the Pension Benefit section and the aggregate balance due to each NEO that is shown in tables within the Nonqualified Deferred Compensation section.

Exelon, Generation and PECO

Name	Cash Payment ($) Note (1)	Value of Unvested Equity Awards ($) Note (2)	Perquisites and Other Benefits ($)	Total Value of All Payments and Benefits ($) Note (4)
Rowe	$2,474,000	$3,080,000	$ —	$5,554,000
O'Brien	632,000	613,000	—	1,245,000
Hilzinger	379,000	504,000	—	883,000
Barnett	249,000	187,000	—	436,000
Crane	1,132,000	2,144,000	—	3,276,000
Von Hoene	686,000	759,000	—	1,445,000
Pardee	486,000	1,249,000	—	1,735,000
Pacilio	385,000	1,069,000	—	1,454,000
Adams	294,000	403,000	—	697,000
Bonney	196,000	165,000	—	361,000
Acevedo	107,000	55,000	—	162,000

ComEd

Name	Cash Payment ($) Note (1)	Value of Unvested Equity Awards ($) Note (2)	Value of ComEd Cash Based LTIP Awards ($) Note (3)	Perquisites and Other Benefits ($)	Total Value of All Payments and Benefits ($) Note (4)
Clark	$477,000	$ —	$1,209,000	$ —	$1,686,000
Trpik	141,000	190,000	88,000	—	419,000
Pramaggiore	302,000	167,000	550,000	—	1,019,000
O'Neill	185,000	320,000	—	—	505,000
Donnelly	216,000	167,000	433,000	—	816,000
Bradford	336,000	167,000	371,000	—	874,000

(1) Officers receive a pro-rated annual incentive award assuming an IPM of 100% and based on the number of days worked during the year of termination due to death or disability. Mr. Rowe would generally be entitled to a pro-rated portion of the lesser of his Formula Annual Incentive as specified by his employment agreement or the annual incentive for the year of termination (determined before application of negative discretion by the board of directors). Upon disability, Messrs. Crane and Pardee would be eligible for an additional pension benefit of $5,653 and $5,059, respectively, per month for the remainder of their lives commencing upon exhaustion of their LTD benefits.

(2) The Value of Unvested Equity Awards includes the sum of previously unvested stock options, previously earned but unvested performance share units, a pro-rated performance share unit award based on actual results for the year of termination due to death or disability, and, if applicable (depending upon each officer's individual restricted stock or restricted stock unit awards (if any)), the value of any unvested restricted stock or restricted stock units that may vest upon death or disability. For previously unvested stock options, the value is determined by taking the spread between the closing price of Exelon stock on December 31, 2010, which was $41.64, and the exercise price of each unvested stock option grant, multiplied by the number of unvested options. Under the terms of the LTIP, if an optionee terminates employment due to death or disability, all options vest upon termination. For all performance share units and restricted shares or restricted share units, the value is based on the December 31, 2010 closing price of Exelon stock.

(3) The value of cash based LTIP awards includes the value of earned and unvested award amounts and unearned award amounts. Pursuant to the ComEd LTIP, participants receive a pro-rated incentive award based on actual results for the year of termination, if termination occurs due to death or disability. The SEC rules indicate registrants are to assume the termination occurred on the last business day of the fiscal year.

(4) The estimate of total payments and benefits is based on a December 31, 2010 termination date due to death or disability.

Estimated Value of Benefits to be Received Upon Involuntary Separation Not Related to a Change in Control

The following tables show the estimated value of payments and other benefits to be conferred upon the NEOs assuming they were terminated as of December 31, 2010 under the terms of the Amended and Restated Senior Management Severance Plan. These payments and benefits are in addition to the present value of the accumulated benefits from the NEO's qualified and non-qualified pension plans shown in the tables within the Pension Benefit section and the aggregate balance due to each NEO that is shown in the tables within the Nonqualified Deferred Compensation section.

Exelon, Generation and PECO

Name	Cash Payment ($) Note (1)	Retirement Benefit Enhance-ment ($) Note (2)	Value of Unvested Equity Awards ($) Note (3)	Health and Welfare Benefit Continuation ($) Note (5)	Perquisites and Other Benefits ($) Note (6)	Total Value of All Payments and Benefits ($) Note (7)
Rowe	$ 6,423,000	$ 1,595,000	$ 3,080,000	$ 148,000	$ 1,500,000	$ 12,746,000
O'Brien	2,508,000	133,000	613,000	40,000	40,000	3,334,000
Hilzinger	1,449,000	78,000	396,000	25,000	40,000	1,988,000
Barnett	830,000	41,000	187,000	17,000	40,000	1,115,000
Crane	4,267,000	2,052,000	1,716,000	50,000	40,000	8,125,000
Von Hoene	2,786,000	147,000	651,000	37,000	40,000	3,661,000
Pardee	2,466,000	772,000	765,000	25,000	40,000	4,068,000
Pacilio	1,905,000	818,000	455,000	34,000	40,000	3,252,000
Adams	1,326,000	72,000	317,000	26,000	40,000	1,781,000
Bonney	732,000	268,000	165,000	16,000	40,000	1,221,000
Acevedo	472,000	26,000	24,000	15,000	40,000	577,000

ComEd

Name	Cash Payment ($) Note (1)	Retirement Benefit Enhance-ment ($) Note (2)	Value of Unvested Equity Awards ($) Note (3)	Value of ComEd Cash Based LTIP Awards ($) Note (4)	Health and Welfare Benefit Continuation ($) Note (5)	Perquisites and Other Benefits ($) Note (6)	Total Value of All Payments and Benefits ($) Note (7)
Clark	$ 2,462,000	$ 161,000	$ —	$ 1,209,000	$ 29,000	$ 40,000	$ 3,901,000
Trpik	649,000	36,000	180,000	88,000	12,000	40,000	1,005,000
Pramaggiore	1,672,000	96,000	111,000	550,000	33,000	40,000	2,502,000
O'Neill	804,000	43,000	265,000	—	18,000	40,000	1,170,000
Donnelly	894,000	47,000	111,000	433,000	20,000	40,000	1,545,000
Bradford	1,284,000	66,000	111,000	371,000	24,000	40,000	1,896,000

(1) The cash payment is composed of payment equal to a specified multiple of the NEO's base salary plus a pro-rated annual incentive award assuming an IPM of 100% and based on the number of days worked in the year of termination. Other than Mr. Rowe, the executives are participants in the Senior Management Severance Plan ("SMSP") and severance benefits are determined pursuant to Section 4 of the Severance Plan. Pursuant to Section 7.3(a) of his employment agreement, Mr. Rowe is entitled to a pro-rata portion of the lesser of his (i) actual annual incentive in the year of termination (determined before the application of negative discretion by the board of directors) or (ii) Formula Annual Incentive, based on days worked during the year of termination. Incentive calculations assume an IPM of 100% for the termination year. For all other officers except Messrs. Rowe, Hilzinger, Barnett, Bonney, Acevedo, Trpik, O'Neill, Donnelly and Bradford, the multiple used for base salary and annual incentive is 2. For Messrs. Barnett, Bonney, Acevedo, Trpik, O'Neill and Donnelly the multiple is 1.25 and for Messrs. Hilzinger and Bradford the multiple is 1.5. For Mr. Rowe, the severance benefit is equal to 1.0 times the sum of his (i) current base salary and (ii) Formula Annual Incentive

(2) The retirement benefit enhancement consists of a one-time lump sum payment based on the actuarial present value of a benefit under the non-qualified pension plan assuming that the severance pay period was taken into account for purposes of vesting, and the severance pay constituted covered compensation for purposes of the non-qualified pension plan.

(3) The Value of Unvested Equity Awards includes the sum of previously unvested stock options, previously earned, but unvested performance share units, a pro-rated performance share unit award based on actual results for the year of termination, if termination occurs due to involuntary separation (other than for cause), and, if applicable (depending upon each officer's individual restricted stock or restricted stock unit awards (if any), the value of any unvested restricted stock that may vest upon involuntary separation not related to a change in control. For previously unvested stock options, the value is determined by taking the spread between the closing price of Exelon stock on December 31, 2010, which was $41.64, and the exercise price of each unvested stock option grant, multiplied by the number of unvested options. If an NEO has attained age 50 with 10 or more years of service (or certain deemed service), his or her unvested stock options will vest upon termination of employment because he or she has satisfied the definition of retirement under the LTIP. For all performance shares or restricted shares, the value is based on the December 31, 2010 closing price of Exelon stock.

(4) The value of cash based LTIP awards includes the value of earned and unvested award amounts and unearned award amounts. Pursuant to the ComEd LTIP, participants receive a pro-rated incentive award based on actual results for the year of termination, if termination occurs due to involuntary separation (other than for cause). The SEC rules indicate registrants are to assume the termination occurred on the last business day of the fiscal year.

(5) Estimated costs of heath care, life insurance, and long-term disability coverage which continue during the severance period.

(6) Estimated costs of outplacement services for 12 months for all NEOs except Mr. Rowe. Pursuant to Section 7.7 of Mr. Rowe's employment agreement, he would receive five years of office and secretarial services (at an assumed cost of $300,000/yr).

(7) The estimate of total payments and benefits is based on a December 31, 2010 termination date.

Estimated Value of Benefits to be Received Upon a Qualifying Termination following a Change in Control

The following tables show the estimated value of payments and other benefits to be conferred upon the NEOs assuming they were terminated upon a qualifying change in control as of December 31, 2010. The company has entered into Change in Control agreements with Messrs. Clark, Crane, McLean, O'Brien and Pardee. These payments and benefits are in addition to the present value of accumulated benefits from the NEO's qualified and non-qualified pension plans shown in the tables within the Pension Benefit section and the aggregate balance due to each NEO that is shown in tables within the Nonqualified Deferred Compensation section. Mr. Rowe's employment agreement includes change in control provisions similar to those for the other NEOs. See Potential Payments upon Termination or Change in Control—Employment Agreement with Mr. Rowe for additional information.

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Exelon, Generation and PECO

Name	Cash Payment ($) Note (1)	Retirement Benefit Enhance-ment ($) Note (2)	Value of Unvested Equity Awards ($) Note (3)	Health and Welfare Benefit Continuation ($) Note (5)	Perquisites and Other Benefits ($) Note (6)	Modified Gross-up Payment / Scaleback Note (7)	Total Value of All Payments and Benefits ($) Note (8)
Rowe	$ 6,423,000	$ 2,242,000	$ 3,080,000	$ 148,000	$ 1,540,000	Not Required	$ 13,433,000
O'Brien	3,273,000	134,000	613,000	59,000	40,000	Not Required	4,119,000
Hilzinger	1,864,000	104,000	504,000	33,000	40,000	Not Required	2,545,000
Barnett	1,179,000	65,000	187,000	28,000	40,000	Not Required	1,499,000
Crane	5,430,000	2,848,000	2,144,000	75,000	40,000	Not Required	10,537,000
Von Hoene	3,590,000	220,000	759,000	55,000	40,000	Not Required	4,664,000
Pardee	3,438,000	1,177,000	1,249,000	37,000	40,000	Not Required	5,941,000
Pacilio	2,557,000	1,357,000	1,069,000	51,000	40,000	Not Required	5,074,000
Adams	1,326,000	72,000	403,000	26,000	40,000	Not Required	1,867,000
Bonney	1,053,000	430,000	165,000	26,000	40,000	Not Required	1,714,000
Acevedo	711,000	42,000	55,000	24,000	40,000	Not Required	872,000

ComEd

Name	Cash Payment ($) Note (1)	Retirement Benefit Enhance-ment ($) Note (2)	Value of Unvested Equity Awards ($) Note (3)	Value of ComEd Cash Based LTIP Awards ($) Note (4)	Health and Welfare Benefit Continuation ($) Note (5)	Perquisites and Other Benefits ($) Note (6)	Modified Gross-Up Payment / Scaleback Note (7)	Total Value of All Payments and Benefits ($) Note (8)
Clark	$3,497,000	$188,000	$ —	$1,209,000	$ 44,000	$ 40,000	Not Required	$4,978,000
Trpik	959,000	57,000	190,000	88,000	19,000	40,000	Not Required	1,353,000
Pramaggiore	2,317,000	143,000	167,000	550,000	49,000	40,000	Not Required	3,266,000
O'Neill	1,175,000	69,000	320,000	—	29,000	40,000	Not Required	1,633,000
Donnelly	1,301,000	76,000	167,000	433,000	32,000	40,000	Not Required	2,049,000
Bradford	1,600,000	88,000	167,000	371,000	32,000	40,000	Not Required	2,298,000

(1) Cash payment includes a severance payment and the NEO's annual incentive for the year of termination assuming an IPM of 100%. With the exception of Messrs. Rowe, Hilzinger, Barnett, Adams, Bonney, Acevedo, Trpik, O'Neill, Donnelly and Bradford the severance benefit is equal to 2.99 times the sum of the executive's (i) current base salary and (ii) Severance Incentive. For Messrs. Hilzinger, Barnett, Adams, Bonney, Acevedo, Trpik, O'Neill, Donnelly and Bradford the severance benefit is equal to 2.0 times the sum of the executive's (i) current base salary and (ii) Severance Incentive. Cash payment also includes an additional payment for Denis O'Brien of $35,000. For Mr. Rowe, the severance benefit is equal to 1.0 times the sum of his (i) current base salary and (ii) Formula Annual Incentive.
The Severance Incentive is defined as the greater of the (i) target annual incentive for the year of termination and (ii) the average annual incentive paid for the two years prior to the year of termination (i.e., the 2008 and 2009 actual annual incentives).
Mr. Rowe's Formula Annual Incentive is defined as the greater of the (i) the actual annual incentive paid for the latest calendar year ended on or before the termination date, and (ii) the average annual incentive paid for the three years prior to the year of termination (i.e., the 2007, 2008, and 2009 actual annual incentives). For purposes of a Special Termination, the Formula Annual Incentive is defined as the lesser of (i) the greater of the Formula Annual Incentive or the target annual incentive for the year of termination and (ii) the actual annual incentive paid for the latest calendar year ended on or before the termination date (determined before the application of negative discretion by the board of directors). Incentive calculations assume an IPM of 100% for the termination year.
(2) Represents the estimated retirement benefit enhancement.
(3) The Value of Unvested Equity Awards includes the sum of previously unvested stock options, previously earned, but unvested performance share units, a pro-rated performance share unit award based on actual results for the year of termination due to a change in control, and, if applicable (depending upon each officer's individual restricted stock or restricted stock unit awards (if any)), the value of any unvested restricted stock that may vest upon a change in control. For previously unvested stock options, the value is determined by taking the spread between the closing price of Exelon stock on December 31, 2010, which was $41.64, and the exercise price of each unvested stock option grant, multiplied by the number of unvested options. If an NEO

has attained age 50 with 10 or more years of service (or certain deemed service), his or her unvested stock options will vest upon termination of employment because he or she has satisfied the definition of retirement under the LTIP. For all performance shares or restricted shares, the value is based on the December 31, 2010 closing price of Exelon stock.

(4) The value of cash based LTIP awards includes the value of earned and unvested award amounts and unearned award amounts. Pursuant to the ComEd LTIP, participants receive a pro-rated incentive award based on actual results for the year of termination, if termination occurs due to a change in control. The SEC rules indicate registrants are to assume the termination occurred on the last business day of the fiscal year.

(5) Health and welfare benefits (i.e., healthcare, life insurance and long-term disability) are continued during the severance period.

(6) Executives receive outplacement services for up to 12 months. Pursuant to Section 7.7 of Mr. Rowe's employment agreement Mr. Rowe would receive five years of office and secretarial services (at an assumed cost of $300,000/yr.).

(7) In 2009, the compensation committee adopted a policy that no future employment or severance agreements will provide for an excise tax gross-up payment. The SMSP as amended and restated on January 1, 2009 and CIC Employment Agreements that become effective after April 2, 2009 will reduce executives' parachute payments to his or her safe harbor in order to avoid the excise tax imposed under Section 4999 of the Internal Revenue Code. Messrs. O'Brien, Crane, Von Hoene Jr, Clark, and Pardee have grandfathered CIC Employment Agreements, which still entitle these NEOs to an excise tax gross-up payment only if the present value of their parachute payments exceed their safe harbor amount by more than 10%. If their parachute payments do not exceed the amount permitted by the IRS by more than 10%, their payments are reduced to their safe harbor.

Mr. Rowe's Employment Agreement was amended on October 27, 2009 to eliminate his excise tax gross-up protection and provide him with a "best after-tax" provision pursuant to which the Company will reduce his parachute payments to his safe harbor amount if his after-tax benefits would be higher following such a reduction of payments. If his after-tax benefits would be greater without a reduction of his parachute payments to his safe harbor amount, the Company will not reduce his payments and Mr. Rowe will be responsible for paying the excise tax imposed by Section 4999 of the Internal Revenue Code.

Amounts in this column represent the estimated value of the required excise tax gross-up payment or scaleback, if applicable.

(8) The estimate of total payments and benefits is based on a December 31, 2010 termination date.

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Non-Employee Director Compensation

Exelon

For their service as directors of the corporation, Exelon's non-employee directors receive the compensation shown in the following table and explained in the accompanying notes. One employee director, Mr. Rowe, not shown in the table, receives no additional compensation for service as a director.

		Fees Earned or Paid in Cash				
	Committee Membership	Annual Board & Committee Retainers	Board & Committee Meeting Fees	Stock Awards	Change in Pension Value and Nonqualified Compensation Earnings (Note 1)	Total
John A. Canning, Jr.	A, C	$ 55,000	$ 52,000	$ 100,000	—	$ 207,000
M. Walter D'Alessio (2)	G (ch), C	83,340	46,000	100,000	—	229,340
Nicholas DeBenedictis	E (ch), G, P	65,000	50,000	100,000	—	215,000
Bruce DeMars	P (ch), A, E, G	80,000	72,000	100,000	—	252,000
Nelson A. Diaz	E, P, R	55,000	48,000	100,000	—	203,000
Sue L. Gin	R (ch), A, G, I	65,000	66,000	100,000	—	231,000
Rosemarie B. Greco	C (ch), E, G	60,000	52,000	100,000	—	212,000
Paul L. Joskow	A, E, I, R	55,000	64,000	100,000	—	219,000
Richard W. Mies	A, P, R	60,000	58,000	100,000	—	218,000
John M. Palms (3)	A (ch), G, P, R	80,000	70,000	100,000	—	250,000
William C. Richardson (3)	A, C, G, I, R	55,000	78,000	100,000	—	233,000
Thomas J. Ridge	E, R	50,000	36,000	100,000	—	186,000
John W. Rogers, Jr.	I (ch), G, R	50,000	42,000	100,000	—	192,000
Stephen D. Steinour	A, C	55,352	46,000	100,000	—	201,352
Donald Thompson	E	50,352	28,000	100,000	—	178,352
Total All Directors		$919,044	$808,000	$1,500,000	—	$3,227,044

Committee Membership Key

Audit = A, Chairman = Ch, Compensation = C, Corporate Governance = G, Energy Delivery Oversight = E, Risk Oversight- Investment Sub-Committee = I, Generation Oversight = P, Risk Oversight = R

Notes:

(1) Values in this column represent that portion of the directors accrued earnings in their non-qualified deferred compensation account that were considered as above market. See the description below under the heading "Deferred Compensation." For 2010, none of the directors recognized any such earnings.

(2) Mr. D'Alessio received an additional annual retainer to serve at the board's lead director. This retainer was prorated from the date of his appointment.

(3) In addition to the amounts shown in the table, Drs. Palms and Richardson, who also serve as directors of the Exelon Foundation, received $6,000 each from the Foundation for attending meetings of the Foundation's board. Exelon contributes to the Foundation to pay for the Foundation's operating expenses.

Fees Earned or Paid in Cash

The Exelon board has a policy of targeting their compensation to the median board compensation of the same peer group of companies used to benchmark executive compensation. All directors receive an annual retainer of $50,000 paid in cash. The lead non-employee director received an annual retainer of $25,000. Committee chairmen receive an additional $10,000 retainer per year. In recognition of the additional time commitment and responsibility, members of the audit committee and

generation oversight committee, including the committee chairs, receive an additional $5,000 per year for their participation on these committees, and the chairmen of these committees receive a $20,000 annual retainer.

Directors receive $2,000 for each meeting of the board, board committee or sub-committee that they attend, whether in person or by means of teleconferencing or video conferencing equipment. Directors also receive a $2,000 meeting fee for attending the annual shareholders meeting and the annual strategy retreat.

Stock Awards

Rather than paying directors entirely in cash, Exelon pays a significant portion of director compensation in the form of deferred stock units. The deferred stock units are not paid out to the directors until they retire from the board, leaving these amounts at risk during the director's entire tenure on the board. Directors are required under the Exelon Corporate Governance Principles to own 5,000 shares of Exelon common stock or deferred stock units within five years after their election to the board.

Directors receive deferred stock units worth $100,000 per year. Deferred stock units are granted and credited to a notional account maintained on the books of the corporation at the end of each calendar quarter based upon the closing price of Exelon common stock on the day the quarterly dividend is paid. Deferred stock units earn the same dividends available to all holders of Exelon common stock, which are reinvested in the account as additional units.

As of December 31, 2010, the directors held the following amounts of deferred Exelon common stock units. The units are valued at the closing price of Exelon common stock on December 31, 2010, which was $41.64. Legacy plans include those stock units earned from Exelon's predecessor companies, PECO Energy Company and Unicom Corporation. For Adm. DeMars and Mr. Rogers, the legacy deferred stock units reflect accrued benefits from the Unicom Directors Retirement Plan (which was terminated in 1997) and the Unicom 1996 Directors Fee Plan (which was terminated in 2000), respectively.

	Year First Elected to the Board	Deferred Stock Units From Legacy Plans #	Deferred Stock Units From Exelon Plan #	Total Deferred Stock Units #	Fair Market Value as of 12/31/10 $
John A. Canning	2008		5,440	5,440	$ 226,522
M. Walter D'Alessio	1983		14,251	14,251	593,412
Nicholas DeBenedictis	2002		11,814	11,814	491,935
Bruce DeMars	1996	1,400	6,162	7,562	314,882
Nelson A. Diaz	2004		11,684	11,684	486,522
Sue L. Gin	1993		6,162	6,162	256,586
Rosemarie B. Greco	1998		16,113	16,113	670,945
Paul L. Joskow	2007		6,687	6,687	278,447
Richard W. Mies	2009		4,443	4,443	185,007
John M. Palms	1990		11,814	11,814	491,935
William C. Richardson	2005		9,843	9,843	409,863
Thomas J. Ridge	2005		9,583	9,583	399,036
John W. Rogers, Jr	1999	3,773	19,501	23,274	969,129
Stephen D. Steinour	2007		6,969	6,969	290,189
Donald Thompson	2007		6,969	6,969	290,189
Total All Directors		5,173	147,435	152,608	$6,354,599

Deferred Compensation

Directors may elect to defer any portion their cash compensation in a non-qualified multi-fund deferred compensation plan. Each director has an unfunded account where the dollar balance can be invested in one or more of several mutual funds, including one fund composed entirely of Exelon common stock. Fund balances (including those amounts invested in the Exelon common stock fund) will be settled in cash and may be distributed in a lump sum or in annual installment payments upon a director's reaching age 65, age 72 or upon retirement from the board. These funds are identical to those that are available to executive officers and are generally identical to those available to company employees who participate in the Exelon Employee Savings Plan. Directors and executive officers have one additional fund not available to employees that, through its composition, provides returns that can be in excess of 120% of the Federal long-term rate that is used by the IRS to determine above market returns. However, during 2010 none of the directors had investments in this fund.

Other Compensation

Exelon pays the cost of a director's spouse's travel, meals, lodging and related activities when the spouses are invited to attend company or industry related events where it is customary and expected that directors attend with their spouses. The cost of such travel, meals and other activities is imputed to the director as additional taxable income. However, in most cases there is no incremental cost to Exelon of providing transportation and lodging for a director's spouse when he or she accompanies the director, and the only additional costs to Exelon are those for meals and activities and to reimburse the director for the taxes on the imputed income. In 2010, incremental cost to the company to provide these perquisites was less than $10,000 per director and the aggregate amount for all directors as a group, a total of 15 directors, was $26,051. The aggregate amount paid to all directors as a group (15 directors) for reimbursement of taxes on imputed income was $23,711.

Exelon has a board compensation and expense reimbursement policy under which directors are reimbursed for reasonable travel to and from their primary residence and lodging expenses incurred when attending board and committee meetings or other events on behalf of Exelon, (including director's orientation or continuing education programs, facility visits or other business related activities for the benefit of Exelon). Under the policy, Exelon will arrange for its corporate aircraft to transport groups of directors, or when necessary, individual directors, to meetings in order to maximize the time available for meetings and discussion. Directors may bring their spouses on Exelon's corporate aircraft when they are invited to an Exelon event, and the value of this travel, calculated according to IRS regulations, is imputed to the director as additional taxable income. Exelon has a matching gift program available to directors and officers that matches their contributions to educational institutions up to $5,000 per year and a matching gift program for other employees that matches their contributions to educational institutions up to $2,000 per year.

Generation

Generation does not have a board of directors.

ComEd

For their service as directors of the company, ComEd's non-employee directors receive the compensation shown in the following table and explained in the accompanying notes. Mr. Clark and Mr. Rowe, not shown in the table, receive no additional compensation for their service as directors.

	Committee Membership Note 1	Fees Earned or Paid in Cash: Annual Board & Committee Retainers	Fees Earned or Paid in Cash: Board & Committee Meeting Fees	Total
James W. Compton	O	$ 70,000	$ 30,000	$100,000
Peter V. Fazio, Jr.	O	70,000	28,000	98,000
Sue L. Gin	A	—	24,000	24,000
Edgar D. Jannotta	A	70,000	22,000	92,000
Edward J. Mooney	O	70,000	26,000	96,000
Michael H. Moskow		70,000	20,000	90,000
John W. Rogers, Jr. (Note 2)	A (ch)	—	6,000	6,000
Jesse H. Ruiz		70,000	16,000	86,000
Richard L. Thomas	O (ch), A	70,000	46,000	116,000
Total All Directors		$490,000	$218,000	$708,000

Committee Membership Key

Audit = A, Operating = O; Chairman = Ch

(1) The audit committee was dissolved on June 28, 2010. Mr. Thomas continued on as the ComEd board's member on the Exelon audit committee.
(2) Mr. Rogers resigned from the board on May 28, 2010.

Fees Earned or Paid in Cash

Non-employee directors of the ComEd board receive an annual retainer of $70,000 paid quarterly in arrears. Members of the ComEd board who are also members of the Exelon board do not receive this retainer. All non-employee directors receive $2,000 for each board or committee meeting attended whether in person or by means of teleconferencing or video conferencing equipment.

The ComEd board does not grant any type of equity awards and did not have a deferred compensation plan during 2010.

Other Compensation

ComEd pays the cost of a director's spouse's travel and meals when the spouses are invited to attend Exelon, ComEd or industry related events where it is customary and expected that directors attend with their spouses. The cost of such travel and meals is imputed to the director as additional taxable income. However, in most cases there is no incremental cost to ComEd of providing travel for a director's spouse when he or she accompanies the director, and the only additional costs to ComEd are those for meals and other minor expenses and to reimburse the director for the taxes on the imputed income. There were no such incremental costs during 2010 and no reimbursements for income taxes paid during 2010.

PECO

For their service as directors of the company, PECO's non-employee directors receive the compensation shown in the following table and explained in the accompanying notes. Two employee directors, Mr. O'Brien and Mr. Rowe, not shown in the table, receive no additional compensation for their service as directors.

In July 2008, the PECO board voted to reduce its size to seven members. At the same time it also established an Executive Committee to assist the board in its management and oversight duties and to act on behalf of the board when the full board was not in session. Mr. O'Brien, Mr. Rowe, and Mr. D'Alessio were appointed to this committee.

		Fees Earned or Paid in Cash		
	Committee Membership	Annual Board & Committee Retainers	Board & Committee Meeting Fees	Total
M. Walter D'Alessio	E	$ —	$ 8,000	$ 8,000
Nelson A. Diaz		—	8,000	8,000
Rosemarie B. Greco		—	8,000	8,000
Charisse R. Lillie		70,000	8,000	78,000
Thomas J. Ridge		—	8,000	8,000
Ronald Rubin		70,000	8,000	78,000
Total All Directors		$140,000	$ 48,000	$188,000

Committee Membership Key

E = Executive Committee

Fees Earned or Paid in Cash

Non-employee members of the PECO board receive an annual retainer of $70,000 paid quarterly in arrears. Members of the PECO board who are also members of the Exelon board do not receive this retainer. Non-employee directors receive $2,000 for each board or committee meeting attended whether in person or by means of teleconferencing or video conferencing equipment.

The PECO board does not grant any type of equity awards and did not have a deferred compensation plan during 2010.

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ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Exelon, Generation and PECO

The following table shows the ownership of Exelon common stock as of December 31, 2010 by any person or entity that has publicly disclosed ownership of more than five percent of Exelon's outstanding stock, each director, each named executive officer in the Summary Compensation Table, and for all directors and executive officers as a group.

	[A] Beneficially Owned Shares	[B] Shares Held in Company Plans (Note 1)	[C] Vested Stock Options and Options that Vest Within 60 days	[D]=[A]+[B]+[C] Total Shares Held	[E] Share Equivalents to be Settled in Cash or Stock (Note 2)	[F]=[D]+[E] Total Share Interest
Directors						
John A. Canning, Jr.	5,000	5,440	—	10,440	921	11,361
M. Walter D'Alessio (3)	12,998	14,251	—	27,249	—	27,249
Nicholas DeBenedictis	—	11,814	—	11,814	—	11,814
Bruce DeMars	11,216	7,562	—	18,778	—	18,778
Nelson A. Diaz (3)	1,500	11,684	—	13,184	3,248	16,432
Sue L. Gin	48,321	6,162	—	54,483	8,110	62,593
Rosemarie B. Greco (3)	2,000	16,113	—	18,113	5,074	23,187
Paul L. Joskow	2,000	6,687	—	8,687	5,023	13,710
Charisse R. Lillie (4)	—	—	—	—	—	—
Richard W. Mies (5)	—	4,443	—	4,443	—	4,443
John M. Palms	—	11,814	—	11,814	—	11,814
William C. Richardson	1,416	9,843	—	11,259	—	11,259
Thomas J. Ridge (3)	—	9,583	—	9,583	6,256	15,839
John W. Rogers, Jr.	11,374	23,274	—	34,648	11,450	46,098
Ronald Rubin (4)	4,748	—	—	4,748	447	5,195
Stephen D. Steinour	4,406	6,969	—	11,375	7,993	19,368
Donald Thompson	—	6,969	—	6,969	5,873	12,842
Named Officers						
John W. Rowe	301,914	6,792	576,500	885,206	83,696	968,902
Denis P. O'Brien	27,044	6,894	166,600	200,538	19,052	219,590
Matthew F. Hilzinger	15,089	5,599	58,525	79,213	8,233	87,446
Phillip S. Barnett	12,456	—	41,975	54,431	5,473	59,904
Christopher M. Crane	33,583	30,000	147,750	211,333	24,939	236,272
William A. Von Hoene, Jr.	23,469	5,000	89,600	118,069	15,215	133,284
Charles G. Pardee	13,504	18,000	88,700	120,204	14,029	134,233
Michael J. Pacilio	7,373	20,000	28,825	56,198	6,769	62,967
Craig L. Adams	4,166	4,000	43,200	51,366	6,069	57,435
Paul R. Bonney	14,502	—	37,400	51,902	4,242	56,144
Jorge Acevedo	3,676	813	13,750	18,239	596	18,835
Ian P. McLean	43,649	5,753	475,488	524,890	2,353	527,243
Andrea L. Zopp	3,785	550	—	4,335	799	5,134
Total						
Directors & Executive Officers as a group, 37 people. (See Note 6)	661,622	330,190	1,984,852	2,976,664	277,421	3,254,085

(1) The shares listed under Shares Held in Company Plans, Column [B], include restricted shares, shares held in the 401(k) plan, and deferred shares held in the Stock Deferral Plan.

(2) The shares listed above under Share Equivalents to be Settled in Cash, Column [E], include unvested performance shares that may settled in cash or stock depending on where the named officer stands with respect to their stock ownership requirement, and phantom shares held in a non-qualified deferred compensation plan which will be settled in cash on a 1 for 1 basis upon retirement or termination.
(3) Messrs. D'Alessio, Diaz and Ridge, and Ms. Greco, are directors of Exelon and PECO.
(4) Ms. Lillie and Mr. Rubin are directors of PECO.
(5) Adm. Mies was elected to the board effective February 2009. He has until February 2014 to achieve his stock ownership requirement of 5,000 shares.
(6) Beneficial ownership, shown in Column [A], of directors and executive officers as a group represents less than 1% of the outstanding shares of Exelon common stock. Total includes share holdings from all directors and NEOs as well as those executive officers listed in Item 1, Executive Officers of the Registrants, who are not NEOs for purposes of compensation disclosure.

Other significant owners of Exelon stock

Shown in the table below are those owners who are known to Exelon to hold more than 5% of the outstanding common stock. This information is based on the most recent Schedule 13G filed by Capital World Investors and Capital Research Global Investors with the SEC on February 13, 2010 and filed by BlackRock, Inc. on February 2, 2011.

Name and address of beneficial owner	Amount and nature of beneficial ownership	Percent of class
Capital World Investors	49,158,600	7.5%
333 South Hope Street		
Los Angeles, California 90071		
Capital Research Global Investors	34,951,820	5.3%
333 South Hope Street		
Los Angeles, California 90071		
BlackRock, Inc.	35,569,861	5%
40 East 52nd Street		
New York, NY 10022		

Capital World Investors and Capital Research Global Investors are each divisions of Capital Research and Management Company. Capital World Investors disclosed in its Schedule 13G that it disclaims beneficial ownership of all shares and it has sole voting power over 3,467,700 shares and sole dispositive power over all shares. Capital Research Global Investors disclosed in its Schedule 13G that it disclaims beneficial ownership of all shares and it has sole voting power over 20,541,220 shares and sole dispositive power over all shares. BlackRock, Inc. disclosed in its Schedule 13G that it has sole power to vote or to direct the vote and sole power to dispose or direct the disposition of 35,569,861 shares.

Stock Ownership Requirements for Directors and Officers

Under Exelon's Corporate Governance Principles, all directors are required to own within five years after election to the board at least 5,000 shares of Exelon common stock or deferred stock units or shares accrued in the Exelon common stock fund of the directors' deferred compensation plan. The corporate governance committee utilized an independent compensation consultant who determined that, compared to its peer group, Exelon's ownership requirement is reasonable.

Officers of Exelon (and its subsidiaries) are required to own certain amounts of Exelon common stock, depending on their seniority, by the later of five years after their employment or promotion to their current position. The objective is to encourage officers to think and act like owners. The ownership guidelines are expressed as both a fixed number of shares and a multiple of annualized base salary to avoid arbitrary changes to the ownership requirements that could arise from ordinary

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course volatility in the market price for Exelon's shares. The minimum stock ownership targets by level are the lesser of the fixed number of shares or the multiple of annualized base salary. The number of shares was determined by taking the following multiples of the officer's base salary as of the latest of September 30, 2010 or the date of hire or promotion: (1) Chairman and CEO, five times base salary; (2) executive vice presidents, three times base salary; (3) presidents and senior vice presidents, two times base salary; and (4) vice presidents and other executives, one times base salary. Ownership is measured by valuing an executive's holdings using the 60-day average price of Exelon common stock as of the appropriate date. Shares held outright, earned non-vested performance shares, and deferred shares count toward the ownership guidelines; unvested restricted stock and stock options do not count for this purpose. As of December 31, 2010, the named executive officers (NEOs) held the following amounts of stock relative to the applicable guidelines:

Name	Ownership Multiple	Ownership Guideline in Shares	Share or Share Equivalents Owned	Ownership As a Percent of Guideline
John W. Rowe	5X	107,920	392,402	364 %
Denis P. O'Brien	3X	17,494	52,990	303 %
Matthew F. Hilzinger	2X	10,000	23,921	239 %
Phillip S. Barnett	2X	10,000	17,929	179 %
Christopher M. Crane	3X	21,868	58,522	268 %
William A. Von Hoene, Jr.	3X	17,429	38,684	222 %
Charles G. Pardee	2X	12,950	27,533	213 %
Michael J. Pacilio	2X	10,000	14,142	141 %
Craig L. Adams	2X	10,000	10,235	102 %
Paul R. Bonney	1X	4,000	18,744	469 %
Jorge A. Acevedo	1X	4,000	4,272	107 %

Securities Authorized for Issuance under Exelon Equity Compensation Plans

[A]	[B]	[C]	[D]
Plan Category	Number of securities to be issued upon exercise of outstanding options (Note 1)	Weighted-average price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (Note 3)
Equity compensation plans approved by security holders	13,002,511	$ 47.80	21,168,000

(1) Includes stock options, unvested performance shares, unvested restricted shares that were granted under the Exelon LTIP or predecessor company plans and shares awarded under those plans and deferred into the stock deferral plan, as well as deferred stock units granted to directors as part of their compensation plan described in Item 11, Executive Compensation—Non-employee Director Compensation. See Note 16 of the Combined Notes to Consolidated Financial Statements for additional information.

(2) Excludes securities to be issued upon exercise of outstanding options and vesting of shares or deferred stock units shown in column [B].

No Generation securities are authorized for issuance under equity compensation plans, and no PECO securities are authorized for issuance under equity compensation plans.

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ComEd

Exelon Corporation indirectly owns 127,002,904 shares of ComEd common stock, more than 99% of all outstanding shares. Accordingly, the only beneficial holder of more than five percent of ComEd's voting securities is Exelon, and none of the directors or executive officers of ComEd hold any ComEd voting securities.

The following table shows the ownership of Exelon common stock as of December 31, 2010 by (1) any director of ComEd, (2) each named executive officer of ComEd named in the Summary Compensation Table, and (3) all directors and executive officers of ComEd as a group.

No ComEd securities are authorized for issuance under equity compensation plans. For information about Exelon securities authorized for issuance to ComEd employees under Exelon equity compensation plans, see above under "Exelon-Securities Authorized Under Equity Compensation Plans."

	[A]	[B]	[C]	[D]=[A]+[B]+[C]	[E]	[F]=[D]+[E]
	Beneficially Owned Shares	Shares Held in Company Plans (Note 1)	Vested Stock Options and Options that Vest Within 60 days	Total Shares Held	Share Equivalents to be Settled in Cash or Stock (Note 2)	Total Share Interest
Directors						
James W. Compton	6,000			6,000		6,000
Peter V. Fazio, Jr	1,000			1,000		1,000
Sue L. Gin	48,321	6,162		54,483	8,110	62,593
Edgar D. Jannotta	26,282			26,282		26,282
Edward J. Mooney				—		—
Michael H. Moskow				—		—
John W. Rogers, Jr.	11,374	23,274		34,648	11,450	46,098
John W. Rowe	301,914	6,792	576,500	885,206	83,696	968,902
Jess H. Ruiz				—		—
Richard L. Thomas	33,369			33,369		33,369
Named Officers						
Frank M. Clark	23,744	—	66,000	89,744	4,273	94,017
Joseph R. Trpik, Jr.	4,874	3,428	16,650	24,952	1,773	26,725
Anne R. Pramaggiore	11,221	4,000	26,850	42,071	—	42,071
Thomas S. O'Neill	9,184	5,780	46,175	61,139	5,539	66,678
Terence R. Donnelly	18,828	5,190	61,800	85,818	634	86,452
Darryl M. Bradford	10,362	4,000	14,338	28,700	381	29,081
Total						
Directors & Executive Officers as a group, 22 people.	519,286	65,439	845,613	1,430,338	116,679	1,547,017

(1) The shares listed under Shares Held in Company Plans, Column [B], include restricted shares, shares held in the 401(k) plan, and deferred shares held in the Stock Deferral Plan.
(2) The shares listed above under Share Equivalents to be Settled in Cash, Column [E], include unvested performance shares that may settled in cash or stock depending on where the named officer stands with respect to their stock ownership requirement, and phantom shares held in a non-qualified deferred compensation plan which will be settled in cash on a 1 for 1 basis upon retirement or termination.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Exelon

The information required by Item 13 relating to transactions with related persons and director independence is incorporated herein by reference to information to be filed in the 2011 Exelon Proxy Statement.

Generation

There were no related person transactions involving Generation. Generation does not have a board of directors.

ComEd

Sidley Austin LLP provided legal services to Exelon and ComEd during 2010. The spouse of Mr. Ruiz, a member of the ComEd board of directors, is a partner of Sidley Austin LLP.

The ComEd board of directors has adopted the independence standards of The New York Stock Exchange as its independence standards. In assessing the independence of its directors, the ComEd board considered the relationships of its directors with Exelon as well as the business and charitable relationships among Exelon, ComEd and businesses and charities with which its directors are affiliated. With respect to Mr. Ruiz, the ComEd board considered the relationship of his spouse with a law firm that provides legal services to Exelon and ComEd, as disclosed above. The board determined that none of the relationships was material and accordingly that Messrs. Compton, Ruiz, Mooney, Fazio and Moskow are independent. Messrs. Rowe, Clark, Jannotta, and Thomas and Ms. Gin are all current or former officers or directors of Exelon and, accordingly, are not independent.

PECO

There were no related person transactions involving PECO. Under PECO's bylaws, an "independent director" is a director who is not a director, officer or employee of Exelon, PECO or any other Exelon Corporation affiliate (excluding for this purpose positions as directors of PECO or subsidiaries of PECO). Messrs. Rowe, D'Alessio, Diaz, O'Brien and Ridge and Ms. Greco are all current officers or directors of Exelon or PECO and, accordingly, are not independent.

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ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Exelon

In July 2002, the Exelon Audit Committee (Committee) adopted a policy for pre-approval of services to be performed by the independent accountants. The Committee pre-approves annual budgets for audit, audit-related and tax compliance and planning services. The services that the Committee will consider include services that do not impair the accountant's independence and add value to the audit, including audit services such as attest services and scope changes in the audit of the financial statements, audit-related services such as accounting advisory services related to proposed transactions and new accounting pronouncements, the issuance of comfort letters and consents in relation to financings, the provision of attest services in relation to regulatory filings and contractual obligations, and tax compliance and planning services. With respect to non-budgeted services in amounts less than $500,000, the Committee delegated authority to the Committee's chairman to pre-approve such services. All other services must be pre-approved by the Committee. The Committee receives quarterly reports on all fees paid to the independent accountants. None of the services provided by the independent accountants was provided pursuant to the de minimis exception to the pre-approval requirements contained in the SEC's rules.

The following table presents fees for professional audit services rendered by PricewaterhouseCoopers LLP for the audit of Exelon's annual financial statements for the years ended December 31, 2010 and 2009, and fees billed for other services rendered by PricewaterhouseCoopers LLP during those periods. Fees include amounts related to the year indicated, which may differ from amounts billed.

(in thousands)	Year Ended December 31, 2010	2009
Audit fees	$9,152	$9,515
Audit related fees [a]	851	1,073
Tax fees [b]	472	596
All other fees [c]	21	25

(a) Audit related fees consist of assurance and related services that are traditionally performed by the auditor. This category includes fees for accounting assistance and due diligence in connection with proposed acquisitions or sales and consultations concerning financial accounting and reporting standards.

(b) Tax fees consist of the aggregate fees billed for professional services rendered by PricewaterhouseCoopers LLP for tax compliance, tax advice, and tax planning. These services included tax compliance and preparation services, including the preparation of original and amended tax returns, claims for refunds, and tax payment planning, and tax advice and consulting services, including assistance and representation in connection with tax audits and appeals, tax advice related to proposed acquisitions or sales, employee benefit plans and requests for rulings or technical advice from taxing authorities.

(c) All other fees reflect work performed primarily in connection with research and audit software licenses.

Generation, ComEd and PECO

Generation, ComEd and PECO are indirect controlled subsidiaries of Exelon. The audit committee function is fulfilled for Generation, ComEd and PECO by the Committee. See ITEM 10. Directors, Executive Officers of the Registrant and Corporate Governance for additional information regarding the Committee. See discussion under "Exelon" above for a description of the Committee's policy and process for approving services to be performed by the independent accountants on behalf of Exelon, Generation, ComEd and PECO. None of the services provided by the independent accountants was provided pursuant to the de minimis exception to the pre-approval requirements contained in the SEC's rules.

The following tables present fees for professional audit services rendered by PricewaterhouseCoopers LLP for the audit of Generation's, ComEd's and PECO's annual financial statements for the years ended December 31, 2010 and 2009, and fees billed for other services rendered by PricewaterhouseCoopers LLP during those periods. These fees include an allocation of amounts billed directly to Exelon Corporation. Fees include amounts related to the year indicated, which may differ from amounts billed.

Generation

(in thousands)	Year Ended December 31, 2010	Year Ended December 31, 2009
Audit fees	$3,994	$4,160
Audit related fees [a]	615	479
Tax fees [b]	325	446
All other fees [c]	9	11

(a) Audit-related fees consist of assurance and related services that are traditionally performed by the auditor. This category includes fees for purchase accounting reviews and due diligence in connection with proposed acquisitions or sales.
(b) Tax fees consist of the aggregate fees billed for professional services rendered by PricewaterhouseCoopers LLP for tax compliance, tax advice, and tax planning.
(c) All other fees reflect work performed primarily in connection with research and audit software licenses.

ComEd

(in thousands)	Year Ended December 31, 2010	Year Ended December 31, 2009
Audit fees	$2,639	$2,725
Audit related fees [a]	142	308
Tax fees [b]	66	62
All other fees [c]	6	7

(a) Audit related fees consist of assurance and related services that are traditionally performed by the auditor. This category includes fees for regulatory work.
(b) Tax fees consist of the aggregate fees billed for professional services rendered by PricewaterhouseCoopers LLP for tax compliance, tax advice, and tax planning.
(c) All other fees reflect work performed primarily in connection with research and audit software licenses.

PECO

(in thousands)	Year Ended December 31, 2010	Year Ended December 31, 2009
Audit fees	$1,590	$1,593
Audit related fees [a]	66	177
Tax fees [b]	68	79
All other fees [c]	4	4

(a) Audit related fees consist of assurance and related services that are traditionally performed by the auditor. This category includes fees for regulatory work.
(b) Tax fees consist of the aggregate fees billed for professional services rendered by PricewaterhouseCoopers LLP for tax compliance, tax advice, tax planning and tax advice and consulting services in connection with appeals claims.
(c) All other fees reflect work performed primarily in connection with research and audit software licenses.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Financial Statements and Financial Statement Schedules

(1) Exelon

(i) Financial Statements

Consolidated Statements of Operations and Comprehensive Income for the years 2010, 2009 and 2008
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(ii) Financial Statement Schedules

Schedule I
Schedule II

EXELON CORPORATION AND SUBSIDIARY COMPANIES

Schedule I

Exelon Corporate

Statements of Operations

(In millions)	For the Years Ended December 31, 2010	2009	2008
Operating expenses			
Operating and maintenance	$ 13	$ 45	$ 19
Operating and maintenance from affiliates	22	35	31
Other	2	—	—
Total operating expenses	37	80	50
Operating loss	(37)	(80)	(50)
Other income and (deductions)			
Interest expense, net of amounts capitalized	(90)	(133)	(127)
Equity in earnings of investments	2,652	2,835	2,817
Interest income from affiliates, net	—	—	2
Other, net	6	(42)	9
Total other income and deductions	2,568	2,660	2,701
Income from continuing operations before income taxes	2,531	2,580	2,651
Income taxes	(32)	(127)	(86)
Net income	$2,563	$2,707	$2,737

See Notes to Financial Statements

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Exelon Corporate

Condensed Statements of Cash Flows

(In millions)	For the Years Ended December 31, 2010	2009	2008
Net cash flows provided by operating activities	$ 2,014	$ 2,767	$ 2,245
Cash flows from investing activities			
Changes in Exelon intercompany money pool	(5)	31	(37)
Capital expenditures	(7)	—	—
Return on capital from equity method investee	92	—	—
Investment in affiliates	(290)	(454)	(640)
Net cash flows used in investing activities	(210)	(423)	(677)
Cash flows from financing activities			
Change in short-term debt	—	(56)	56
Retirement of long-term debt	(400)	(500)	—
Dividends paid on common stock	(1,389)	(1,385)	(1,335)
Proceeds from employee stock plans	48	42	130
Purchase of treasury stock	—	—	(436)
Purchase of forward contract in relation to certain treasury stock	—	—	(64)
Other financing activities	5	7	61
Net cash flows used in financing activities	(1,736)	(1,892)	(1,588)
Increase (decrease) in cash and cash equivalents	68	452	(20)
Cash and cash equivalents at beginning of period	473	21	41
Cash and cash equivalents at end of period	$ 541	$ 473	$ 21

See Notes to Financial Statements

Exelon Corporate
Balance Sheets

(In millions)	December 31, 2010	December 31, 2009
Assets		
Current assets		
Cash and cash equivalents	$ 541	$ 473
Accounts receivable, net		
Other accounts receivable	132	108
Accounts receivable from affiliates	8	11
Notes receivables from affiliates	322	15
Total current assets	1,003	607
Property, plant and equipment, net	6	7
Deferred debits and other		
Regulatory assets	2,750	2,613
Investments in affiliates	16,974	16,313
Deferred income taxes	1,955	1,842
Other	21	48
Total deferred debits and other assets	21,700	20,816
Total assets	$22,709	$21,430

See Notes to Financial Statements

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Exelon Corporate

Balance Sheets

(In millions)	December 31, 2010	December 31, 2009
Current liabilities		
Long-term debt due within one year	$ —	$ 400
Accrued expenses	64	14
Other	345	56
Total current liabilities	409	470
Long-term debt	1,313	1,308
Deferred credits and other liabilities		
Regulatory liabilities	—	30
Pension obligations	6,434	5,959
Non-pension postretirement benefit obligations	928	954
Other	65	69
Total deferred credits and other liabilities	7,427	7,012
Total liabilities	9,149	8,790
Shareholders' equity		
Common stock (No par value, 2,000 shares authorized, 662 and 660 shares outstanding at December 31, 2010 and 2009, respectively).	9,006	8,923
Treasury stock, at cost (35 and 35 shares held at December 31, 2010 and 2009, respectively)	(2,327)	(2,328)
Retained earnings	9,304	8,134
Accumulated other comprehensive loss, net	(2,423)	(2,089)
Total shareholders' equity	13,560	12,640
Total liabilities and shareholders' equity	$22,709	$21,430

See Notes to Financial Statements

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Exelon Corporate

Balance Sheets

1. Basis of Presentation

Exelon Corporate is a holding company and conducts substantially all of its business operations through its subsidiaries. These condensed financial statements and related footnotes have been prepared in accordance with Rule 12-04, Schedule I of Regulation S-X. These statements should be read in conjunction with the consolidated financial statements and notes thereto of Exelon Corporation.

Exelon Corporate owns 100% of all significant subsidiaries, either directly or indirectly, except for Commonwealth Edison Company (ComEd), of which Exelon Corporate owns more than 99%, and PECO Energy Company (PECO), of which Exelon Corporate owns 100% of the common stock but none of PECO's preferred securities.

2. Debt and Credit Agreements

Short-Term Borrowings

Exelon Corporate meets its short-term liquidity requirements primarily through the issuance of commercial paper. Exelon Corporate had commercial paper borrowings of $0 million at December 31, 2010 and December 31, 2009.

Credit Agreements

As of December 31, 2010, Exelon Corporate had access to an unsecured credit facility with aggregate bank commitments of $957 million and available capacity under those commitments of $950 million. The agreement is effective through October 26, 2012. Exelon anticipates refinancing this credit facility in the first half of 2011. See Note 10 of the Combined Notes to Consolidated Financial Statements for further information regarding Exelon Corporate's credit agreement.

Long-Term Debt

Exelon Corporate will not have any long-term debt maturities in periods 2011 through 2014. The debt maturities for the periods 2015 and thereafter are as follows:

	Exelon
2015	$ 800
Remaining years	500
Total Long-term Debt	$1,300
Unamortized debt discount and premium, net	(1)
Fair value hedge carrying value adjustment, net	14
Long-term Debt	$1,313

3. Commitments and Contingencies

See Note 18 of the Combined Notes to Consolidated Financial Statements for Exelon Corporate's commitments and contingencies related to the voluntary GHG emissions reductions, pension claim, savings plan claim and fund transfer restrictions.

Exelon Corporate

Balance Sheets

4. Related-Party Transactions

The financial statements of Exelon Corporate include related-party transactions as presented in the tables below:

	For the Years Ended December 31,		
	2010	2009	2008
Operating and maintenance from affiliates			
Business Services Company, LLC [a]	$ 22	$ 35	$ 31
Interest income from affiliates, net			
Business Services Company, LLC [a]	$ —	$ —	$ 2
Earnings of affiliates			
Exelon Energy Delivery Company, LLC [b]	$ 657	$ 723	$ 522
Exelon Ventures Company, LLC [c]	1,978	2,113	2,282
UII, LLC	23	1	13
Exelon Transmission Company, LLC	(6)	(2)	—
Total earnings in affiliates	$2,652	$2,835	$2,817
Charitable contributions to Exelon Foundation [d]	$ 10	$ 10	$ —
Cash contributions received from affiliates	2,056	2,841	2,397

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Exelon Corporate
Balance Sheets

	December 31,	
	2010	2009
Accounts receivable from affiliates (current)		
Business Services Company, LLC [(a)]	$ 1	$ —
Generation	5	6
ComEd	1	1
PECO	1	1
Exelon Transmission Company, LLC	—	3
Total accounts receivables from affiliates (current)	$ 8	$ 11
Notes receivable from affiliate (current)		
Business Services Company, LLC [(a)]	$ 20	$ 15
ComEd	302	—
Total notes receivables from affiliates (current)	$ 322	$ 15
Investments in affiliates		
Business Services Company, LLC [(a)]	$ 159	$ 237
Exelon Energy Delivery Company, LLC [(b)]	9,788	9,438
Exelon Ventures Company, LLC [(c)]	6,601	6,219
UII, LLC	429	419
Exelon Transmission Company, LLC	3	(2)
VEBA	(6)	2
Total investments in affiliates	$16,974	$16,313
Payables to affiliate (current)		
BSC	—	8

(a) Exelon Corporate receives a variety of corporate support services from BSC, including legal, human resources, financial, information technology and supply management services. All services are provided at cost, including applicable overhead.
(b) Exelon Energy Delivery Company, LLC consists of ComEd and PECO.
(c) Exelon Ventures Company, LLC primarily consists of Generation.
(d) Exelon Foundation is a nonconsolidated not-for-profit Illinois corporation. The Exelon Foundation was established in the fourth quarter of 2007 to serve educational and environmental philanthropic purposes and does not serve a direct business or political purpose of Exelon. Exelon contributes services (i.e. accounting, administrative, legal).

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EXELON CORPORATION AND SUBSIDIARY COMPANIES

Schedule II – Valuation and Qualifying Accounts
(in millions)

Column A	Column B	Column C		Column D	Column E
		Additions and adjustments			
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, 2010					
Allowance for uncollectible accounts	$ 225	$ 109	$ 25[(a)]	$ 131[(b)]	$ 228
Deferred tax valuation allowance	36	(8)	—	19	9
Reserve for obsolete materials	45	12	—	1	56
For The Year Ended December 31, 2009					
Allowance for uncollectible accounts	$ 238	$ 150	$ 38[(a)]	$ 201[(b)]	$ 225
Deferred tax valuation allowance	29	9	—	2	36
Reserve for obsolete materials	28	19	—	2	45
For The Year Ended December 31, 2008					
Allowance for uncollectible accounts	$ 130	$ 247	$ 31[(a)]	$ 170[(b)]	$ 238
Deferred tax valuation allowance	33	—	—	4	29
Reserve for obsolete materials	29	2	2	5	28

(a) Primarily charges for late payments and non-service receivables.
(b) Write-off of individual accounts receivable.

EXELON GENERATION COMPANY, LLC AND SUBSIDIARY COMPANIES

Schedule II – Valuation and Qualifying Accounts
(in millions)

(2) Generation

(i) Financial Statements

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(ii) Financial Statement Schedule

EXELON GENERATION COMPANY, LLC AND SUBSIDIARY COMPANIES

Schedule II – Valuation and Qualifying Accounts
(in millions)

Column A	Column B	Column C		Column D	Column E
		Additions and adjustments			
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, 2010					
Allowance for uncollectible accounts	$ 31	$ 1	$ —	$ —	$ 32
Deferred tax valuation allowance	18	—	—	18	—
Reserve for obsolete materials	43	12	—	—	55
For The Year Ended December 31, 2009					
Allowance for uncollectible accounts	$ 30	$ 2	$ —	$ 1	$ 31
Deferred tax valuation allowance	20	—	—	2	18
Reserve for obsolete materials	26	17	—	—	43
For The Year Ended December 31, 2008					
Allowance for uncollectible accounts	$ 17	$ 17	$ (3)	$ 1	$ 30
Deferred tax valuation allowance	32	—	—	12	20
Reserve for obsolete materials	26	—	—	—	26

COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES

Schedule II – Valuation and Qualifying Accounts
(in millions)

(3) ComEd

(i) Financial Statements

Consolidated Statements of Operations and Comprehensive Income for the years 2010, 2009 and 2008

Consolidated Statements of Cash Flows for the years 2010, 2009 and 2008

Consolidated Balance Sheets as of December 31, 2010 and 2009

Consolidated Statements of Changes in Shareholders' Equity for the years 2010, 2009 and 2008

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(ii) Financial Statement Schedule

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COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES

Schedule II – Valuation and Qualifying Accounts
(in millions)

Column A	Column B	Column C		Column D	Column E
		Additions and adjustments			
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, 2010					
Allowance for uncollectible accounts	$ 77	$ 48	$ 16[(a)]	$ 61[(b)]	$ 80
Reserve for obsolete materials	1	—	—	—	1
For The Year Ended December 31, 2009					
Allowance for uncollectible accounts	$ 57	$ 85	$ 27[(a)]	$ 92[(b)]	$ 77
Reserve for obsolete materials	1	2	—	2	1
For The Year Ended December 31, 2008					
Allowance for uncollectible accounts	$ 53	$ 71	$ 20[(a)]	$ 87[(b)]	$ 57
Reserve for obsolete materials	3	3	—	5	1

(a) Primarily charges for late payments and non-service receivables.
(b) Write-off of individual accounts receivable.

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PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES

Schedule II – Valuation and Qualifying Accounts
(in millions)

(4) PECO

(i) Financial Statements

Consolidated Statements of Operations and Comprehensive Income for the years 2010, 2009 and 2008

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Consolidated Balance Sheets as of December 31, 2010 and 2009

Consolidated Statements of Changes in Shareholders' Equity for the years 2010, 2009 and 2008

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 and adjustments			
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, 2010					
Allowance for uncollectible accounts	$ 117	$ 60	$ 9[(a)]	$ 70[(b)]	$ 116
Deferred tax valuation allowance	1	—	—	1	—
Reserve for obsolete materials	1	—	—	—	1
For The Year Ended December 31, 2009					
Allowance for uncollectible accounts	$ 151	$ 63	$ 11[(a)]	$ 108[(b)]	$ 117
Deferred tax valuation allowance	1	—	—	—	1
Reserve for obsolete materials	1	—	—	—	1
For The Year Ended December 31, 2008					
Allowance for uncollectible accounts	$ 59	$ 160	$ 15[(a)]	$ 83[(b)]	$ 151
Deferred tax valuation allowance	1	—	—	—	1
Reserve for obsolete materials	1	(1)	1	—	1

(a) Primarily charges for late payments.
(b) Write-off of individual accounts receivable.

(b) 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 the relevant registrant agrees 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. 0-01401, PECO Energy Company September 30, 2000 Form 10-Q, Exhibit 2-1).
2-2	Purchase Agreement dated as of August 30, 2010 by and between Deere & Company and Generation (File No. 1-16169, September 30, 2010 Form 10-Q, Exhibit 2-1).
3-1	Amended and Restated Articles of Incorporation of Exelon Corporation, as amended May 8, 2007 (File No. 001-16169, September 30, 2008 Form 10-Q, Exhibit 3-1-2).
3-2	Exelon Corporation Amended and Restated Bylaws, as amended January 26, 2010.
3-3	Certificate of Formation of Exelon Generation Company, LLC (Registration Statement No. 333-85496, Form S-4, Exhibit 3-1).
3-4	First Amended and Restated Operating Agreement of Exelon Generation Company, LLC executed as of January 1, 2001 (File No. 333-85496, 2003 Form 10-K, Exhibit 3-8).
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	Commonwealth Edison Company Amended and Restated By-Laws, Effective January 23, 2006 As Further Amended January 28, 2008 and July 27, 2009. (File No. 001-16169, Form 8-K dated July 27, 2009, Exhibit 3.1).
3-7	Amended and Restated Articles of Incorporation of PECO Energy Company (File No. 1-01401, 2000 Form 10-K, Exhibit 3-3).
3-8	PECO Energy Company Amended Bylaws (File 000-16844, Form 8-K dated May 6, 2009, Exhibit 99.1).
4-1	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 (U.S. Bank National Association, as current successor trustee) (Registration No. 2-2281, Exhibit B-1).
4-1-1	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)

	Dated as of	File Reference	Exhibit No.
	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)
	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
	September 15, 2002	1-01401, September 30, 2002 Form 10-Q	4-1
	October 1, 2002	1-01401, September 30, 2002 Form 10-Q	4-2
	April 15, 2003	0-16844, March 31, 2003 Form 10-Q	4.1
	April 15, 2004	0-6844, September 30, 2004 Form 10-Q	4-1-1
	September 15, 2006	000-16844, Form 8-K dated September 25, 2006	4.1
	March 1, 2007	000-16844, Form 8-K dated March 19, 2007	4.1
	February 15, 2008	0-16844, Form 8-K dated March 3, 2008	4.1
	February 15, 2008	0-16844, Form 8-K, dated March 5, 2008	
	September 15, 2008	000-16844, Form 8-K dated October 2, 2008	4.1
	March 15, 2009	000-16844, Form 8-K dated March 26, 2009	4.1
4-2	Exelon Corporation Dividend Reinvestment and Stock Purchase Plan (Registration Statement No. 333-84446, Form S-3, Prospectus).		
4-3	Mortgage of Commonwealth Edison Company to Illinois Merchants Trust Company, Trustee (BNY Mellon Trust Company of Illinois, as current successor Trustee), dated July 1, 1923, as supplemented and amended by Supplemental Indenture thereto dated August 1, 1944. (File No. 2-60201, Form S-7, Exhibit 2-1).		
4-3-1	Supplemental Indentures to Commonwealth Edison Company Mortgage.		

Dated as of	File Reference	Exhibit No.
August 1, 1946	2-60201, Form S-7	2-1
April 1, 1953	2-60201, Form S-7	2-1
March 31, 1967	2-60201, Form S-7	2-1

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Dated as of	File Reference	Exhibit No.
April 1,1967	2-60201, Form S-7	2-1
February 28, 1969	2-60201, Form S-7	2-1
May 29, 1970	2-60201, Form S-7	2-1
June 1, 1971	2-60201, Form S-7	2-1
April 1, 1972	2-60201, Form S-7	2-1
May 31, 1972	2-60201, Form S-7	2-1
June 15, 1973	2-60201, Form S-7	2-1
May 31, 1974	2-60201, Form S-7	2-1
June 13, 1975	2-60201, Form S-7	2-1
May 28, 1976	2-60201, Form S-7	2-1
June 3, 1977	2-60201, Form S-7	2-1
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
April 15, 1993	33-64028, Form S-3	4-13
June 15, 1993	1-1839, Form 8-K dated May 21, 1993	4-1
January 15, 1994	1-1839, 1993 Form 10-K	4-15
March 1, 2002	1-1839, 2001 Form 10-K	4-4-1
June 1, 2002	333-99363, Form S-3	4-1-1[(B)]
October 7, 2002	333-9715, Form S-4	4-1-3
January 13, 2003	1-1839, Form 8-K dated January 22, 2003	4-4
March 14, 2003	1-1839, Form 8-K dated April 7, 2003	4-4
February 22, 2006	1-1839, Form 8-K dated March 6, 2006	4.1

Dated as of	File Reference	Exhibit No.
August 1, 2006	1-1839, Form 8-K dated August 28, 2006	4.1
September 15, 2006	1-1839, Form 8-K dated October 2, 2006	4.1
December 1, 2006	1-1839, Form 8-K dated December 19, 2006	4.1
March 1, 2007	1-1839, Form 8-K dated March 23, 2007	4.1
August 30, 2007	1-1839, Form 8-K dated September 10, 2007	4.1
December 20, 2007	1-1839, Form 8-K dated January 16, 2008	4.1
March 10, 2008	1-1839, Form 8-K dated March 27, 2008	4.1
April 23, 2008	001-01839, Form 8-K dated May 12, 2008	4.1
June 12, 2008	001-01839, Form 8-K dated June 27, 2008	4.1
July 12, 2010	001-01839, Form 8-K dated August 2, 2010	4.1
January 4, 2011	001-01839, Form 8-K dated January 18, 2011	4.1

Exhibit No.	Description
4-3-2	Instrument of Resignation, Appointment and Acceptance dated as of February 20, 2002, under the provisions of the Mortgage of Commonwealth Edison Company dated July 1, 1923, and Indentures Supplemental thereto, regarding corporate trustee (File No. 1-1839, 2001 Form 10-K, Exhibit 4-4-2).
4-3-3	Instrument dated as of January 31, 1996, under the provisions of the Mortgage of Commonwealth Edison Company dated July 1, 1923 and Indentures Supplemental thereto, regarding individual trustee (File No. 1-1839, 1995 Form 10-K, Exhibit 4-29).
4-4	Indenture dated as of September 1, 1987 between Commonwealth Edison Company and Citibank, N.A., (U.S. Bank National Association, as current successor trustee) Trustee relating to Notes (File No. 33-20619, Form S-3, Exhibit 4-13).
4-4-1	Supplemental Indentures to aforementioned Indenture.

Dated as of	File Reference	Exhibit No.
July 14, 1989	33-32929, Form S-3	4-16

Exhibit No.	Description
4-5	Indenture dated June 1, 2001 between Generation and First Union National Bank (now Wachovia Bank, National Association) (Registration Statement No. 333-85496, Form S-4, Exhibit 4.1).

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Exhibit No.	Description
4-6	Indenture dated December 19, 2003 between Generation and Wachovia Bank, National Association (File No. 333-85496, 2003 Form 10-K, Exhibit 4-6).
4-7	Indenture to Subordinated Debt Securities dated as of June 24, 2003 between PECO Energy Company, as Issuer, and Wachovia Bank National Association, as Trustee (File No. 0-16844, June 30, 2003 Form 10-Q, Exhibit 4.1).
4-8	Preferred Securities Guarantee Agreement between PECO Energy Company, as Guarantor, and Wachovia Trust Company, National Association, as Trustee, dated as of June 24, 2003 (File No. 0-16844, June 30, 2003 Form 10-Q, Exhibit 4.2).
4-9	PECO Energy Capital Trust IV Amended and Restated Declaration of Trust among PECO Energy Company, as Sponsor, Wachovia Trust Company, National Association, as Delaware Trustee and Property Trustee, and J. Barry Mitchell, George R. Shicora and Charles S. Walls as Administrative Trustees dated as of June 24, 2003 (File No. 0-16844, June 30, 2003 Form 10-Q, Exhibit 4.3).
4-10	Indenture dated May 1, 2001 between Exelon and J.P. Morgan Trust Company, National Association (formerly known as Chase Manhattan Trust Company, National Association), as trustee (File No. 1-16169, June 30, 2005 Form 10-Q, Exhibit 4-10).
4-11	Form of $800,000,000 4.90% senior notes due 2015 dated June 9, 2005 issued by Exelon Corporation (File No. 1-16169, Form 8-K dated June 9, 2005, Exhibit 99.2).
4-12	Form of $500,000,000 5.625% senior notes due 2035 dated June 9, 2005 issued by Exelon Corporation (File No. 1-16169, Form 8-K dated June 9, 2005, Exhibit 99.3).
4-13	Indenture dated as of September 28, 2007 from Generation to U.S. Bank National Association, as trustee (File 333-85496, Form 8-K dated September 28, 2007, Exhibit 4.1).
4-14	Pollution Control Note dated as of February 15, 2008 from PECO to U.S. Bank National Association, as trustee (File 0-16844, Form 8-K dated March 5, 2008, Exhibit 4.2).
4-15	Form of 5.20% Generation Senior Note due 2019 (File 333-85496, Form 8-K dated September 23, 2009, Exhibit 4.1).
4-16	Form of 6.25% Generation Senior Note due 2039 (File 333-85496, Form 8-K dated September 23, 2009, Exhibit 4.2).
4-17	Form of 4.00% Generation Senior Note due 2020 (File No. 333-85496, Form 8-K dated September 30, 2010, Exhibit 4.1).
4-18	Form of 5.75% Generation Senior Note due 2041 (File No. 333-85496, Form 8-K dated September 30, 2010, Exhibit 4.2).
10-1	Exelon Corporation Deferred Non-Employee Directors' Deferred Stock Unit Plan (As Amended and Restated Effective January 1, 2011). *
10-2	Exelon Corporation Retirement Program (As Amended and Restated Effective January 1, 2010).
10-3	Exelon Corporation Deferred Compensation Plan for Directors (as amended and restated Effective January 1, 2011). *
10-4	Exelon Corporation Long-Term Incentive Plan As Amended and Restated Effective January 28, 2002* (File No. 1-16169, Exelon Proxy Statement dated March 13, 2002, Appendix B).

Exhibit No.	Description
10-5-1	Form of Restricted Stock Award Agreement under the Exelon Corporation Long-Term Incentive Plan* (File No. 1-16169, 2001 Form 10-K, Exhibit 10-6-1).
10-5-2	Forms of Transferable Stock Option Award Agreement under the Exelon Corporation Long-Term Incentive Plan* (File No. 1-16169, 2001 Form 10-K, Exhibit 10-6-2).
10-5-3	Forms of Stock Option Award Agreement under the Exelon Corporation Long-Term Incentive Plan* (File No. 1-16169, 2001 Form 10-K, Exhibit 10-6-3).
10-6	Exelon Corporation Employee Savings Plan (As Amended and Restated Effective January 1, 2010).
10-7	Exelon Corporation Cash Balance Pension Plan (As Amended and Restated Effective January 1, 2010).
10-8	Unicom Corporation Deferred Compensation Unit Plan, as amended* (File Nos. 1-11375 and 1-1839, 1995 Form 10-K, Exhibit 10-12).
10-9	Amendment Number One to the Unicom Corporation Deferred Compensation Unit Plan, as amended January 1, 2008* (File No. 001-16169, 2008 Form 10-K, Exhibit 10.16).
10-10	Unicom Corporation Retirement Plan for Directors, as amended* (Registration Statement No. 333-49780, Form S-8, Exhibit 4-12).
10-11	Commonwealth Edison Company Retirement Plan for Directors, as amended *(Registration Statement No. 333-49780, Form S-8, Exhibit 4-13).
10-12	Exelon Corporation Supplemental Management Retirement Plan (As Amended and Restated Effective January 1, 2009)* (File No. 001-16169, 2008 Form 10-K, Exhibit 10.19).
10-13	PECO Energy Company Supplemental Pension Benefit Plan (As Amended and Restated Effective January 1, 2009) (File No. 000-16844, 2008 Form 10-K, Exhibit 10.20).
10-14	Exelon Corporation Annual Incentive Plan for Senior Executives Effective January 1, 2004 (As Amended and Restated Effective January 1, 2009)* (File No. 001-16169, 2009 Form 10-K, Exhibit 10.21).
10-15	Form of change in control employment agreement for senior executives Effective January 1, 2009 * (File No. 001-16169. 2008 Form 10-K, Exhibit 10.23).
10-16	Form of change in control employment agreement (amended and restated as of January 1, 2009) * (File No. 001-16169, 2008 Form 10-K, Exhibit 10.24).
10-17	Restatement of the Exelon Corporation Employee Stock Purchase Plan, Effective May 1, 2004 and Appendix One thereto. (File No. 1-16169, 2004 Form 10-K, Exhibit 10-54).
10-18	Exelon Corporation 2006 Long-Term Incentive Plan (Registration Statement No. 333-122704, Form S-4, Joint Proxy Statement-Prospectus pursuant to Rule 424(b)(3) filed June 3, 2005, Annex H).
10-19	Form of Stock Option Grant Instrument under the Exelon Corporation 2006 Long-Term Incentive Plan (File No. 1-16169, Form 8-K filed January 27, 2006, Exhibit 99.2).
10-20	Exelon Corporation Employee Stock Purchase Plan for Unincorporated Subsidiaries (Registration Statement No. 333-122704, Form S-4, Joint Proxy Statement-Prospectus pursuant to Rule 424(b)(3) filed June 3, 2005, Annex I).
10-21	Exelon Corporation Senior Management Severance Plan (As Amended and Restated Effective January 1, 2009) * (File No. 001-16169, 2008 Form 10-K, Exhibit 10.29).

Exhibit No.	Description
10-22	Form of Separation Agreement under Exelon Corporation Senior Management Severance Plan (As Amended and Restated Effective January 1, 2009) * (File No, 001-16169, 2008 Form 10-K, Exhibit 10.30).
10-23	Credit Agreement dated as of October 26, 2006 between Exelon Corporation and Various Financial Institutions (File No. 1-16169, Form 8-K dated October 26, 2006, Exhibit 99.1).
10-24	Credit Agreement dated as of October 26, 2006 between Exelon Generation Company, LLC and Various Financial Institutions (File No. 333-85496, Form 8-K dated October 26, 2006, Exhibit 99.2).
10-25	Credit Agreement dated as of October 26, 2006 between PECO Energy Company and Various Financial Institutions (File No. 000-16844, Form 8-K dated October 26, 2006, Exhibit 99.3).
10-26	Amendment No. 1 to $1,000,000,000 Credit Agreement dated as of October 26, 2006 among Exelon Corporation, as Borrower, Various Financial Institutions, as Lenders, and JPMorgan Chase Bank, N.A., as Administrative Agent (File 001-16169, Form 8-K dated October 21, 2008, Exhibit 99.1).
10-27	Amendment No. 1 to $5,000,000,000 Credit Agreement dated as of October 26, 2006 among Exelon Generation Company, LLC, as Borrower, Various Financial Institutions, as Lenders, and JPMorgan Chase Bank, N.A., as Administrative Agent (File 333-85496, Form 8-K dated October 21, 2008, Exhibit 99.2).
10-28	Amendment No. 1 to $600,000,000 Credit Agreement dated as of October 26, 2006 among PECO Energy Company, as Borrower, Various Financial Institutions, as Lenders, and JPMorgan Chase Bank, N.A., as Administrative Agent (File 000-16844, Form 8-K dated October 21, 2008, Exhibit 99.4).
10-29	Facility Credit Agreement, dated as of November 4, 2010, among Generation and UBS AG, Stamford Branch.
10-30	Exelon Corporation Executive Death Benefits Plan dated as of January 1, 2003 * (File No. 1-16169, 2006 Form 10-K, Exhibit 10-52).
10-31	First Amendment to Exelon Corporation Executive Death Benefits Plan, Effective January 1, 2006 * (File No. 1-16169, 2006 Form 10-K, Exhibit 10-53).
10-32	Amendment Number One to the Exelon Corporation 2006 Long-Term Incentive Plan, Effective December 4, 2006 (File No. 1-16169, 2006 Form 10-K, Exhibit 10-54).
10-33	Amendment Number Two to the Exelon Corporation 2006 Long-Term Incentive Plan (As Amended and Restated Effective January 28, 2002), Effective December 4, 2006 (File No. 1-16169, 2006 Form 10-K, Exhibit 10-55).
10-34	Exelon Corporation Deferred Compensation Plan (As Amended and Restated Effective January 1, 2005) (File No. 1-16169, 2006 Form 10-K, Exhibit 10-56).
10-35	Exelon Corporation Stock Deferral Plan (As Amended and Restated Effective January 1, 2005) (File No. 1-16169, 2006 Form 10-K, Exhibit 10-57).
10-36	Commonwealth Edison Company Long-Term Incentive Plan, Effective January 1, 2007 (File No. 1-16169, March 31, 2007 Form 10-Q, Exhibit 10-1).
10-37	Amendment Number One to the Exelon Corporation Stock Deferral Plan (As Amended and Restated Effective January 1, 2005) (File No. 1-16169, June 30, 2007 Form 10-Q, Exhibit 10-3).

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Exhibit No.	Description
10-38	Restricted stock unit award agreement (File 1-16169, Form 8-K dated August 31, 2007, Exhibit 99.1).
10-39	Settlement Agreement by and between the City of Chicago and Commonwealth Edison Company Effective December 21, 2007. (File No. 001-1839, 2007 Form 10-K, Exhibit 10-56).
10-40	Amended and Restated Trade Receivables Purchase and Sale Agreement among PECO, Victory Receivables Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. dated as of December 20, 1988, as Amended and Restated as of November 14, 1995, as of January 1, 1999, as of November 14, 2000, as of November 14, 2005 and as Further Amended and Restated as of September 19, 2008 (File 000-16844, Form 8-K dated September 22, 2008, Exhibit 10.1).
10-41	Amendment No. 1 to Amended and Restated Trade Receivables Purchase and Sale Agreement among PECO Energy Company, Victory Receivables Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (File 000-16844, Form 8-K dated September 17, 2009, Exhibit 10.1).
10-42	Third Amended and Restated Employment Agreement with John W. Rowe * (File 1-16169, Form 8-K dated October 29, 2009, Exhibit 99.1).
10-43	Exelon Corporation 2011 Long-Term Incentive Plan (File No. 1-16169, Schedule 14A dated March 18, 2010, Appendix A).
10-44	Form of Change in Control Employment Agreement Effective February 10, 2011. *
14	Exelon Code of Conduct (File No. 1-16169, 2006 Form 10-K, Exhibit 14).
	Subsidiaries
21-1	Exelon Corporation
21-2	Exelon Generation Company, LLC
21-3	Commonwealth Edison Company
21-4	PECO Energy Company
	Consent of Independent Registered Public Accountants
23-1	Exelon Corporation
23-2	Exelon Generation Company, LLC
23-3	Commonwealth Edison Company
23-4	PECO Energy Company
	Power of Attorney (Exelon Corporation)
24-1	John A. Canning, Jr.
24-2	M. Walter D’Alessio
24-3	Nicholas DeBenedictis
24-4	Nelson A. Diaz
24-5	Sue L. Gin
24-6	Rosemarie B. Greco

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Exhibit No.	Description
24-7	Paul L. Joskow
24-8	Richard W. Mies
24-9	John M. Palms, Ph.D.
24-10	William C. Richardson
24-11	Thomas J. Ridge
24-12	John W. Rogers, Jr.
24-13	Stephen D. Steinour
24-14	Donald Thompson
	Power of Attorney (Commonwealth Edison Company)
24-15	James W. Compton
24-16	Peter V. Fazio, Jr.
24-17	Sue L. Gin
24-18	Edgar D. Jannotta
24-19	Edward J. Mooney
24-20	Michael Moskow
24-21	Jesse H. Ruiz
24-22	Richard L. Thomas
	Power of Attorney (PECO Energy Company)
24-23	M. Walter D'Alessio
24-24	Nelson A. Diaz
24-25	Rosemarie B. Greco
24-26	Thomas J. Ridge
24-27	Ronald Rubin
24-28	Charisse R. Lillie
	Certifications Pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities and Exchange Act of 1934 as to the Annual Report on Form 10-K for the year ended December 31, 2010 filed by the following officers for the following registrants:
31-1	Filed by John W. Rowe for Exelon Corporation
31-2	Filed by Matthew F. Hilzinger for Exelon Corporation
31-3	Filed by John W. Rowe for Exelon Generation Company, LLC
31-4	Filed by Matthew F. Hilzinger for Exelon Generation Company, LLC
31-5	Filed by Frank M. Clark for Commonwealth Edison Company
31-6	Filed by Joseph R. Trpik, Jr. for Commonwealth Edison Company
31-7	Filed by Denis P. O'Brien for PECO Energy Company

Exhibit No.	Description
31-8	Filed by Phillip S. Barnett for PECO Energy Company
	Certifications Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code as to the Annual Report on Form 10-K for the year ended December 31, 2010 filed by the following officers for the following registrants:
32-1	Filed by John W. Rowe for Exelon Corporation
32-2	Filed by Matthew F. Hilzinger for Exelon Corporation
32-3	Filed by John W. Rowe for Exelon Generation Company, LLC
32-4	Filed by Matthew F. Hilzinger for Exelon Generation Company, LLC
32-5	Filed by Frank M. Clark for Commonwealth Edison Company
32-6	Filed by Joseph R. Trpik, Jr. for Commonwealth Edison Company
32-7	Filed by Denis P. O'Brien for PECO Energy Company
32-8	Filed by Phillip S. Barnett for PECO Energy Company
101.INS**	XBRL Instance
101.SCH**	XBRL Taxonomy Extension Schema
101.CAL**	XBRL Taxonomy Extension Calculation
101.DEF**	XBRL Taxonomy Extension Definition
101.LAB**	XBRL Taxonomy Extension Labels
101.PRE**	XBRL Taxonomy Extension Presentation

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

** XBRL information will be considered to be furnished, not filed for the first two years of a company's submission of XBRL information.

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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 10th day of February, 2011.

EXELON CORPORATION

By: /s/ JOHN W. ROWE
Name: **John W. Rowe**
Title: **Chairman and 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 10th day of February, 2011.

Signature	Title
/s/ JOHN W. ROWE **John W. Rowe**	Chairman and Chief Executive Officer (Principal Executive Officer)
/s/ MATTHEW F. HILZINGER **Matthew F. Hilzinger**	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)
/s/ DUANE M. DESPARTE **Duane M. DesParte**	Vice President and Corporate Controller (Principal Accounting Officer)

This annual report has also been signed below by Darryl M. Bradford, Attorney-in-Fact, on behalf of the following Directors on the date indicated:

John A. Canning, Jr.
M. Walter D'Alessio
Nicholas DeBenedictis
Nelson A. Diaz
Sue L. Gin
Rosemarie B. Greco
Paul L. Joskow
Richard W. Mies
John M. Palms, PhD.
William C. Richardson
Thomas J. Ridge
John W. Rogers, Jr.
Stephen D. Steinour
Donald Thompson

By: /s/ DARRYL M. BRADFORD — February 10, 2011
Name: **Darryl M. Bradford**

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 10th day of February, 2011.

EXELON GENERATION COMPANY, LLC

By: /s/ JOHN W. ROWE
Name: **John W. Rowe**
Title: **Chairman**

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 10th day of February, 2011.

Signature	Title
/s/ JOHN W. ROWE **John W. Rowe**	Chairman (Principal Executive Officer)
/s/ MATTHEW F. HILZINGER **Matthew F. Hilzinger**	Chief Financial Officer and Treasurer (Principal Financial Officer)
/s/ MATTHEW R. GALVANONI **Matthew R. Galvanoni**	Chief Accounting Officer (Principal Accounting Officer)

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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 10th day of February, 2011.

COMMONWEALTH EDISON COMPANY

By: /s/ FRANK M. CLARK
Name: **Frank M. Clark**
Title: **Chairman and 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 10th day of February, 2011.

Signature	Title
/s/ FRANK M. CLARK **Frank M. Clark**	Chairman and Chief Executive Officer (Principal Executive Officer)
/s/ ANNE R. PRAMAGGIORE **Anne R. Pramaggiore**	President and Chief Operating Officer
/s/ JOSEPH R. TRPIK, JR. **Joseph R. Trpik, Jr.**	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)
/s/ KEVIN J. WADEN **Kevin J. Waden**	Vice President and Controller (Principal Accounting Officer)
/s/ JOHN W. ROWE **John W. Rowe**	Director

This annual report has also been signed below by Frank M. Clark, Attorney-in-Fact, on behalf of the following Directors on the date indicated:

James W. Compton
Peter V. Fazio, Jr.
Sue L. Gin
Edgar D. Jannotta
Edward J. Mooney
Michael Moskow
Jesse H. Ruiz
Richard L. Thomas

By: /s/ FRANK M. CLARK — February 10, 2011
Name: **Frank M. Clark**

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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 10th day of February, 2011.

PECO ENERGY COMPANY

By: /s/ DENIS P. O'BRIEN
Name: **Denis P. O'Brien**
Title: **Chief Executive Officer and President**

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 10th day of February, 2011.

Signature	Title
/s/ DENIS P. O'BRIEN **Denis P. O'Brien**	Chief Executive Officer and President (Principal Executive Officer)
/s/ PHILLIP S. BARNETT **Phillip S. Barnett**	Senior Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ JORGE A. ACEVEDO **Jorge A. Acevedo**	Vice President and Controller (Principal Accounting Officer)
/s/ JOHN W. ROWE **John W. Rowe**	Chairman and Director

This annual report has also been signed below by Paul R. Bonney, Attorney-in-Fact, on behalf of the following Directors on the date indicated:

M. Walter D'Alessio
Nelson A. Diaz
Rosemarie B. Greco
Thomas J. Ridge
Ronald Rubin
Charisse R. Lillie

By: /s/ PAUL R. BONNEY — February 10, 2011
Name: **Paul R. Bonney**

EXELON CORPORATION
AMENDED AND RESTATED
BYLAWS

ARTICLE I.
Offices and Fiscal Year

Section 1.01 Registered Office. The registered office of the corporation in the Commonwealth of Pennsylvania shall be at 2301 Market Street, Philadelphia, Pennsylvania 19103.

Section 1.02 Other Offices. The corporation may also have offices at such other places within or without the Commonwealth of Pennsylvania as the board of directors may from time to time appoint or as may be necessary, advisable or appropriate for the business of the corporation.

Section 1.03 Fiscal Year. The fiscal year of the corporation shall begin on the first day of January in each year.

ARTICLE II.
Notice - Waivers - Meetings Generally

Section 2.01 Manner of Giving Notice.

(a) General Rule. Whenever written notice is required to be given to any person under the provisions of the Business Corporation Law or by the articles or these bylaws, it may be given to the person either personally or by sending a copy thereof by first class or express mail, postage prepaid, or by telegram (with messenger services specified), telex or TWX (with answerback received) or courier service, charges prepaid, or by facsimile transmission, to the address (or to the telex, TWX or facsimile transmission telephone number) of the person appearing on the books of the corporation, or as otherwise permitted by applicable law, or, in the case of directors, supplied by the director to the corporation for the purpose of notice. If the notice is sent by mail, telegraph or courier service, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a telegraph office or courier service for delivery to that person or, in the case of telex or TWX, when dispatched or, in the case of facsimile transmission, when received. Notwithstanding the foregoing, written notice of any meeting of shareholders may be sent by any class of mail, postage prepaid, so long as such notice is sent at least 20 calendar days prior to the date of the meeting. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by any other provision of the Business Corporation Law, the articles or these bylaws.

(b) Adjourned Shareholder Meetings. When a meeting of shareholders is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which the adjournment is taken, unless the board fixes a new record date for the adjourned meeting or the

Business Corporation Law requires notice of the business to be transacted and such notice has not previously been given.

Section 2.02 Notice of Meetings of the Board of Directors.

Notice of a regular meeting of the board of directors need not be given. Notice of every special meeting of the board of directors shall be given to each director by telephone or in writing at least 24 hours (in the case of notice by telephone, telex, TWX, facsimile or other electronic transmission) or 48 hours (in the case of notice by telegraph, courier service or express mail) or five days (in the case of notice by first class mail) before the time at which the meeting is to be held. Every such notice shall state the time and place of the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in a notice of the meeting.

Section 2.03 Notice of Meetings of Shareholders.

(a) General Rule. Written notice of every meeting of the shareholders shall be given by, or at the direction of, the secretary or other authorized person to each shareholder of record entitled to vote at the meeting not less than five nor more than 90 calendar days prior to the date of the meeting. If the secretary neglects or refuses to give notice of a meeting, the person or persons calling the meeting may do so. In the case of a special meeting of shareholders, the notice shall specify the general nature of the business to be transacted.

(b) Notice of Action by Shareholders on Bylaws. In the case of a meeting of shareholders that has as one of its purposes adoption, amendment or repeal of these bylaws, written notice shall be given to each shareholder that the purpose, or one of the purposes, of the meeting is to consider the adoption, amendment or repeal of the bylaws. There shall be included in, or enclosed with, the notice a copy of the proposed amendment or a summary of the changes to be effected thereby.

Section 2.04 Waiver of Notice.

(a) Written Waiver. Whenever any written notice is required to be given under the provisions of the Business Corporation Law, the articles or these bylaws, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of the notice. Neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of the meeting.

(b) Waiver by Attendance. Attendance of a person at any meeting shall constitute a waiver of notice of the meeting except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 2.05 Modification of Proposal Contained in Notice. Whenever the language of a proposed resolution is included in a written notice of a meeting required to be given under the

provisions of the Business Corporation Law or the articles or these bylaws, the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.

Section 2.06 Exception to Requirement of Notice.

(a) General Rule. Whenever any notice or communication is required to be given to any person under the provisions of the Business Corporation Law or by the articles or these bylaws or by the terms of any agreement or other instrument or as a condition precedent to taking any corporate action and communication with that person is then unlawful, the giving of the notice or communication to that person shall not be required.

(b) Shareholders Without Forwarding Addresses. Notice or other communications need not be sent to any shareholder with whom the corporation has been unable to communicate for more than 24 consecutive months because communications to the shareholder are returned unclaimed or the shareholder has otherwise failed to provide the corporation with a current address. Whenever the shareholder provides the corporation with a current address, the corporation shall recommence sending notices and other communications to the shareholder in the manner provided by these bylaws.

Section 2.07 Use of Conference Telephone and Similar Equipment. Any director may participate in any meeting of the board of directors or a committee thereof, and the board of directors may provide by resolution with respect to a specific meeting of shareholders or with respect to a class of meetings of shareholders that one or more persons may participate in a meeting of the shareholders of the corporation, by means of conference telephone, video conference or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at the meeting.

ARTICLE III.
Shareholders

Section 3.01 Place of Meeting. Meetings of the shareholders of the corporation may be held at such place within or without the Commonwealth of Pennsylvania as may be designated by the Board of Directors, or in the absence of a designation by the Board of Directors, by the chairman of the board or the president and stated in the notice of a meeting.

Section 3.02 Annual Meeting. The annual meeting of the shareholders for the election of directors and the transaction of other business, if any, shall be held on such date and time as may be fixed by the board and stated in the notice of meetings (or, if the board fails to designate a date and time, at 10:30 a.m. on the fourth Wednesday in April of each year or, if such Wednesday is a legal holiday in the Commonwealth of Pennsylvania or in such other jurisdiction where such meeting may be held, the next succeeding business day). Failure to hold such meeting at the designated time or on the designated date or to elect some or all of the members of the board at such meeting or any adjournment thereof shall not affect otherwise valid corporate acts or work a forfeiture or dissolution of the corporation. If the annual meeting shall not have

been called and held within six months after the designated time, any shareholder may call the meeting at any time thereafter.

Section 3.03 Special Meetings. Special meetings of the shareholders may be called at any time by resolution of the board of directors, which may fix the date, time and place of the meeting, and shall be called as provided in the terms of the Preferred Stock. If the board does not fix the date, time or place of the meeting, it shall be the duty of the secretary to do so. A date fixed by the secretary shall not be more than 60 calendar days after the date of the action calling the special meeting.

Section 3.04 Quorum and Adjournment.

(a) General Rule. A meeting of the shareholders of the corporation duly called shall not be organized for the transaction of business unless a quorum is present. Except as otherwise provided in the terms of the Preferred Stock, the presence of shareholders entitled to cast at least a majority of the votes that all shareholders are entitled to cast on a particular matter to be acted upon at the meeting shall constitute a quorum for the purposes of consideration and action on the matter. Shares of the corporation owned, directly or indirectly, by it shall not be counted in determining the total number of outstanding shares for quorum purposes at any given time.

(b) Withdrawal of a Quorum. The shareholders present at a duly organized meeting can continue to do business until adjournment notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

(c) Adjournments Generally. Any regular or special meeting of the shareholders, including one at which directors are to be elected and one which cannot be organized because a quorum has not attended, may be adjourned, except as otherwise provided by the Business Corporation Law, for such period and to such place as the shareholders present and entitled to vote shall direct.

(d) Electing Directors at Adjourned Meeting. Those shareholders entitled to vote who attend a meeting called for the election of directors that has been previously adjourned for lack of a quorum, although less than a quorum as fixed in this Section of these bylaws, shall nevertheless constitute a quorum for the purpose of electing directors.

(e) Other Action in Absence of Quorum. Those shareholders entitled to vote who attend a meeting of shareholders that has been previously adjourned for one or more periods aggregating at least 15 calendar days because of an absence of a quorum, although less than a quorum as fixed in this Section of these bylaws, shall nevertheless constitute a quorum for the purpose of acting upon any matter set forth in the notice of the meeting if the notice states that those shareholders who attend the adjourned meeting shall nevertheless constitute a quorum for the purpose of acting upon the matter.

Section 3.05 Action by Shareholders.

(a) General Rule. Except as otherwise provided in the Business Corporation Law or the articles or these bylaws, whenever any corporate action is to be taken by vote of the shareholders of the corporation, it shall be authorized upon receiving the affirmative vote of a majority of the votes cast by all shareholders entitled to vote thereon and, if any shareholders are entitled to vote thereon as a class, upon receiving the affirmative vote of a majority of the votes cast by the shareholders entitled to vote as a class, in each case at a duly organized meeting of shareholders. Except as otherwise provided in the terms of the Preferred Stock or when acting by unanimous consent to remove a director or directors, the shareholders of the corporation may act only at a duly organized meeting.

(b) Conduct of Business. Only such business will be conducted at an annual or special meeting of shareholders as shall have been properly brought before the meeting by or at the direction of the board of directors, or with respect to an annual meeting, by any shareholder who complies with the procedures set forth in this Section.

(1) For business to be properly brought before an annual meeting by a shareholder, the shareholder must have given to the secretary of the corporation timely written notice of the shareholder's intention to make a proposal, in the manner and form prescribed herein, whether or not the proposed business is to be included in the corporation's proxy statement.

(i) To be timely, a shareholder's notice with respect to an annual meeting of shareholders must be addressed to the secretary of the corporation at the principal executive offices of the corporation and received by the secretary not less than 120 calendar days in advance of the first anniversary of the date on which the corporation first mailed its proxy materials to shareholders for the prior year's annual meeting of shareholders, and this notice requirement shall not be affected by any adjournment of said meeting; provided, however, that in the event public announcement of the date of the annual meeting is not made at least 75 calendar days prior to the date of the annual meeting, notice by the shareholder to be timely must be so received not later than the close of business on the 10th calendar day following the day on which public announcement is first made of the date of the annual meeting.

(ii) A shareholder's notice to the secretary must set forth as to each matter the shareholder proposes to bring before the annual meeting (A) a description in reasonable detail of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (B) the name and address, as they appear on the corporation's books, of the shareholder proposing such business and of the beneficial owner, if any, on whose behalf the proposal is made, (C) the class and number of shares of the corporation and any other ownership interests, including derivatives, hedged positions and other economic or voting interests in the corporation that are owned beneficially and of record by the shareholder proposing such business and by the beneficial owner, if any, on whose behalf the proposal is made, (D) any material interest of such shareholder proposing such business and the beneficial owner, if

any, on whose behalf the proposal is made in such business, and (E) a representation as to whether such shareholder intends to deliver a proxy statement regarding such matters to the other shareholders of the corporation.

(iii) Notwithstanding the foregoing provisions of these bylaws, a shareholder must also comply with all applicable requirements of the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations thereunder with respect to the matters set forth in this Section. For purposes of this Section, "public announcement" means disclosure in a press release reported by the Dow Jones News Service, Bloomberg Business News, or Reuters Economic Services or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14, or 15(d) of the Exchange Act, or publicly filed by the corporation with any national securities exchange or quotation service through which the corporation's stock is listed or traded, or furnished by the corporation to its shareholders. Notwithstanding the foregoing, no notice of the date of the annual meeting is required for the advance notice provision of this Section 3.05 (b) to be effective if the annual meeting is held on such date as specified in Section 3.02 of these bylaws. Nothing in this Section will be deemed to affect any rights of shareholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

(2) At a special meeting of shareholders, only such business may be conducted or considered as is properly brought before the meeting. To be properly brought before a special meeting, business must be (i) specified in the notice of the meeting (or any supplement thereto) given in accordance with Section 2.03 of these bylaws or (ii) otherwise brought before the meeting by the presiding officer or by or at the direction of a majority of the total number of directors that the corporation would have if there were no vacancies on the board of directors (the "Whole Board").

(3) The determination of whether any business sought to be brought before any annual or special meeting of the shareholders is properly brought before such meeting in accordance with this Section of these bylaws will be made by the presiding officer of such meeting. If the presiding officer determines that any business is not properly brought before such meeting, he or she will so declare to the meeting and any such business will not be conducted or considered.

Section 3.06 Organization.

(a) Presiding Officer and Secretary of Meeting. At every meeting of the shareholders, the chairman of the board, or such other officer of the corporation designated by a majority of the Whole Board, will call meetings of shareholders to order or, in the case of vacancy in office and absence by action of the Whole Board, one of the following officers present in the order stated: The chief executive officer, if there be one, the president, if there be one, the vice presidents in their order of rank and seniority shall act as "presiding officer" of the meeting. The term "presiding officer" means an officer who presides over a meeting of

shareholders. The secretary or, in the absence of the secretary, an assistant secretary, or, in the absence of both the secretary and assistant secretaries, a person appointed by the presiding officer of the meeting, shall act as secretary of the meeting.

(b) Rules of Conduct. Unless otherwise determined by the board of directors prior to the meeting, the presiding officer of the meeting of shareholders will determine the order of business and have the authority to make such rules or regulations for the conduct of meetings of shareholders as such presiding officer deems necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to shareholders of record of the corporation and their duly authorized and constituted proxies, and such other persons as the board of directors or the presiding officer shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comment by participants and regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. Unless, and to the extent determined by the board of directors or the presiding officer of the meeting, meetings of shareholders need not be conducted in accordance with rules of parliamentary procedure.

Section 3.07 Voting Rights of Shareholders. Unless otherwise provided in the articles, every shareholder of the corporation shall be entitled to one vote for every share standing in the name of the shareholder on the books of the corporation.

Section 3.08 Voting and other Action by Proxy.

(a) General Rule.

(1) Every shareholder entitled to vote at a meeting of shareholders may authorize another person to act for the shareholder by proxy.

(2) The presence of, or vote or other action at a meeting of shareholders by a proxy of a shareholder shall constitute the presence of, or vote or action by, the shareholder.

(3) Where two or more proxies of a shareholder are present, the corporation shall, unless otherwise expressly provided in the proxy, accept as the vote of all shares represented thereby the vote cast by a majority of them and, if a majority of the proxies cannot agree whether the shares represented shall be voted, or upon the manner of voting the shares, the voting of the shares shall be divided equally among those persons.

(b) Form of Proxy. Every proxy shall be in a form approved by the secretary of the corporation or as otherwise provided by the Business Corporation Law.

(c) Revocation. A proxy, unless coupled with an interest, shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the

contrary, but the revocation of a proxy shall not be effective until written notice thereof has been given to the secretary of the corporation. An unrevoked proxy shall not be valid after three years from the date of its execution unless a longer time is expressly provided therein. A proxy shall not be revoked by the death or incapacity of the maker unless, before the vote is counted or the authority is exercised, written notice of the death or incapacity is given to the secretary of the corporation.

(d) Expenses. The corporation shall pay the reasonable expenses of solicitation of votes or proxies of shareholders by or on behalf of the board of directors or its nominees for election to the board, including solicitation by professional proxy solicitors and otherwise.

Section 3.09 Voting by Fiduciaries and Pledgees. Shares of the corporation standing in the name of a trustee or other fiduciary and shares held by an assignee for the benefit of creditors or by a receiver may be voted by the trustee, fiduciary, assignee or receiver. A shareholder whose shares are pledged shall be entitled to vote the shares until the shares have been transferred into the name of the pledgee, or a nominee of the pledgee, but nothing in this Section shall affect the validity of a proxy given to a pledgee or nominee.

Section 3.10 Voting by Joint Holders of Shares.

(a) General Rule. Where shares of the corporation are held jointly or as tenants in common by two or more persons, as fiduciaries or otherwise:

(1) if only one or more of such persons is present in person or by proxy, all of the shares standing in the names of such persons shall be deemed to be represented for the purpose of determining a quorum and the corporation shall accept as the vote of all the shares the vote cast by a joint owner or a majority of them; and

(2) if the persons are equally divided upon whether the shares held by them shall be voted or upon the manner of voting the shares, the voting of the shares shall be divided equally among the persons without prejudice to the rights of the joint owners or the beneficial owners thereof among themselves.

(b) Exception. If there has been filed with the secretary of the corporation a copy, certified by an attorney-at-law to be correct, of the relevant portions of the agreement under which the shares are held or the instrument by which the trust or estate was created or the order of court appointing them or of an order of court directing the voting of the shares, the persons specified as having such voting power in the latest document so filed, and only those persons, shall be entitled to vote the shares but only in accordance therewith.

Section 3.11 Voting by Corporations.

(a) Voting by Corporate Shareholders. Any domestic or foreign corporation for profit or not-for-profit that is a shareholder of this corporation may vote at meetings of shareholders of this corporation by any of its officers or agents, or by proxy appointed by any

officer or agent, unless some other person, by resolution of the board of directors of the other corporation or a provision of its articles or bylaws, a copy of which resolution or provision certified to be correct by one of its officers has been filed with the secretary of this corporation, is appointed its general or special proxy in which case that person shall be entitled to vote the shares.

(b) Controlled Shares. Shares of this corporation owned, directly or indirectly, by it and controlled, directly or indirectly, by the board of directors of this corporation, as such, shall not be voted at any meeting and shall not be counted in determining the total number of outstanding shares for voting purposes at any given time.

Section 3.12 Determination of Shareholders of Record.

(a) Fixing Record Date. The board of directors may fix a time prior to the date of any meeting of shareholders as a record date for the determination of the shareholders entitled to notice of, or to vote at, the meeting, which time, except as otherwise provided in the articles or in the case of an adjourned meeting, shall be not more than 90 calendar days prior to the date of the meeting of shareholders. Only shareholders of record on the date fixed shall be so entitled notwithstanding any transfer of shares on the books of the corporation after any record date fixed as provided in this Subsection. The board of directors may similarly fix a record date for the determination of shareholders of record for any other purpose, except that the record date fixed to determine the holders of Preferred Stock entitled to receive dividends thereon shall not precede the respective dividend payment date by more than 40 calendar days. When a determination of shareholders of record has been made as provided in this Section for purposes of a meeting, the determination shall apply to any adjournment thereof unless the board fixes a new record date for the adjourned meeting.

(b) Determination When Record Date Is Not Fixed. If a record date is not fixed:

(1) The record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day next preceding the day on which notice is given.

(2) The record date for determining shareholders for any other purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

(c) Certification by Nominee. The board of directors may adopt a procedure whereby a shareholder of the corporation may certify in writing to the corporation that all or a portion of the shares registered in the name of the shareholder are held for the account of a specified person or persons. Upon receipt by the corporation of a certification complying with the procedure, the persons specified in the certification shall be deemed, for the purposes set forth in the certification, to be the holders of record of the number of shares specified in place of the shareholder making the certification.

Section 3.13 Voting Lists.

(a) General Rule. The officer or agent having charge of the transfer books for shares of the corporation shall make a complete list of the shareholders entitled to vote at any meeting of shareholders, arranged in alphabetical order, with the address of and the number of shares held by each. The list shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting for the purposes thereof except that, if the corporation has 5,000 or more shareholders, in lieu of the making of the list the corporation may make the information therein available at the meeting by any other means.

(b) Effect of List. Failure to comply with the requirements of this Section shall not affect the validity of any action taken at a meeting prior to a demand at the meeting by any shareholder entitled to vote thereat to examine the list. The original share register or transfer book, or a duplicate thereof kept in the Commonwealth of Pennsylvania, shall be prima facie evidence as to who are the shareholders entitled to examine the list or share register or transfer book or to vote at any meeting of shareholders.

Section 3.14 Judges of Election.

(a) Appointment. In advance of any meeting of shareholders of the corporation, the board of directors may appoint judges of election, who need not be shareholders, to act at the meeting or any adjournment thereof. If judges of election are not so appointed, the presiding officer of the meeting may appoint judges of election at the meeting. The number of judges shall be one or three. A person who is a candidate for an office to be filled at the meeting shall not act as a judge.

(b) Vacancies. In case any person appointed as a judge fails to appear or fails or refuses to act, the vacancy may be filled by appointment made by the board of directors in advance of the convening of the meeting or at the meeting by the presiding officer thereof.

(c) Duties. The judges of election shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, and the authenticity, validity and effect of proxies, receive votes or ballots, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes, determine the result and do such acts as may be proper to conduct the election or vote. The judges of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are three judges of election, the decision, act or certificate of a majority shall be effective in all respects as the decision, act or certificate of all.

(d) Report. On request of the presiding officer of the meeting or of any shareholder, the judges shall make a report in writing of any challenge or question or matter determined by them, and execute a certificate of any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated therein.

Section 3.15 Minors as Security Holders. The corporation may treat a minor who holds shares or obligations of the corporation as having capacity to receive and to empower others to receive dividends, interest, principal and other payments or distributions, to vote or express consent or dissent and to make elections and exercise rights relating to such shares or obligations unless, in the case of payments or distributions on shares, the corporate officer responsible for maintaining the list of shareholders or the transfer agent of the corporation or, in the case of payments or distributions on obligations, the treasurer or paying officer or agent has received written notice that the holder is a minor.

ARTICLE IV.
Board of Directors

Section 4.01 Powers.

(a) General Rule. Unless otherwise provided by statute, all powers vested by law in the corporation shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the board of directors.

(b) Personal Liability of Directors.

(1) A director shall not be personally liable, as such, for monetary damages (including, without limitation, any judgment, amount paid in settlement, penalty, punitive damages or expenses of any nature, including, without limitation, attorneys' fees and disbursements) for any action taken, or any failure to take any action before, on or after the date of these bylaws, unless:

(i) the director has breached or failed to perform the duties of his or her office under Subchapter B of Chapter 17 of the Business Corporation Law; and

(ii) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

(2) The provisions of paragraph (1) shall not apply to the responsibility or liability of a director pursuant to any criminal statute, or the liability of a director for the payment of taxes pursuant to local, State or Federal law.

(3) No amendment or repeal of this Section 4.01 shall have any effect on the liability or alleged liability of any director of the corporation for or with respect to any such act on the part of such director occurring prior to the effective date of such amendment or repeal.

(c) Directors. A director shall stand in a fiduciary relation to the corporation and shall perform his duties as a director, including his duties as a member of any committee of the board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the corporation and with such care, including reasonable inquiry, skill and

diligence, as a person of ordinary prudence would use under similar circumstances. In performing his duties, a director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(1) One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented.

(2) Counsel, public accountants or other persons as to matters which the director reasonably believes to be within the professional or expert competence of such person.

(3) A committee of the board upon which he does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

Section 4.02 Qualifications and Selection of Directors.

(a) Qualifications. Each director of the corporation shall be a natural person of full age who need not be a resident of the Commonwealth of Pennsylvania or a shareholder of the corporation, except as may be required under corporate governance principles approved by the board of directors. For purposes of Section 4.05, a director's failure to hold the number of shares as and when required under corporate governance principles approved by the board of directors shall constitute cause for such director's removal.

(b) Notice of Certain Nominations Required. Nominations for election of directors may be made by any shareholder entitled to vote for the election of directors if timely written notice in proper form (the "Notice") of the shareholder's intent to nominate a director at the meeting is given by the shareholder and received by the secretary of the corporation. All nominations for election of directors, whether or not the proposed nomination is to be included in the corporation's proxy statement, shall be made in accordance with this Section. To be timely, a shareholder's Notice must be delivered to or mailed and received at the principal executive offices of the corporation not less than 120 calendar days before the first anniversary of the date on which the corporation first mailed its proxy materials for the prior year's annual meeting of shareholders; provided, however, that in the event that public announcement of the date of the annual meeting is not made at least 75 calendar days prior to the date of the annual meeting, Notice by the shareholder to be timely must be so received not later than the close of business on the 10th calendar day following the day on which public announcement is first made of the date of the annual meeting. In order to nominate one or more persons for election as a director, a shareholder must comply with the requirement to provide the Notice as required by this Section, and no action of the corporation, including without limitation, the provision of notice to the shareholders or the delivery or filing of a proxy statement by the corporation, shall be deemed to satisfy this requirement for any shareholder or nomination. The requirements of this Subsection shall not apply to a nomination for directors made to the shareholders by the board of directors or a committee thereof.

(c) Contents of Notice. To be in proper written form, the Notice shall be in writing and shall contain or be accompanied by:

(1) the name and residence address of the nominating shareholder and of the beneficial owner, if any, on whose behalf the nomination is made;

(2) a representation that the shareholder giving the Notice is a holder of record of voting stock of the corporation entitled to vote at such annual meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the Notice;

(3) the class and number of shares of voting stock of the corporation and any other ownership interests, including derivatives, hedged positions and other economic or voting interests in the corporation owned beneficially and of record by the shareholder giving the Notice and by the beneficial owner, if any, on whose behalf the nomination is made;

(4) such information regarding each nominee as would have been required to be included in a proxy statement filed pursuant to Regulation 14A of the rules and regulations established by the Securities and Exchange Commission under the Exchange Act (or pursuant to any successor act or regulation) had proxies been solicited with respect to such nominee by the management or board of directors of the corporation;

(5) a representation as to whether the shareholder giving the Notice intends to deliver a proxy statement to the other shareholders of the corporation;

(6) a description of all arrangements or understandings between or among any of (A) the shareholder giving the Notice, (B) the beneficial owner on whose behalf the Notice is given, (C) each nominee, and (D) any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder giving the Notice;

(7) a description of all arrangements or understandings among the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder;

(8) a representation by (A) the shareholder giving the Notice, (B) the beneficial owner or any other person(s) on whose behalf the Notice is given and (C) each nominee, providing that such person does not and will not have any undisclosed voting commitments or other arrangements with respect to a nominee’s actions as a director;

(9) a representation that each nominee meets the objective criteria for “independence” under applicable New York Stock Exchange listing standards and any additional objective criteria for “independence” under corporate governance principles approved by the board of directors; and

(10) the signed consent of each nominee to serve as a director of the corporation if so elected and to be bound by Sections 4.02 and 4.03 of the bylaws.

(d) Determination of Compliance. The presiding officer of the meeting may, if the facts warrant, determine and declare to the meeting that any nomination made at the meeting was not made in accordance with the procedures of this Section and, in such event, the presiding officer will so declare to the meeting, and the defective nomination shall be disregarded. Any such decision by the presiding officer shall be conclusive and binding upon all shareholders of the corporation for any purpose. Notwithstanding the foregoing provisions of this Section, a shareholder must also comply with all applicable requirements of the Exchange Act, and the rules and regulations thereunder, with respect to the matters set forth in this Section or otherwise relating to the nomination of directors by shareholders.

(e) Election of Directors. Except as otherwise provided in these bylaws, directors of the corporation shall be elected by the shareholders only at an annual meeting of shareholders, unless such election of directors is required by the terms of any series of Preferred Stock. In elections for directors, voting need not be by ballot, unless required by vote of the shareholders before the voting for election of directors begins. In an election of directors, where the board of directors determines that the number of nominees exceeds the number of directorships to be filled, the directors shall be elected by a plurality of the votes cast, even if the number of nominees does not exceed the number of directorships to be filled at the time of any meeting for such election. Except as otherwise provided in the preceding sentence, if in an election of directors in which the number of nominees does not exceed the number of directors to be elected, any nominee who is not an incumbent director receives a plurality of the votes cast but does not receive a majority of the votes cast, the resignation of such nominee referred to in Section 4.03 will be automatically accepted. If the nominee is an incumbent director who is standing for re-election and such nominee receives a plurality of the votes cast but does not receive a majority of the votes cast, the committee of the board authorized to nominate candidates for election to the board will make a recommendation to the board on whether to accept the director’s resignation or whether other action should be taken. The director not receiving a majority of the votes cast will not participate in the committee’s recommendation or the board’s decision regarding the tendered resignation. The independent members of the board will consider the committee’s recommendation and publicly disclose the board’s decision and the basis for that decision within 90 days from the date of the certification of the final election results. If less than two members of the committee are elected at a meeting for the election of directors, the independent members of the board who were elected shall consider and act upon the tendered resignation. For purposes of this paragraph, a majority of the votes cast means that the number of shares voted “for” must exceed the number of shares voted “against” with respect to that director’s election.

Section 4.03 Number and Term of Office.

(a) Number. The board of directors shall consist of such number of directors as may be determined from time to time by resolution of a majority of the Whole Board.

(b) Term of Office. Each director shall hold office until the expiration of the term for which he or she was selected and until a successor has been selected and qualified or until his or

her earlier death, resignation or removal. A decrease in the number of directors shall not have the effect of shortening the term of any incumbent director.

(c) Resignation - General. Any director may resign at any time upon written notice to the corporation. The resignation shall be effective upon receipt thereof by the corporation or at such subsequent time as shall be specified in the notice of resignation.

(d) Irrevocable Resignation. Each director who is nominated to stand for election shall, as a condition to such nomination, tender an irrevocable resignation in advance of the meeting for the election of directors. Such resignation will be effective if, pursuant to Section 4.02(e) of these bylaws, (a) the director does not receive a majority vote at the next meeting for the election of directors, and (b) in the case of a nominee who is an incumbent director, the board accepts the resignation.

(e) Annual Election of Board of Directors. The directors shall not be classified in respect to the time for which they shall hold office. Except as otherwise provided in the express terms of any class or series of Preferred Stock with respect to the election 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, from and after the 2008 annual meeting of the shareholders, the directors of the Corporation shall be elected at each annual meeting of the shareholders for a one-year term expiring at the next annual meeting of the shareholders; provided that any director who was elected prior to the 2008 annual meeting of the shareholders for a term that extends until after the 2008 annual meeting of shareholders shall not be required to stand for election, and shall continue as a director until the annual meeting at which the director's term expires.

Section 4.04 Vacancies.

(a) General Rule. Except as otherwise provided in the terms of the Preferred Stock, vacancies in the board of directors, including vacancies resulting from an increase in the number of directors, may be filled by a majority vote of the remaining members of the board though less than a quorum, or by a sole remaining director, and each person so selected shall be a director to serve until the next annual meeting of shareholders, and until a successor has been selected and qualified or until his or her earlier death, resignation or removal.

(b) Action by Resigned Directors. When one or more directors resign from the board effective at a future date, the directors then in office, including those who have so resigned, shall have power by the applicable vote to fill the vacancies, the vote thereon to take effect when the resignations become effective.

Section 4.05 Removal of Directors.

(a) Removal by the Shareholders. The entire board of directors or any individual director may be removed from office by vote of the shareholders entitled to vote thereon only for cause. In case the board or any one or more directors are so removed, new directors may be elected at the same meeting. The repeal of a provision of the articles or bylaws prohibiting, or

the addition of a provision to the articles or bylaws permitting, the removal by the shareholders of the board or a director without assigning any cause shall not apply to any incumbent director during the balance of the term for which the director was elected.

(b) Removal by the Board. The board of directors may declare vacant the office of a director who has been judicially declared of unsound mind or who has been convicted of an offense punishable by imprisonment for a term of more than one year or if, within 60 days after notice of his or her selection, the director does not accept the office either in writing or by attending a meeting of the board of directors.

Section 4.06 Place of Meetings. Meetings of the board of directors may be held at such place within or without the Commonwealth of Pennsylvania as the board of directors may from time to time appoint or as may be designated in the notice of the meeting.

Section 4.07 Organization of Meetings. At every meeting of the board of directors, the chairman of the board, if there be one, or, in the case of a vacancy in the office or absence of the chairman of the board, the chairman of the corporate governance committee, or, in the case of a vacancy in the office or absence of both the chairman of the board and the chairman of the corporate governance committee, one of the following officers present in the order stated: the chief executive officer, the president, the vice presidents in their order of rank and seniority, or a person chosen by a majority of the directors present, shall act as chairman of the meeting. The secretary or, in the absence of the secretary, an assistant secretary, or, in the absence of the secretary and the assistant secretaries, any person appointed by the chairman of the meeting, shall act as secretary of the meeting.

Section 4.08 Regular Meetings. Regular meetings of the board of directors shall be held at such time and place as shall be designated from time to time by resolution of the board of directors.

Section 4.09 Special Meetings. Special meetings of the board of directors shall be held whenever called by the chairman of the board, the chief executive officer, if there be one, the Lead Director, if there be one, or by two or more of the directors.

Section 4.10 Quorum of and Action by Directors.

(a) General Rule. A majority of the directors in office of the corporation shall be necessary to constitute a quorum for the transaction of business and except as otherwise provided in these bylaws the acts of a majority of the directors present and voting at a meeting at which a quorum is present shall be the acts of the board of directors.

(b) Action by Written Consent. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if, prior or subsequent to the action, a consent or consents thereto by all of the directors in office is filed with the secretary of the corporation.

(c) Notation of Dissent. A director who is present at a meeting of the board of directors, or of a committee of the board, at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless the director files a written dissent to the action with the secretary of the meeting before the adjournment thereof or transmits the dissent in writing to the secretary of the corporation immediately after the adjournment of the meeting. The right to dissent shall not apply to a director who voted in favor of the action. Nothing in this Section shall bar a director from asserting that minutes of the meeting incorrectly omitted his or her dissent if, promptly upon receipt of a copy of such minutes, the director notifies the secretary, in writing, of the asserted omission or inaccuracy.

Section 4.11 Committees of the Board.

(a) Establishment and Powers. The board of directors may, by resolution adopted by a majority of the directors in office, establish one or more committees to consist of one or more directors of the corporation. Any committee, to the extent provided in the resolution of the board of directors, shall have and may exercise all of the powers and authority of the board of directors except that a committee shall not have any power or authority as to the following:

(1) The submission to shareholders of any action requiring approval of shareholders under the Business Corporation Law.

(2) The creation or filling of vacancies in the board of directors.

(3) The adoption, amendment or repeal of these bylaws.

(4) The amendment or repeal of any resolution of the board that by its terms is amendable or repealable only by the board.

(5) Action on matters committed by a resolution of the board of directors to another committee of the board.

(b) Alternate Committee Members. The board may designate one or more directors as alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee or for the purposes of any written action by the committee. In the absence or disqualification of a member and alternate member or members of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another director to act at the meeting in the place of the absent or disqualified member.

(c) Term. Each committee of the board shall serve at the pleasure of the board.

(d) Committee Procedures. The term "board of directors" or "board," when used in any provision of these bylaws relating to the organization or procedures of or the manner of taking action by the board of directors, shall be construed to include and refer to any executive or other committee of the board.

Section 4.12 Compensation. The board of directors shall have the authority to fix the compensation of directors for their services as directors and a director may be a salaried officer of the corporation.

Section 4.13 Lead Director. The board of directors shall have the authority to elect a Lead Director with the responsibilities set forth in the corporation's Corporate Governance Principles.

ARTICLE V.
Officers

Section 5.01 Officers Generally.

(a) Number, Qualifications and Designation. The officers of the corporation shall be a chairman of the board (who must be a member of the board of directors), president, one or more vice presidents (which term shall include vice presidents, executive vice presidents and senior vice presidents), a secretary, a treasurer, and a chief executive officer , as the board of directors may designate by resolution, and such other officers as may be elected in accordance with the provisions of Section 5.03. Officers may but need not be directors or shareholders of the corporation. The president, secretary and treasurer shall be natural persons of full age. Any number of offices may be held by the same person.

(b) Bonding. The corporation may secure the fidelity of any or all of its officers by bond or otherwise.

Section 5.02 Election, Term of Office and Resignations.

(a) Election and Term of Office. The officers of the corporation, except those elected by delegated authority pursuant to Section 5.03, shall be elected by the board of directors, and each such officer shall hold office at the discretion of the board until his or her death, resignation or removal with or without cause.

(b) Resignations. Any officer may resign at any time upon written notice to the corporation. The resignation shall be effective upon receipt thereof by the corporation or at such subsequent time as may be specified in the notice of resignation.

Section 5.03 Subordinate Officers, Committees and Agents. The board of directors may from time to time elect such other officers and appoint such committees, employees or other agents as the business of the corporation may require, including without limitation, one or more vice presidents, one or more assistant secretaries, and one or more assistant treasurers, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws, or as the board of directors may from time to time determine. The board of directors may delegate to any officer or committee the power to elect subordinate officers and to retain or appoint employees or other agents, or committees thereof, and to

prescribe the authority and duties of such subordinate officers, committees, employees or other agents.

Section 5.04 Removal of Officers and Agents. Any officer or agent of the corporation may be removed by the board of directors with or without cause. The removal shall be without prejudice to the contract rights, if any, of any person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 5.05 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, may be filled by the board of directors or by the officer or committee to which the power to fill such office has been delegated pursuant to Section 5.03, as the case may be, and if the office is one for which these bylaws prescribe a term, shall be filled for the unexpired portion of the term.

Section 5.06 Authority.

(a) General Rule. All officers of the corporation, as between themselves and the corporation, shall have such authority and perform such duties in the management of the corporation as may be provided by or pursuant to resolutions or orders of the board of directors or, in the absence of controlling provisions in the resolutions or orders of the board of directors, as may be determined by or pursuant to these bylaws.

(b) Chief Executive Officer. The board of directors may designate from time to time by resolution a chief executive officer. Such chief executive officer may be, but need not be, the president or chairman of the board.

Section 5.07 Chairman of the Board; Vice Chairman of the Board. Except as otherwise provided by these bylaws, the chairman of the board shall preside at all meetings of the shareholders and of the board of directors. The chairman of the board shall perform such other duties as may from time to time be requested by the board of directors. In addition, the board of directors may designate by resolution a vice chairman of the board with such duties as may from time to time be requested by the board of directors.

Section 5.08 The Chief Executive Officer. The chief executive officer, if there be one, may have general supervision over the business and operations of the corporation, subject however, to the control of the board of directors or the chairman of the board. Such chief executive officer may sign, execute, and acknowledge, in the name of the corporation, deeds, mortgages, bonds, contracts or other instruments, authorized by the board of directors, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors, or by these bylaws, to some other officer or agent of the corporation; and, in general, may perform all duties incident to the office of chief executive officer and such other duties as from time to time may be assigned by the board of directors and the chairman of the board.

Section 5.09 The President. The president may have general supervision over the business and operations of the corporation, subject however, to the control of the board of directors, the chairman of the board and the chief executive officer, as applicable. The president

may sign, execute, and acknowledge, in the name of the corporation, deeds, mortgages, bonds, contracts or other instruments, authorized by the board of directors, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors, or by these bylaws, to some other officer or agent of the corporation; and, in general, may perform all duties incident to the office of president and such other duties as from time to time may be assigned by the board of directors, the chairman of the board and the chief executive officer, as applicable.

Section 5.10 The Vice Presidents. The vice presidents (which term shall include vice presidents, executive vice presidents and senior vice presidents) shall perform such duties as may from time to time be assigned to them by the board of directors or by the chief executive officer.

Section 5.11 The Secretary. The secretary or an assistant secretary shall attend all meetings of the shareholders and of the board of directors and shall record all the votes of the shareholders and of the directors and the minutes of the meetings of the shareholders and of the board of directors and of committees of the board in a book or books to be kept for that purpose; shall see that notices are given and records and reports properly kept and filed by the corporation as required by law; shall be the custodian of the seal of the corporation and see that it is affixed to all documents to be executed on behalf of the corporation under its seal; and, in general, shall perform all duties incident to the office of secretary, and such other duties as may from time to time be assigned by the board of directors or by the chief executive officer.

Section 5.12 The Treasurer. The treasurer or an assistant treasurer shall have or provide for the custody of the funds or other property of the corporation; shall collect and receive or provide for the collection and receipt of moneys earned by or in any manner due to or received by the corporation; shall deposit all funds in his, or its custody as treasurer in such banks or other places of deposit as the board of directors may from time to time designate; shall, whenever so required by the board of directors, render an account showing all transactions as treasurer, and the financial condition of the corporation; and, in general, shall discharge such other duties as may from time to time be assigned by the board of directors or by the chief executive officer.

Section 5.13 Salaries. The salaries of the officers elected by the board of directors shall be fixed from time to time by the board of directors or by such officer or committee as may be designated by resolution of the board. The salaries or other compensation of any other officers, employees and other agents shall be fixed from time to time by the officer or committee to which the power to elect such officers or to retain or appoint such employees or other agents has been delegated pursuant to Section 5.03. No officer shall be prevented from receiving such salary or other compensation by reason of the fact that the officer is also a director of the corporation.

ARTICLE VI.
Certificates of Stock, Transfer, Etc.

Section 6.01 Share Certificates.

(a) Form of Certificates. Certificates for shares of the corporation shall be in such form as approved by the board of directors, and shall state that the corporation is incorporated under the laws of the Commonwealth of Pennsylvania, the name of the person to whom issued, and the number and class of shares and the designation of the series (if any) that the certificate represents. Certificates for shares of the corporation shall set forth upon the face or back of the certificate (or shall state on the face or back of the certificate that the corporation will furnish to any shareholder upon request and without charge), a full or summary statement of the designations, voting rights, preferences, limitations and special rights of the shares of each class or series authorized to be issued so far as they have been fixed and determined and the authority of the board of directors to fix and determine the designations, voting rights, preferences, limitations and special rights of the classes and series of shares of the corporation.

(b) Share Register. The share register or transfer books and blank share certificates shall be kept by the treasurer or by any transfer agent or registrar designated by the board of directors for that purpose.

Section 6.02 Issuance. The share certificates of the corporation shall be numbered and registered in the share register or transfer books of the corporation as they are issued. They shall be executed in such manner as the board of directors shall determine.

Section 6.03 Transfer. Transfers of shares shall be made on the share register or transfer books of the corporation upon surrender of the certificate therefor, endorsed by the person named in the certificate or by an attorney lawfully constituted in writing. No transfer shall be made inconsistent with the provisions of the Uniform Commercial Code, 13 Pa.C.S. §§ 8101 et seq., and its amendments and supplements.

Section 6.04 Record Holder of Shares. The corporation shall be entitled to treat the person in whose name any share or shares of the corporation stand on the books of the corporation as the absolute owner thereof, and shall not be bound to recognize any equitable or other claim to, or interest in, such share or shares on the part of any other person.

Section 6.05 Lost, Destroyed or Mutilated Certificates. The holder of any shares of the corporation shall immediately notify the corporation of any loss, destruction or mutilation of the certificate therefor, and the officers of the corporation may, in their discretion, cause a new certificate or certificates to be issued to such holder, in case of mutilation of the certificate, upon the surrender of the mutilated certificate or, in case of loss or destruction of the certificate, upon satisfactory proof of such loss or destruction and, if such officers shall so determine, the deposit of a bond in such form and in such sum, and with such surety or sureties, as any of them may direct.

ARTICLE VII.
Indemnification of Directors, Officers and Other Authorized Representatives

Section 7.01 Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any claim, action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director or an officer of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the corporation to the fullest extent permitted or required by the Business Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than such law permitted the corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith; provided, however, that, except as provided in Section 7.03 of this Article VII with respect to proceedings to enforce rights to indemnification, the corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the board of directors of the corporation.

Section 7.02 Right to Advancement of Expenses. The right to indemnification conferred in Section 7.01 of this Article VII shall include the right to be paid by the corporation the expenses (including, without limitation, attorneys' fees and expenses) incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that, if the Business Corporation Law so requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section 7.02 or otherwise. The rights to indemnification and to the advancement of expenses conferred in Sections 7.01 and 7.02 of this Article VII shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the indemnitee's heirs, executors and administrators. Any repeal, amendment or modification hereof shall be prospective only and shall not affect any rights or obligations then existing. Each person who shall act as an indemnitee of the corporation shall be deemed to be doing so in reliance upon the rights provided by this Article.

Section 7.03 Right of Indemnitee to Bring Suit. If a claim under Section 7.01 or 7.02 of this Article VII is not paid in full by the corporation within 60 calendar days after a written claim has been received by the corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be 20 calendar days, the indemnitee may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) any suit brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the Business Corporation Law. Neither the failure of the corporation (including its board of directors, independent legal counsel or shareholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the Business Corporation Law, nor an actual determination by the corporation (including its board of directors, independent legal counsel or shareholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VII or otherwise shall be on the corporation.

Section 7.04 Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in this Article VII shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the articles, these bylaws, agreement, vote of shareholders or disinterested directors or otherwise.

Section 7.05 Insurance. The corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Business Corporation Law.

Section 7.06 Indemnification of Employees and Agents of the Corporation. The corporation may, to the extent authorized from time to time by the board of directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the corporation to the fullest extent of the provisions of this Article VII with respect to the indemnification and advancement of expenses of directors and officers of the corporation.

Section 7.07 Interpretation. The provisions of this Article are intended to constitute bylaws authorized by Section 1746 of the Business Corporation Law.

ARTICLE VIII.
Emergency Bylaws

Section 8.01 Scope of Article. This Article shall be applicable during any emergency resulting from a catastrophe as a result of which a quorum of the board of directors cannot readily be assembled. To the extent not in conflict with this Article, these bylaws shall remain in effect during the emergency.

Section 8.02 Special Meetings of the Board. A special meeting of the board of directors may be called by any director by means feasible at the time.

Section 8.03 Emergency Committee of the Board.

(a) Composition. The emergency committee of the board shall consist of nine persons standing highest on the following list who are available and able to act:

The chief executive officer.

Members of the board of directors.

President.

The individual who, immediately prior to the emergency, was the senior officer in charge of nuclear operations.

The individual who, immediately prior to the emergency, was the senior officer in charge of other operations.

The individual who, immediately prior to the emergency, was the senior officer in charge of finance operations.

Other officers.

Where more than one person holds any of the listed ranks, the order of precedence shall be determined by length of time in rank. Each member of the emergency committee thus constituted shall continue to act until replaced by an individual standing higher on the list. The emergency committee shall continue to act until a quorum of the board of directors is available and able to act. If the corporation has no directors, the emergency committee shall cause a special meeting of shareholders for the election of directors to be called and held as soon as practicable.

(b) Powers. The emergency committee shall have and may exercise all of the powers and authority of the board of directors, including the power to fill a vacancy in any office of the corporation or to designate a temporary replacement for any officer of the corporation who is unavailable, but shall not have the power to fill vacancies in the board of directors.

(c) Quorum. A majority of the members of the emergency committee in office shall constitute a quorum.

(d) Status. Each member of the emergency committee who is not a director shall during his or her service as such be entitled to the rights and immunities conferred by law, the articles and these bylaws upon directors of the corporation and upon persons acting in good faith as a representative of the corporation during an emergency.

ARTICLE IX.
Miscellaneous

Section 9.01 Corporate Seal. The corporation may have a corporate seal in the form of a circle containing the name of the corporation, the year of incorporation and such other details as may be approved by the board of directors from time to time.

Section 9.02 Checks. All checks, notes, bills of exchange or other orders in writing shall be signed by such person or persons as the board of directors or any person authorized by resolution of the board of directors may from time to time designate.

Section 9.03 Contracts. Except as otherwise provided in the Business Corporation Law in the case of transactions that require action by the shareholders, the board of directors may authorize any officer or agent to enter into any contract or to execute or deliver any instrument on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 9.04 Interested Directors or Officers; Quorum.

(a) General Rule. A contract or transaction between the corporation and one or more of its directors or officers or between the corporation and another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust or other enterprise in which one or more of its directors or officers are directors or officers or have a financial or other interest, shall not be void or voidable solely for that reason, or solely because the director or officer is present at or participates in the meeting of the board of directors that authorizes the contract or transaction, or solely because his, her or their votes are counted for that purpose, if:

(1) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors and the board authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors even though the disinterested directors are less than a quorum;

(2) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the shareholders entitled to vote thereon and the contract or transaction is specifically approved in good faith by vote of those shareholders; or

(3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified by the board of directors or the shareholders.

(b) Quorum. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board which authorizes a contract or transaction specified in Subsection (a).

Section 9.05 Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the board of directors may approve or designate, and all such funds shall be withdrawn only upon checks signed by such one or more officers or employees as the board of directors shall from time to time determine.

Section 9.06 Corporate Records.

(a) Required Records. The corporation shall keep complete and accurate books and records of account, minutes of the proceedings of the incorporators, shareholders and directors and a share register giving the names and addresses of all shareholders and the number and class of shares held by each. The share register shall be kept at either the registered office of the corporation in the Commonwealth of Pennsylvania or at its principal place of business wherever situated or at the office of its registrar or transfer agent. Any books, minutes or other records may be in written form or any other form capable of being converted into written form within a reasonable time.

(b) Right of Inspection. Every shareholder shall, upon written verified demand stating the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours for business for any proper purpose, the share register, books and records of account, and records of the proceedings of the incorporators, shareholders and directors and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to the interest of the person as a shareholder. In every instance where an attorney or other agent is the person who seeks the right of inspection, the demand shall be accompanied by a verified power of attorney or other writing that authorizes the attorney or other agent to so act on behalf of the shareholder. The demand shall be directed to the corporation at its registered office in the Commonwealth of Pennsylvania or at its principal place of business wherever situated.

Section 9.07 Amendment of Bylaws.

(a) General Rule. Except as otherwise provided in the express terms of any series of the shares of the corporation, any one or more of the foregoing bylaws and, except as otherwise stated in this Section 9.07(a), any other bylaws made by the board of directors or shareholders may be altered or repealed by the board of directors. The shareholders or the board of directors may adopt new bylaws except that the board of directors may not adopt, alter or repeal bylaws that the Business Corporation Law specifies may be adopted only by shareholders, and the board of directors may not alter or repeal any bylaw adopted by the shareholders that presumes that such bylaw shall not be altered or repealed by the board of directors.

(b) Effective Date. Any change in these bylaws shall take effect when adopted unless otherwise provided in the resolution effecting the change.

Exhibit 10.1

EXELON CORPORATION

NON-EMPLOYEE DIRECTORS' DEFERRED STOCK UNIT PLAN
(As Amended and Restated Effective January 1, 2011)

1. Purpose

The purpose of the Plan is to provide a means whereby the Company may, through the grant of Units relating to Common Stock, offer a reward and an incentive to the members of the board of directors of the Company, motivate such directors to exert their best efforts on behalf of the Company and further to align the economic interest of such individuals with those of the Company's shareholders. This Plan is intended to constitute a non-qualified deferred compensation plan. The Plan is a restatement of the Plan as in effect as of January 1, 2009.

2. Definitions

Whenever used in this Plan, the following terms will have the respective meanings set forth below:

2.01 "*Account*" means the Company's record established pursuant to Section 5, which reflects the number of Units standing to the credit of a Participant under the Plan.

2.02 "*Beneficiary*" means the person(s) designated by a Participant to receive any benefits payable under this Plan after the Participant's death. The Company's Secretary shall provide a form for this purpose. If the Participant is not survived by a designated Beneficiary, the Participant's Beneficiary shall be the Participant's spouse, if living, or otherwise the Participant's estate. If one or more Beneficiaries survive the Participant, but all designated Beneficiaries die before the entire balance payable under the Plan has been distributed, any remaining balance shall be paid to the estate of the last surviving Beneficiary. In the absence of contrary proof, the Participant shall be deemed to have survived any designated Beneficiary. A Participant may change his Beneficiary designation at any time until his death by filing a written Beneficiary designation with the Secretary, in the manner specified by the Secretary.

2.03 "*Board*" means the Board of Directors of the Company.

2.04 *"Code"* means the Internal Revenue Code of 1986, as amended.

2.05 "*Committee*" means a Committee appointed by the Board or, if no such Committee is currently appointed, the Secretary of the Company.

2.06 "*Common Stock*" means the common stock of the Company.

2.07 "*Company*" means, prior to October 20, 2000, PECO Energy Company, and thereafter Exelon Corporation and any successor thereto.

2.08 “*Director*” means a member of the Board who is not an employee of the Company or any of its subsidiaries or other entities controlling or controlled by it.

2.09 “*Dividend Equivalent*” means an amount determined by multiplying the number of Units credited to a Participant’s Account on the record date for the payment of a dividend on the Common Stock, by the per share cash dividend, or the per share Fair Market Value of any stock dividend, or the per share fair market value (as determined by the Committee) of any dividend in consideration other than cash or Common Stock, paid by the Company on its Common Stock with respect to such dividend record date.

2.10 “*Effective Date*” means January 1, 1997.

2.11 “*Fair Market Value*” of Common Stock means the closing sales price thereof on the New York Stock Exchange on the day on which Fair Market Value is being determined, as reported on the Composite Tape for transactions on the New York Stock Exchange. In the event that there are no Common Stock transactions on the New York Stock Exchange on such day, the Fair Market Value will be determined as of the immediately preceding day on which there were Common Stock transactions on that exchange.

2.12 “*Participant*” means any Director who is eligible to participate in the Plan under Section 4. An individual shall remain a Participant until that individual has received full distribution of any amount credited to the Participant’s Account.

2.13 “*Plan*” means, prior to October 20, 2000, the PECO Energy Company Non-Employee Directors’ Deferred Stock Unit Plan, and thereafter the Exelon Corporation Non-Employee Directors’ Deferred Stock Unit Plan, as the same is set forth herein, and as it may be amended from time to time.

2.14 “*Plan Year*” means the calendar year.

2.15 “*Separates from Service*” or *“Separation from Service”* means the Director’s termination of service as a member of the Board (and the board of directors of all subsidiaries, if applicable) for any reason other than death. A Separation from Service shall be determined in accordance with Section 409A of the Code, and shall be deemed to have occurred when the Director’s service to the Company ceases, without reference to any compensation continuation arrangement that may be applicable.

2.16 “*Unit*” means a single unit granted to a Participant which represents a phantom interest equivalent to one share of Common Stock.

2.17 “*Unit Value*” means, at any time, unless otherwise specified in the Plan, the value of each Unit issued under the Plan, which value shall be equal to the Fair Market Value of the Common Stock on such date.

3. **Administration**

The Plan shall be administered by the Committee or its designee, which shall have full power and authority to interpret the Plan, to prescribe, amend and rescind any rules, forms

and procedures as it deems necessary or appropriate for the proper administration of the Plan and to make any other determinations, including factual determinations, and take such other actions as it deems necessary or advisable in carrying out its duties under the Plan. All decisions and determinations by the Committee or its designee shall be final and binding on the Company, Participants, Directors, Beneficiaries and any other persons having or claiming an interest hereunder. Any other provisions of the Plan notwithstanding, the Board may perform any function of the Committee under the Plan, including, without limitation, actions for the purpose of ensuring that transactions under the Plan by Participants who are subject to Section 16 of the Securities Exchange Act of 1934, as amended, in respect of the Company are exempt under Rule 16b-3. In any case in which the Board is performing a function of the Committee under the Plan, each reference to the Committee herein shall be deemed to refer to the Board (unless the context shall otherwise require).

4. **Participation**

Each Director of the Company shall become a Participant in the Plan on the later of (i) the Effective Date or (ii) the date such individual first becomes a Director.

5. **Award of Units**

5.01 *Initial Award of Units*. Each Director who is a Participant on the Effective Date is granted a number of Units equal to (i) the present value of benefits accrued by that Director through December 31, 1996 under the PECO Energy Company Directors' Retirement Plan (the "Retirement Plan") (or, if the Participant is credited with fewer than five Years of Service under the Retirement Plan as of December 31, 1996, the present value of the product of 10% of the Participant's 1996 retainer and the number of Years of Service with which the Participant is credited under the Retirement Plan as of December 31, 1996), as determined by an actuary appointed by the Board, divided by (ii) the Fair Market Value of the Common Stock on December 31, 1996.

5.02 *Annual Award of Units*. On the last day of each calendar quarter beginning before April 1, 1999, each Participant who is a Director on that date shall receive an award of 178.75 Units. On the last day of each calendar quarter beginning after March 31, 1999 and before October 1, 2000, each Participant who is a Director on that date shall receive an award of 250 Units. On the last day of each calendar quarter beginning after September 30, 2000, each Participant who is a Director on that date shall receive an award of a number of Units equal to the quotient of $12,500 divided by the Fair Market Value of the Common Stock on the date for the payment of a dividend occurring in such calendar quarter. Such awarded Units shall be credited to each Participant's Account as specified in Section 5.04 below. The Board may review the annual award under this Section 5.02 periodically and amend the Plan to adjust such award if and to the extent appropriate.

5.03 *Dividend Equivalents*. From the date of grant of each Unit to a Participant until the Participant's Account has been fully distributed, the Company shall credit to each Participant's Account on each date for the payment of a dividend by the Company on its Common Stock, a number of Units equal to (i) the Dividend Equivalent for such dividend payment date, divided by (ii) the Fair Market Value of a share of Common Stock on such

dividend payment date. If Units are awarded under Section 5.02 and this Section 5.03 as of the same date, the award under this Section 5.03 shall be determined before any Units are credited to a Participant's Account under Section 5.02.

5.04 *Accounts*. The Company shall keep records to reflect the number of Units credited to each Participant hereunder; provided, however, that (i) this Plan shall be unfunded, (ii) the Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure redemption of Units granted under this Plan, and (iii) no Participant or any other person shall under any circumstances acquire any property interest in any specific assets of the Company. Fractional Units shall accumulate in the Participant's Account and shall be added together to create whole Units. Nothing contained in this Plan and no action taken pursuant hereto shall create or be construed to create a fiduciary relationship between the Company and any Participant or any other person. To the extent that any person acquires a right to receive payment from the Company hereunder, such right shall be no greater than the right of any unsecured general creditor of the Company.

5.05 *Adjustments*. If there is any change in the number of shares of Common Stock outstanding (i) by reason of a spin-off, recapitalization, stock split, or combination or exchange of shares, (ii) by reason of a merger, reorganization or consolidation in which the Company is the surviving corporation, (iii) by reason of a reclassification or change in par value, or (iv) by reason of any other extraordinary or unusual event affecting the outstanding Common Stock as a class without the Company's receipt of consideration, the number of Units credited to Participants' Accounts shall be appropriately adjusted by the Committee to reflect any increase or decrease in the number of issued shares of Common Stock to preclude, to the extent practicable, the enlargement or dilution of rights and benefits under this Plan. Any adjustments determined by the Committee shall be final, binding and conclusive. If and to the extent that any such change in the number of shares of Common Stock outstanding is effected solely by application of a mathematical formula (e.g., a 2-for-1 stock split), the adjustment described in this Section 5.05 shall be made and shall occur automatically by application of such formula, without further action by the Committee.

6. **Events Requiring Redemption of Units**

6.01 *Separation from Service*.

(a) The Units credited to a Participant's Account shall be distributed to the Participant in, or beginning in, the month of April of the year next beginning after the occurrence of one of the following distribution events, as the Participant shall direct in a benefit distribution election form submitted in accordance with procedures established by the Company (a "Benefit Distribution Election Form"): (i) the Participant's Separation from Service or (ii) the Participant's 72nd birthday. Distributions shall be paid in a lump sum payment or in annual installments over a period of up to 10 years, as the Participant shall direct in his or her Benefit Distribution Election Form. Except as provided in Section 6.01(c), any distribution shall be paid in the form of whole shares of Common Stock and cash in an amount equal to the Unit Value of any remaining fractional Unit. If a Participant elects to receive installments, Dividend Equivalents will be credited to such Participant's Account in accordance with Section 5 until the full amount of the Participant's Account has been distributed. Each installment payment shall

include shares of Common Stock equal to the largest number of whole Units determined by dividing the Participant's total Account balance as of such payment date by the number of payments remaining in the installment period, and the last such installment shall also include cash in an amount equal to the Unit Value of any remaining fractional Unit. In the event a Participant who has elected a distribution event based on his or her 65th or 72nd birthday continues to serve as a Director after the date such distributions commence, then in the year prior to the year in which such distributions commence such Director shall file a new Benefit Distribution Election Form governing any amounts credited to his or her Deferral Account after the date such distributions commence. If the Director does not file such new Benefit Distribution Election Form, then the Director shall be deemed to have elected to receive a lump sum distribution of any such amounts upon the Director's separation from service.

(b) Except as permitted under Section 6.01(c) or 6.01(d), each Director must submit a Benefit Distribution Election Form not later than 30 days after the date on which such Director first becomes eligible to participate in the Plan (provided that a Director who participated in the Plan prior to January 1, 2009 and had not commenced distributions must have submitted such form not later than December 31, 2008). If a Director does not submit a Benefit Distribution Election Form during this period, then such Director shall be deemed to have elected to receive his or her Account balance in the form of a lump sum payable upon the Director's Separation from Service.

(c) Notwithstanding Sections 6.01(a) and 6.01(b), each Participant who had not commenced and was not scheduled to commence the receipt of distributions under the Plan on or before December 31, 2007 was permitted to submit a Benefit Distribution Election Form on or before June 30, 2007 which provided for the payment of such Participant's Account (i) at any of the times and in any of the forms permitted under Section 6.01(a) of the Plan or (ii) in a lump sum payment in the first quarter of 2008; provided that such election did not cause any payment to be made in 2007 and did not apply to any payment that otherwise would be paid in 2007. If a Participant elected to receive a lump sum payment of his or her Account in the first quarter of 2008, such payment was paid in cash, shares of Common Stock, or any combination thereof, at the election of the Participant, provided that such Participant was permitted to elect to receive such payment in cash only to the extent the Participant had otherwise satisfied his or her share ownership requirements under the Company's share ownership policy. The special election right set forth in this Section was intended to comply with the transition rule set forth in IRS Notice 2005-1, Q&A-19(c), and extended in the preamble to regulations proposed under Section 409A of the Code and IRS Notice 2006-79, which permits participants in deferred compensation plans to change the date on which deferred compensation is payable.

(d) A Participant may elect to change the time and/or method of his or her distributions payable under the Plan in accordance with procedures prescribed by the Committee; provided that, in accordance with Section 409A of the Code, any such change in a distribution election (i) shall not be effective until 12 months after it is submitted to the Committee, (ii) must be submitted to the Committee at least 12 months prior to the date on which such distributions were previously scheduled to commence and (iii) must provide for distributions to commence at least five years after the date on which such distributions were previously scheduled to commence.

6.02 *Death*. If a Participant dies before any Units credited to his or her Account have been redeemed in accordance with Section 6.01, whether death occurs before or after a Separation from Service, the Company shall redeem all of the Units credited to the Participant's Account as of the date of his or her death and distribute to the Participant's Beneficiary as soon as practicable, in a single distribution, shares of Common Stock equal to the number of whole Units credited to the Participant's Account as of the date of his or her death and cash in an amount equal to the Unit Value of any remaining fractional Unit.

6.03 *Common Stock for Redemption of Units*. Shares distributed to redeem Units may be authorized but unissued shares of Common Stock or reacquired shares of Common Stock, including treasury shares and shares purchased by the Company on the open market for purposes of the Plan.

7. **Miscellaneous**

7.01 *Transferability*. No Unit awarded under this Plan may be transferred, assigned, pledged or encumbered by the Participant, and a Unit may be redeemed during the lifetime of a Participant only from such Participant.

7.02 *No Rights as Shareholder*. No Participant shall have any rights as a shareholder of the Company, including the right to any cash dividends, or the right to vote, as a result of the grant to the Participant, or the Participant's holding of, any Units.

7.03 *Adjustment Upon Acquisitions, Dispositions or other Events not in the Ordinary Course of Business.* Notwithstanding anything herein to the contrary, if the Company's financial performance is affected by any event that is of a non-recurring nature, including an acquisition or disposition of the assets or stock of a business, the Board, in its sole discretion, may make such adjustments in the number of Units or the Unit Value of each Unit for the then current Plan Year as it shall determine to be equitable and appropriate in order to make the value of each Unit, as nearly as may be practicable, equivalent to the value of the Unit immediately prior to such event.

7.04 *No Rights to Service*. Nothing in this Plan, and no action taken pursuant hereto, shall affect the Participant's term of service as a Director.

7.05 *Notices*. Any notice hereunder to be given to the Company shall be in writing and shall be delivered in person to the Secretary of the Company, or shall be sent by registered mail, return receipt requested, to the Secretary of the Company at the Company's executive offices, and any notice hereunder to be given to the Participant shall be in writing and shall be delivered in person to the Participant, or shall be sent by registered mail, return receipt requested, to the Participant at his last address as shown in the employment records of the Company. Any notice duly mailed in accordance with the preceding sentence shall be deemed given on the date postmarked.

7.06 *Termination and Amendment of the Plan/Modification of Units*. The Plan may be altered, amended, suspended, or terminated at any time by the Board, provided that, except as otherwise provided herein or as permitted under Section 409A of the Code, no such action shall result in the distribution of amounts credited to the Accounts of any Participant at any time other than as provided in the Plan or as permitted under Section 409A of the Code, nor shall such

action reduce the Units credited to any Participant's Account. To the extent permitted under Section 409A of the Code, the Board may, in its discretion, terminate the Plan and accelerate the payment of all Accounts:

(a) within 12 months of a corporate dissolution taxed under Section 331 of the Code, or with the approval of a bankruptcy court pursuant to 11 U.S.C. §503(b)(1)(A), provided that the payments with respect to each such Account are included in the Director's gross income in the later of (i) the calendar year in which the Plan termination occurs or (ii) the first calendar year in which the payments are administratively practicable;

(b) in connection with a "change in control event," as defined in, and to the extent permitted under, Treasury regulations promulgated under Section 409A of the Code or

(c) upon any other termination event permitted under Section 409A of the Code.

7.07 *Incompetents*. If the Committee shall find that any person to whom any payment is payable under this Plan is unable to care for his affairs because of illness or accident, or is a minor, any payment due (unless a prior claim therefor shall have been made by a duly appointed guardian, committee or other legal representative) may be paid to the spouse, a child, a parent, or a brother or sister, or to any person deemed by the Committee to have incurred expense for such person otherwise entitled to payment, in such manner and proportions as the Committee may determine. Any such payment shall be a complete discharge of the liabilities of the Company under this Plan.

7.08 *Compliance With Section 409A of the Code.* The Plan is intended to comply with the provisions of Section 409A of the Code, and shall be interpreted and construed accordingly. The Company shall have the discretion and authority to amend the Plan at any time to satisfy any requirements of Section 409A of the Code or guidance provided by the U.S. Treasury Department to the extent applicable to the Plan.

7.09 *Binding Effect*. This Plan shall be binding upon and inure to the benefit of the Company, its successors and assigns and the Participant and his heirs, executors, administrators and legal representatives.

7.10 *Governing Law*. This Plan shall be construed in accordance with, and governed by, the law of the Commonwealth of Pennsylvania to the extent not preempted by applicable federal law.

EXELON CORPORATION

____

Executive Vice President &
Chief Human Resources Officer

Exhibit 10.2

EXELON CORPORATION RETIREMENT PROGRAM

As Amended and Restated Effective January 1, 2010

EXELON CORPORATION RETIREMENT PROGRAM

INTRODUCTION

The title of this Plan shall be the "Exelon Corporation Retirement Program." This Plan is an amendment and restatement of the Commonwealth Edison Company Service Annuity System as in effect on December 30, 2001 and reflects the merger of the Service Annuity Plan of PECO Energy Company into the Plan effective December 31, 2001, and as previously amended and restated. This amendment and restatement, except as otherwise provided herein, shall apply to Employees whose employment is terminated on or after January 1, 2010 and to the surviving spouses and surviving dependent children of such Employees. The rights and benefits of Employees whose employment terminates before December 31, 2001 and of the surviving spouses and surviving dependent children of such Employees shall, except as otherwise provided herein, be determined under the Plan as in effect at the time of such Employees' termination, including any provisions of this Plan effective at such time.

Subject to the foregoing, individuals who are "Participants" as defined in the document designated as the Commonwealth Edison Company Service Annuity System and attached hereto as Appendix A shall have their benefit under the Plan determined exclusively by the terms of Appendix A hereto. Individuals who are "Participants" as defined in the document designated as the Service Annuity Plan of PECO Energy Company and attached hereto as Appendix B shall have their benefit under the Plan determined exclusively by the terms of Appendix B hereto.

APPENDIX A

COMMONWEALTH EDISON COMPANY

SERVICE ANNUITY SYSTEM

Under the Exelon Corporation Retirement Program

(Amended and Restated as of January 1, 2010)

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COMMONWEALTH EDISON COMPANY

SERVICE ANNUITY SYSTEM

1.

ESTABLISHMENT AND PURPOSE

The title of this Plan shall be the “Commonwealth Edison Company Service Annuity System”. This Plan is an amendment and restatement of the Commonwealth Edison Company Service Annuity System as in effect on December 31, 2009 and, except as otherwise provided, shall apply to Employees whose employment is terminated on or after January 1, 2010 and to the surviving Spouses and surviving dependent children of such Employees. The benefits of Employees whose employment terminates before January 1, 2010 and of the surviving Spouses and surviving dependent children of such Employees shall be determined under the Commonwealth Edison Company Service Annuity System as in effect at the time of such Employees’ termination, including any provisions of this Plan effective at such time; provided, however, that the provisions of Article 7 (relating to limitations on benefits), Article 9 (relating to special rules relating to participation of and distribution to certain terminated or transferred employees), Article 10 (relating to administration), Article 13 (relating to miscellaneous provisions) and Article 15 (relating to amendment and termination of the Plan) shall be effective for all such persons.

For purposes of the Plan, the phrase “a member of IBEW Local Union 15” shall mean an employee whose terms of employment are subject to a collective bargaining agreement between IBEW Local Union 15 and his or her employer.

2.

DEFINITIONS

A. Defined Terms. As used herein the following words and phrases shall have the following respective meanings when capitalized unless the context clearly indicates otherwise:

Administrator. The Vice President, Compensation & Benefits or such other person appointed pursuant to Section 10.1.

Affiliate. (a) A corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as an Employer, (b) a trade or

business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with an Employer, (c) an organization (whether or not incorporated) that is a member of an affiliated service group (within the meaning of Section 414(m) of the Code) that includes an Employer, a corporation described in clause (a) of this subdivision or a trade or business described in clause (b) of this subdivision, or (d) any other entity that is required to be aggregated with an Employer pursuant to Regulations promulgated under Section 414(o) of the Code.

Annuity Starting Date. The first day on which a Service Annuity is payable to a Participant.

Basic Compensation. A Participant's base pay rate per pay period, as determined by the Administrator. For purposes of the preceding sentence, a Participant's base pay rate per pay period shall include (i) any amount contributed by the Participant's Employer on behalf of such Participant for such year to the Participant's Before-Tax Contributions Account under the Exelon Corporation Employee Savings Plan, a qualified transportation fringe benefit plan described in section 132(f) of the Code, the Exelon Corporation Benefits Contribution Options or the Exelon Corporation Key Choices Program and (ii) such other types of compensation or payments as may be determined by the Administrator from time to time or as may be set forth from time to time in Exhibit 1 attached hereto, and shall exclude (i) bonuses (other than meter readers' bonuses, other bonuses included in Basic Compensation as described in Exhibit 1 and any payment for ratification of a collective bargaining agreement), (ii) overtime pay, (iii) shift premiums and (iv) such other types of compensation or payments as may be determined by the Administrator from time to time or as may be set forth from time to time in Exhibit 1 attached hereto. In the case of a Participant who is absent from employment due to either an authorized leave of absence (including a leave of absence for participation in Military Service) or employment by a union that represents any group of Employees, Basic Compensation shall mean, for the period during which the Participant is absent due to an authorized leave of absence or employment by such union, the Participant's base pay rate per pay period in effect immediately preceding the first day of the Participant's authorized leave of absence or employment by a union, as the case may be. A Participant whose Termination of Employment occurs on account of a Total and Permanent Disability, but who is not then eligible for a Service Annuity under Section 5.2 (relating to normal and deferred retirement), Section 5.3 (relating to early retirement), Section 5.4 (relating to disability retirement at or after age 45) or Section 5.5 (relating to disability retirement before age 45) shall not be treated as having any Basic Compensation for periods of Credited Service after such Termination of Employment. A Participant whose Termination of Employment occurs on account of a Total and Permanent Disability and who is receiving benefits under any Employer's long term disability plan shall be treated for periods of Credited Service after such Termination of Employment as having Basic Compensation determined under Section 5.2(c).

Beneficiary. A Participant's Spouse or the Participant's Dependent Minor Child or Dependent Disabled Child entitled, in the event of the death of the Participant, to receive a Service Annuity, under Section 6.3 (relating to the pre-retirement surviving spouse benefit), Section 6.4 (relating to the pre-retirement surviving child benefits) or Section 6.5 (relating to death benefits with respect to certain Participants who die during employment and after age 65). To the extent required by law and where applicable in the Plan, an alternate payee entitled to receive a Service Annuity under paragraph (b) of Section 13.2 (relating to exception to non-assignability for qualified domestic relations orders) shall also be a Beneficiary.

Child. A Participant's natural child born prior to the time payment of the Participant's Service Annuity commences hereunder or a child adopted by a Participant prior to the time payment of the Participant's Service Annuity commences hereunder.

Code. The Internal Revenue Code of 1986, as amended.

Company. Exelon Corporation, a Pennsylvania corporation, or any successor or successors.

Consumer Price Index. The United States Bureau of Labor Statistics Consumer Price Index (U.S. City Average 1967 = 100). Such term shall also mean such index as it may from time to time be changed or, if it shall be discontinued, the most nearly comparable index, appropriately adjusted to yield results comparable with those which would have been produced if the index as defined in the preceding sentence had been used, as determined by the Investment Fiduciary.

Corporate Investment Committee. The committee consisting of the executives or other persons designated from time to time in the charter of such Committee.

Credited Service. The period of a Participant's employment as an Eligible Employee which is used to compute the Participant's Service Annuity and eligibility for commencement of payment of such Service Annuity under Article 5 (relating to Service Annuities) and Article 6 (relating to Service Annuity forms). A Participant's Credited Service includes (a) the Participant's Credited Service prior to the Effective Date determined in accordance with the provisions of the Plan as in effect prior to the Effective Date, (b) to the extent not duplicative, for a Participant who terminated employment prior to January 1, 2003, any additional service for actual employment credited to such Participant prior to the Effective Date in an Employer's employment records pursuant to Commonwealth Edison Company's service bridging policy, and (c) the period beginning on the Effective Date during which the Participant shall have been an Eligible Employee, including, (i) any period during which the Participant is in Military Service, provided that the Participant returns to the employ of an Employer within the period prescribed by laws relating to the reemployment rights of persons in Military Service, (ii) any period during which the Participant is employed by a union that represents any group of Employees, (iii) any period for which back pay is awarded to the Participant and pursuant to which award the Participant is required to receive Credited Service under the Plan, (iv) the period following Termination of Employment on account of a Total and Permanent Disability during which the Participant is receiving benefits under any Employer's long term disability plan and (v) as and to the extent provided by resolutions of the board of directors of the Company, (1) any period of employment by Affiliates or other companies, and (2) any period of authorized absence from such employment or from employment as an Eligible Employee. A Participant's periods of Credited Service before and after a period of absence from employment that is not included in the Participant's Credited Service pursuant to the preceding sentences shall be aggregated only if (i) the Participant completes at least one year of Credited Service after such period of absence and (ii) the number of years of such period of absence from employment is less than five.

Dependent Minor Child. A Child who, as of the time of the Participant's retirement or death, is under the age of 21 and qualifies as a dependent of the Participant within the meaning of Section 152 of the Code.

Dependent Disabled Child. A Child who, as of the time of the Participant's retirement or death, has a permanent physical or mental disability, as certified by the medical director of the Company or by such other licensed physician designated by the Administrator, that causes such Child to be unable to engage in substantial gainful employment, and is a dependent of the Participant within the meaning of Section 152 of the Code (determined by disregarding any age limitation contained in Section 152 of the Code).

Earnings. The Participant's earnings during the Participant's period of Credited Service on and before December 25, 1994 determined in accordance with the provisions of the Plan as in effect prior to April 1, 1995.

Effective Date. The Effective Date of this amendment and restatement of the Plan with respect to the Company and any other entity that was an Employer on December 31, 2009 shall be

January 1, 2010 and in the case of any other Employer shall be the date designated by such Employer.

Eligible Employee. (a) Any Employee who was an Eligible Employee on December 31, 2000, and who is receiving regular salary or wages from and rendering services to an Employer, or any such individual who is on an authorized leave of absence, and (b) on or after January 1, 2001, any Employee whose first Hour of Service with an Employer is prior to January 1, 2009 and who (i) is a member of IBEW Local Union 15 who becomes initially employed at a facility that, as of October 19, 2000, was owned by Commonwealth Edison Company, Unicom Corporation or any affiliate of Unicom Corporation, (ii) elects to participate in this Plan and (iii) is either receiving regular salary or wages from and rendering services to an Employer, or is on an authorized leave of absence; but, in either case excluding (i) an Employee the terms of whose employment are subject to a collective bargaining agreement that does not provide for participation in this Plan, (ii) an Employee paid on the temporary payroll of an Employer who has never completed at least 1,000 Hours of Service in any period of twelve consecutive months beginning with the Employee's date of hire or anniversary thereof, (iii) an Employee who executes a written waiver of his or her right to participate in the Plan; and (iv) an individual who performs services for an Employer, pursuant to an agreement (written or oral) that classifies such individual's relationship with the Employer as other than an Employee regardless of whether such individual is at any time determined to be an Employee. Notwithstanding anything contained in the Plan to the contrary, any Employer may, at the time such Employer elects to participate in this Plan in the manner described in Section 11.1 (relating to adoption of the Plan), designate, with the consent of the Company, a specified group of Employees who will be Eligible Employees. In the case of Unicom Thermal Technologies Inc. ("Unicom Thermal"), the term "Eligible Employee" shall mean only those persons rendering service to Unicom Thermal who (i) formerly were employed by the Company, (ii) transferred from the employment of the Company to the employment of Unicom Thermal at the request of the Company, (iii) are otherwise described in the definition of Eligible Employee set forth in this subdivision (16) and (iv) completed at least ten years of Credited Service under the Plan at the time of transfer from the employment of the Company to the employment of Unicom Thermal; provided, however, any such Employee who had at least eight years of Credited Service at the time of such transfer shall continue to be an Eligible Employee in the Plan until such Employee completes ten years of Credited Service. In the case of any individual who, as of December 31, 2000, was an Employee of Commonwealth Edison Company and who subsequently transfers employment to employment with the Exelon Power Team, such individual shall remain an Eligible Employee through the second anniversary of the date of such transfer of employment, and shall not thereafter be an Eligible Employee. Notwithstanding the preceding sentence, an individual who, as of December 31, 2000, was an Employee of Commonwealth Edison Company and who transferred employment to employment with the Exelon Power Team shall be an Eligible Employee as of January 1, 2004, and, without limiting the preceding clause, an individual who transfers employment from employment with an Employer to employment with the Exelon Power Team during 2003 and who was an Eligible Employee immediately prior to such transfer shall continue to be an Eligible Employee until December 31, 2003 and each individual who transfers employment from the Exelon Power Team to an Employer during 2003 shall not be an Eligible Employee prior to January 1, 2004. In the case of Exelon Services Inc., the term "Eligible Employee" shall be limited to those Employees of Exelon Services Inc. who were on the payroll of Unicom Energy Solutions as of April 1, 2001 and are otherwise Eligible Employees.

Employee. An individual whose relationship with an Employer is, under common law, that of an employee.

Employer. Exelon Corporation, Commonwealth Edison Company, Exelon Generation Company, LLC (but only with respect to Participants who, as of October 19, 2000, were Participants whose Employer was Commonwealth Edison Company), any other Affiliate that was an Employer under the Plan on December 31, 2000 and, on or after January 1, 2001, any other Affiliate that, with the consent of Exelon Corporation, elects to participate in the Plan in the

manner described in Section 11.1 (relating to adoption of the Plan) either with respect to all Employees or a specified group of Employees of such Affiliate and any successor Affiliate that adopts this Plan pursuant to Article 12 (relating to continuance by a successor). If any entity described in the preceding sentence withdraws from participation in the Plan pursuant to Section 15.3 (relating to termination of the Plan by an Employer), such entity shall thereupon cease to be an Employer.

ERISA. The Employee Retirement Income Security Act of 1974, as amended.

Federal Benefit. The annual amount of full old age benefits which would be payable to the Participant under the Federal Social Security Act at the age at which full old age benefits would be payable to such Participant under such Act. Except as provided in the following sentence, the amount of the Federal Benefit and the age at which full old age benefits become payable shall be determined as of December 25, 1994 in accordance with the provisions of the Plan as in effect on such date. Notwithstanding the preceding sentence, solely for purposes of Section 5.6 (relating to Federal Benefit supplemental payments), the amount of Federal Benefit and the age at which full old age benefits become payable shall be determined at the time of a Participant's Termination of Employment by using the terms of the Federal Social Security Act as in effect at such time. For purposes of the preceding sentence, the amount of Federal Benefit shall be computed by using an estimated wage history determined by applying a salary scale based on the actual change in the average national wage from year to year as determined by the Social Security Administration, projected backwards, to the Participant's compensation subject to tax under the Federal Insurance Contributions Act (other than the Medicare portion) for the calendar year ending immediately prior to the Participant's Termination of Employment. Notwithstanding the preceding sentence, in no event shall a Participant's Federal Benefit be greater than the Federal Benefit determined by using a wage history that assumes the Participant earned no compensation for periods prior to employment with the Company and Affiliates and uses actual compensation paid by the Company and Affiliates for periods of employment with the Company and Affiliates and, in the case of a Participant who is absent from employment due to employment by a union that represents any group of Employees, uses actual compensation paid by such union for periods of employment with such union.

Highest Average Annual Pay. The sum of a Participant's average annual Basic Compensation and Incentive Pay (a) with respect to any Participant who, as of the date of the Participant's Termination of Employment, is not a member of IBEW Local Union 15, during the four consecutive years (104 biweekly pay periods), and (b) with respect to any Participant who, as of the date of the Participant's Termination of Employment, is a member of IBEW Local Union 15, during which such average annual Basic Compensation and Incentive Pay was the highest, or (c) during all years of the Participant's Credited Service if such Credited Service is less than 104 or 78 biweekly pay periods, as applicable. In determining whether a Participant has 104 or 78 consecutive biweekly pay periods, as applicable, any period of uncompensated absence from employment with an Employer, other than an absence due to participation in Military Service shall be disregarded. In computing "Highest Average Annual Pay," the total of the Basic Compensation and Incentive Pay for a Participant for the applicable consecutive pay periods shall be multiplied, in the case of 104 pay periods by 0.25068654 and in the case of 78 pay periods by 0.33424872; provided, that in the case of a Participant whose years of Credited Service include fewer than 104 or 78 pay periods, as applicable, the multiplier shall be a fraction the numerator of which is one and the denominator of which is the quotient of (a) the number of 14-day periods during each 365-day period (or if less, during the Participant's Credited Service) and (b) the number of pay periods during the Participant's years of Credited Service. In addition, notwithstanding anything herein to the contrary, in computing an Employee's Highest Average Annual Pay, the aggregate amount of the Employee's Basic Compensation and Incentive Pay in excess of the following limits shall not be taken into account: (i) for Plan Years ending before January 1, 1996, $200,000 (as adjusted for increases in the cost of living pursuant to Section 415(d) of the Code for the year in which the computation of Basic Compensation and Incentive Pay is being made), (ii) for Plan Years beginning on or after January 1, 1996 and before January 1,

2002, $150,000 (adjusted for increases in the cost of living in accordance with Section 401(a)(17) of the Code), and (iii) for all Plan Years beginning on or after January 1, 2002, $200,000 (adjusted for increases in the cost of living in accordance with Section 401(a)(17) of the Code). For purposes of the preceding sentence, the limit determined with respect to clause (i) for the last year for which the computation is made shall be applied for such year and all preceding years. For Plan Years beginning before January 1, 1997, the Basic Compensation and Incentive Pay of an Employee who is a 5% owner of Commonwealth Edison Company or any Affiliate or one of the ten employees of Commonwealth Edison Company and all Affiliates who was paid the greatest compensation (as defined in Section 415 of the Code) for the Plan Year shall include the Basic Compensation and Incentive Pay of the Employee's spouse and any lineal descendants of the Employee who have not attained age 19 before the close of the Plan Year.

Hour of Service. (a) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties (such hours to be credited to the Employee for the computation period or periods in which the duties are performed); (b) each hour for which an Employee is paid, or entitled to payment, on account of a period of time during which no duties are performed (irrespective of whether a Termination of Employment has occurred) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence (such hours to be credited to the Employee for the computation period or periods in which the period of time during which no duties are performed occurs); and (c) each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by an Employer (such hours to be credited to the Employee for the computation period or periods in which the award or agreement pertains rather than the computation period in which the award, agreement or payment is made). Hours of Service shall be computed in accordance with paragraphs (b) and (c) of Section 2530.200b-2 of the Department of Labor Regulations.

Incentive Pay. The payments, if any, earned by the Participant with respect to each year of Credited Service after 1994, regardless of when paid, under the plans set forth in Exhibit 2 attached hereto. Incentive Pay shall also include with respect to each year of Credited Service commencing after December 31, 2002, lump sum merit increases paid during such year of Credited Service. In the case of a Participant who is absent from employment due to employment by a union that represents any group of Employees, Incentive Pay shall mean, for the period during which the Participant is absent from employment, the payments the Participant would have received under the applicable plan set forth in Exhibit 2 attached hereto, as determined by the union employing such Participant.

Investment Fiduciary. The Company acting through the Exelon Investment Office.

Military Service. The performance of duty on a voluntary or involuntary basis in a "uniformed service" (as defined below) under competent authority of the United States government and includes active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty, and a period for which a person is absent from employment for the purpose of an examination to determine the fitness of the person to perform any such duty. For purposes of the preceding sentence, the term "uniformed service" means the Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty, the commissioned corps of the Public Health Service, and any other category of persons designated by the President of the United States in time of war or emergency.

Normal Retirement Age. A Participant's 65th birthday.

Participant. An Employee described in Article 3 (relating to participation). An individual shall cease to be a Participant upon the date the individual is no longer eligible to receive a benefit from this Plan or upon the individual's Termination of Employment if the individual has not completed at least five years of Vesting Service upon the date of his or her Termination of Employment and is not otherwise eligible to receive a benefit from this Plan.

Plan. The Plan herein set forth, as from time to time amended, which is part of the Exelon Corporation Retirement Program.

Plan Year. The calendar year.

Regulations. Written promulgations of the Department of Labor construing Title I of ERISA or the Internal Revenue Service construing the Code.

Retiree. A Participant or Beneficiary receiving a Service Annuity.

Service Annuity. The amount payable to a Retiree from the Service Annuity Fund under the Plan. Except as otherwise indicated by the context, such term includes an annuity payable pursuant to paragraph (b) of Section 6.1 (relating to annuities payable to married Participants), Section 6.2 (relating to optional Service Annuity forms), Section 6.3 (relating to surviving spouse annuities, Section 5.6 (relating to Federal Benefit supplemental payments), Section 5.7 (relating to deferred vested termination) and Section 6.4 (relating to a surviving Child annuity).

Service Annuity Fund. All money and property of every kind held by the Trustee under the Trust Agreement.

Spouse. The individual who is the husband or wife of a Participant as the result of a legal union between one man and one woman, within the meaning of the Defense of Marriage Act, on the Participant's Pension Starting Date, or if earlier, on the date of the Participant's death. While the Spouse is living and, except as otherwise provided in a qualified domestic relations order as described in paragraph (b) of Section 13.2 (relating to exception to nonassignability in the case of a qualified domestic relations order) or paragraph (c) of Section 6.6 (relating to automatic cancellation of elections), such Spouse shall be treated as the Participant's Spouse for all purposes of this Service Annuity System without regard to whether such Spouse remains married to the Participant after the Participant's Annuity Starting Date.

Termination of Employment. A Participant's ceasing to be an Employee of any Employer or any Affiliate. A transfer between employment by an Employer and employment by an Affiliate or between employment by Employers or Affiliates shall not constitute a Termination of Employment.

Total and Permanent Disability. A disability which, in the opinion of the Administrator, renders the Participant unable to perform the principal duties of the Participant's regular job classification or such other job classification as may be made available to the Participant by an Employer or an Affiliate and which results from a cause other than one or more of the following, as determined by the Administrator, in its sole discretion:

excessive or habitual use of drugs, intoxicants, narcotics or alcohol;

injury or disease sustained while participating in illegal activities; or

injury or disease sustained while employed by another Employer and arising out of such other employment.

Trust Agreement. The agreement between the Company and the Trustee governing the Service Annuity Fund.

Trustee. The trustee of the Service Annuity Fund or, if there shall be more than one trustee acting at any time, all of such trustees collectively.

Vesting Service. The period of an Employee's employment which is used to determine whether the Employee is entitled to receive a Service Annuity under Article 5 (relating to Service Annuities). An Employee's Vesting Service includes (a) the Participant's vesting service prior to the Effective Date determined in accordance with the provisions of the Plan as in effect prior to the Effective Date, (b) to the extent not duplicative, for an Employee who terminated prior to January 1, 2003, any additional service for actual employment credited to such Employee prior to the Effective Date in an Employer's employment records pursuant to Commonwealth Edison Company's service bridging policy and (c) the aggregate of the periods beginning on or after the Effective Date during which the Employee is employed by an Employer or an Affiliate, provided that in the case of an Employee who has no vested right to any benefits under this Plan, such Employee's periods of Vesting Service before and after a period of absence from employment shall be aggregated only when the Employee's number of consecutive one-year periods of absence from employment is less than five and the Employee has at least one year of Vesting Service after such period of absence from employment. For purposes of the preceding sentence, an Employee shall be deemed to be employed by an Employer or an Affiliate during (a) any period of absence from employment by an Employer or an Affiliate which is of less than twelve months' duration, (b) the first twelve months of any period of absence from employment for any reason other than the Employee's quitting, retiring or being discharged, except as provided in clause (f) below, (c) any period during which the Employee is in Military Service, provided that the Employee returns to the employ of an Employer or an Affiliate within the period prescribed by laws relating to the reemployment rights of persons in Military Service, (d) any period, whether less than or greater than twelve months, during which the Participant is employed by a union that represents any group of Employees, (e) the period following Termination of Employment on account of a Total and Permanent Disability during which the Participant is receiving benefits under any Employer's long term disability plan and (f) as and to the extent provided by resolutions of the board of directors of the Company, any period of authorized absence from employment as an Eligible Employee. The Administrator may require certification from an Employee, as a condition of granting Vesting Service under this subdivision (39), that the leave was taken for one of the reasons enumerated in the preceding sentence. Notwithstanding the preceding sentences, in determining an Employee's period of absence from employment by an Employer or an Affiliate, the following shall be disregarded: the first twenty-four months of any period of absence from employment by reason of (i) the Employee's pregnancy, (ii) the birth of the Employee's child, (iii) the placement of a child with the Employee in connection with the adoption of such child by such Employee or (iv) caring for such child for a period beginning immediately following such birth or placement.

B. Gender and Plurals. Wherever used in this Plan, words in the masculine gender shall include masculine or feminine gender, and, unless the context otherwise requires, words in the singular shall include the plural, and words in the plural shall include the singular.

Section 2.3. Definition of "Highly Compensated Employee". Wherever applicable for purposes of satisfying legal requirements applicable to the Plan, the term "highly compensated employee" shall mean any Employee who performs service in the determination year and who (a) is a 5%-owner (as determined under section 416(i)(1)(A)(iii) of the Code) at any time during the Plan Year or the preceding Plan Year or (b) both (1) is paid compensation in excess of

$80,000 (as adjusted for increases in the cost of living in accordance with section 414(q)(1)(B)(ii) of the Code) from an Employer for the preceding Plan Year, and (2) is in the group of employees consisting of the top 20% of the employees of the Employer and its Affiliates when ranked on the basis of compensation paid during such preceding Plan Year.

3.

PARTICIPATION

A. Employees Represented by IBEW Local Union 15. Each Eligible Employee who is a member of a collective bargaining unit represented by IBEW Local Union 15 and who was a Participant in the Plan on December 31, 2000 shall continue to be a Participant as of January 1, 2001. Each other Eligible Employee who is a member of IBEW Local Union 15 shall become a Participant as of the first day that such Eligible employee completes an Hour of Service with an Employer as an Eligible Employee, provided that such Eligible Employee does not elect, in the time and manner prescribed by the Administrator for such an election, to participate in the Exelon Corporation Pension Plan for Bargaining Unit Employees. Notwithstanding the foregoing, effective January 1, 2009, an Employee who is a member of a collective bargaining unit represented by IBEW Local Union 15 and whose first Hour of Service with an Employer is on or after January 1, 2009 shall not be an Eligible Employee and shall not be eligible to become a Participant at any time.

B. Management Employees. — In General. Each Participant who is not a member of a collective bargaining unit represented by IBEW Local Union 15 and who is, as of January 1, 2002, an Eligible Employee shall be permitted to elect, in the time and manner prescribed by the ‘Committee’, as such term was defined in the Plan prior to June 1, 2006, to either (i) continue participating in the Plan on and after January 1, 2002 or (ii) cease participating

in the Plan as of December 31, 2001 and begin participating in the Exelon Corporation Cash Balance Pension Plan as of January 1, 2002. Each Eligible Employee who elects to continue participating in the Plan or who is offered and fails to make any such election shall continue to be a Participant as of January 1, 2002. Each Eligible Employee who elects to participate in the Exelon Corporation Cash Balance Pension Plan in lieu of participation in this Plan shall cease participation in the Plan as of December 31, 2001 and shall not be entitled to any benefit under the Plan, unless such Participant receives a notification (the "Notice") from an Employer that his or her employment with the Employers and their Affiliates will be terminated on or before December 31, 2002 and that such Participant is eligible for severance benefits under the Exelon Corporation Merger Separation Plan for Designated Management Employees or any other severance plan maintained by an Employer or an Affiliate. An Eligible Employee who receives a Notice shall continue to be a Participant in the Plan until his or her Termination of Employment, notwithstanding such Eligible Employee's election to participate in the Exelon Corporation Cash Balance Pension Plan. An Eligible Employee (i) who receives a Notice, but whose employment does not terminate on or before December 31, 2002, or (ii) whose employment terminates before December 31, 2002 without the Employee receiving a Notice shall cease participation in the Plan as of December 31, 2001 if such Employee elects, in the time and manner prescribed by the 'Committee', as such term was defined in the Plan prior to June 1, 2006, to participate in the Exelon Corporation Cash Balance Pension Plan.

Effective as of January 1, 2004, each Eligible Employee (i) who is an employee of the Exelon Power Team, (ii) who, as of December 31, 2000, was an Employee of Commonwealth Edison Company and is, as of January 1, 2004, an Eligible Employee, (iii) who was, at any time prior to January 1, 2004, a Participant and (iv) who did not previously make a valid election pursuant to the preceding paragraph shall be permitted to elect, in the time and manner prescribed by the 'Committee', as such term was defined in the Plan prior to June 1, 2006, to either

(A) resume or continue participation in the Plan as of January 1, 2004 or (B) participate in the Exelon Corporation Cash Balance Pension Plan as of January 1, 2004. Each such Eligible Employee who affirmatively elects to resume or continue participation in the Plan in lieu of participation in the Exelon Corporation Cash Balance Pension Plan shall resume or continue participation in this Plan as of January 1, 2004.

1. Transfer of Benefits and Assets to Cash Balance Pension Plan. If an Eligible Employee described in paragraph (a) above elects to participate in the Exelon Corporation Cash Balance Pension Plan in lieu of participating in the Plan, the Employee's Service Annuity, determined as of December 31, 2001, or December 31, 2003, as the case may be, based on the Employee's Credited Service and Highest Annual Average Pay as of such date but without giving effect to Section 5.6, shall be transferred to the Exelon Corporation Cash Balance Pension Plan and such Employee shall not accrue any additional benefit under the Plan. An amount of assets that is equal to the present value of the Participant's Service Annuity described in the preceding sentence, determined using the methods and assumptions prescribed by Section 4044 of ERISA, shall also be transferred to the Exelon Corporation Cash Balance Pension Plan. Such transfer of benefits and assets related thereto shall occur as soon as administratively practicable after the Eligible Employee makes the election described in paragraph (a) above. In the event that an Eligible Employee whose Service Annuity and related assets are transferred to the Exelon Corporation Cash Balance Pension Plan receives a Notice and has a Termination of Employment on or before December 31, 2002, the Service Annuity and related assets that were transferred to the Exelon Corporation Cash Balance Pension Plan shall be transferred back to the Plan and the amount of the pension benefit accrued by such Employee during 2002 (if any) shall be determined under the terms of this Plan rather than the Exelon Corporation Cash Balance Pension Plan. Such transfer shall occur as soon as administratively practicable.

C. Cessation of Participation. An individual's participation in the Plan shall cease upon the date the individual is no longer eligible to receive a benefit from this Plan or upon the individual's Termination of Employment if the individual has not completed at least five years of Vesting Service upon the date of his or her Termination of Employment and is not otherwise eligible to receive a benefit from this Plan.

4.

CONTRIBUTIONS

A. Amount of Contributions. The Employers intend to make contributions to the Service Annuity Fund of amounts which, in the aggregate over a period of time, are sufficient to finance the benefits provided by the Plan. All such contributions shall be in such amounts and shall be made in such manner and at such time as the Company shall from time to time determine in accordance with the funding policy it establishes and consistent with minimum funding standards under Section 412 of the Code. the Company may rely on the advice of actuaries in establishing and carrying out a funding policy. Forfeitures arising under the Plan for any reason shall be applied to reduce the cost of the Plan, not to increase the Service Annuities payable to Participants, Beneficiaries or Retirees.

B. Return of Contributions. Any contribution made to the Service Annuity Fund by an Employer by reason of a good faith mistake of fact, or any contribution made to the Service Annuity Fund by an Employer which exceeds the maximum amount for which a deduction is allowable to the Employer for federal income tax purposes by reason of a good faith mistake in determining the maximum deductible amount, shall upon the request of the Employer be returned by the Trustee to the Employer. The Employer's request and the return of any such contribution must be made within one year after such contribution was mistakenly made or after the deduction of such excess portion of such contribution was disallowed, as the case may be. The amount to be returned to the Employer pursuant to this Section 4.2 shall be the excess of (a) the amount contributed over (b) the amount that would have been contributed had there not been a mistake of fact or a mistake in determining the maximum allowable deduction. Earnings

attributable to the amount contributed by mistake shall not be returned to the Employer, but losses attributable thereto shall reduce the amount so returned.

5.

SERVICE ANNUITIES

A. Description of Service Annuities. Each Participant whose Termination of Employment occurs on or after his or her Normal Retirement Age shall be entitled to a Service Annuity as described in Section 5.2 (relating to normal and deferred retirement). Each Participant whose Termination of Employment occurs prior to the Participant's 65th birthday but after the Participant has completed at least ten years of Credited Service and has attained age 50 shall be entitled to a Service Annuity as described in Section 5.3 (relating to early retirement). Each Participant whose Termination of Employment occurs on or after the Participant's 45th birthday on account of a Total and Permanent Disability shall be entitled to a Service Annuity as described in Section 5.4 (relating to disability retirement at or after age 45), provided such Participant has satisfied the conditions set forth in Section 5.4. Each Participant who has completed at least ten years of Credited Service and whose Termination of Employment occurs prior to the Participant's 45th birthday on account of Total and Permanent Disability shall be entitled to a Service Annuity as described in Section 5.5 (relating to disability retirement before age 45), provided such Participant has satisfied the conditions set forth in Section 5.5. Each Participant whose Termination of Employment occurs after the Participant has completed at least five years of Vesting Service but who is not described in any of the preceding sentences shall be entitled to a Service Annuity described in Section 5.7 (relating to deferred vested termination).

B. Normal and Deferred Retirement. — In General. Each Participant whose Termination of Employment occurs on or after the Participant's Normal Retirement Age shall be

entitled, subject to Section 6.1 (relating to the basic Service Annuity form of payment), to receive a Service Annuity payable in semi-monthly payments for the Participant's lifetime commencing on the Service Annuity payment date immediately following the day the Participant's status on the Human Resource system of the Company is changed to "inactive." The annual amount of such Service Annuity shall equal, subject to Section 5.8 (relating to special rules for computation of Service Annuities), Section 7.1 (relating to maximum annual benefits) and Section 7.2 (relating to temporary restrictions on benefits in case of termination or curtailment), the sum of the amounts described in subparagraphs (A), (B) and (C) below:

1.25% of the Participant's Earnings, reduced by 25% (less 1% for each year, if any, by which the Participant's years of Credited Service as of December 25, 1994 are less than 35, computed to the nearest full year) of the Participant's Federal Benefit, determined as of December 25, 1994.

1.60% (1.62% for Participants who terminate employment on or after October 1, 2008 and were a member of a collective bargaining unit represented by IBEW Local Union 15 immediately prior to termination of employment) of the Participant's Highest Average Annual Pay, multiplied by the number of years of the Participant's Credited Service (not in excess of 40 years).

0.5% of the Participant's Highest Average Annual Pay, multiplied by the number of years, if any, by which the Participant's years of Credited Service (not in excess of 40) exceed the limitation on the number of years of Credited Service taken into account under subparagraph (B) of paragraph (a) of this Section 5.2.

Notwithstanding the preceding, the annual amount of the Service Annuity for a Participant who has at least 10 years of Credited Service shall not be less than the applicable amount stated in Table A.

2. Special Rule for Participants Who Attain Age 70-1/2 While Employed. If a Participant remains employed by an Employer or an Affiliate beyond April 1 of the year following the year in which the Participant attains age 70- 1/2, distribution of such Participant's Service Annuity (i) shall commence, in the case of a Participant who is a 5-percent owner as defined in Section 416(i) of the Code, or (ii) may commence, upon any other such Employee's election, in either case, not later than April 1 next following the calendar year in which the Participant attains age 70- 1/2.

The annual amount of the Participant's Service Annuity that commences under the preceding paragraph shall be recomputed pursuant to this Section 5.1 (relating to normal and deferred retirement) as of each succeeding April 1 to reflect any increase in the Participant's Credited Service and Highest Average Annual Pay attributable to the Participant's employment since the preceding April 1.

Notwithstanding any provision in this Plan to the contrary, distributions of benefits shall be made in accordance with Section 401(a)(9) of the Code and the Regulations thereunder.

3. Basic Compensation for Participant with Total and Permanent Disability. In the case of a Participant whose Termination of Employment is on account of a Total and Permanent Disability and who is entitled to a Service Annuity under either paragraph (b) of Section 5.4 (relating to disability retirement at or after age 45 for management Employees) or paragraph (b) of Section 5.5 (relating to disability retirement before age 45 for management Employees), Basic Compensation shall mean, for the period following the Participant's Termination of Employment and during which the Participant is receiving benefits under any Employer's long term disability plan, the Participant's base pay rate per pay period in effect immediately preceding the first day of the Participant's absence due to such Total and Permanent Disability increased each October 1 following the Participant's Termination of Employment at a rate equal to the cost of living adjustment described in the following sentence. For purposes of the preceding sentence, the cost of living adjustment shall equal, for each October 1, the percentage by which the Consumer Price Index for the July immediately preceding such October 1 exceeds the Consumer Price Index for the July immediately preceding the twelve month period beginning October 1 in which the Participant's Termination of Employment occurred; provided, however, that:

If, as of such October 1, there shall be no such excess, the adjustment percentage shall be deemed to be zero for the twelve-month period beginning on such October 1.

There shall be no negative adjustment percentage.

The aggregate adjustment percentage for any twelve-month period beginning October 1 shall never be lower than the aggregate adjustment percentage for the preceding such period.

If the percentage increase in the Consumer Price Index computed for the twelve-month period beginning on October 1 does not exceed the aggregate adjustment percentage for the preceding twelve-month period by at least three percentage points, the aggregate adjustment percentage for the preceding twelve-month period shall continue in effect during such twelve-month period beginning on October 1.

The aggregate adjustment percentage for any twelve-month period beginning on October 1 shall not be more than seven percentage points greater than that for the preceding twelve-month

period. If the aggregate adjustment percentage for any twelve-month period beginning on October 1 exceeds by more than seven percentage points the aggregate adjustment percentage for the preceding twelve-month period, the excess shall be carried over to succeeding twelve-month periods until such excess is reduced to zero.

The adjustment percentage for the twelve-month period beginning with the October 1 next following the date the Participant's Termination of Employment occurs shall be the adjustment percentage determined in accordance with the preceding provisions of this Section 5.2(c) multiplied by a fraction the numerator of which shall be the number of full calendar months between such date and such October 1 and the denominator of which shall be twelve.

The adjustment described in this Section 5.2(c) shall continue to be made unless and until the Participant ceases to be eligible to receive benefits under any Employer's long term disability plan. Notwithstanding the preceding sentence, if a Participant returns to employment with any Employer and ceases to be eligible to receive benefits under any Employer's long term disability plan but again becomes eligible to receive such benefits as a continuation of the same Total and Permanent Disability, as determined under the provisions, or interpretations, of the Employer's long term disability plan, the adjustments described in this Section 5.2(c) shall continue to be made as though the Participant had never ceased to be eligible for such benefits, provided that an adjustment shall be made for any earnings received by the Participant while the Participant was employed by any Employer.

C. Early Retirement. Each Participant whose Termination of Employment occurs prior to the Participant's 65th birthday but after the Participant has completed at least ten years of Credited Service and has attained age 50 shall be entitled to elect, subject to Section 6.1 (relating to the basic Service Annuity form of payment), to receive an early retirement Service Annuity payable in semi-monthly payments for the Participant's lifetime commencing no earlier than the Service Annuity payment date immediately following the day the Participant's status on the Human Resource system of the Company is changed to "inactive" and no later than the Service Annuity payment date coinciding with or immediately following the date the Participant attains age 65. The annual amount of such early retirement Service Annuity shall, subject to Section 5.8 (relating to special rules for computation of Service Annuities), Section 7.1 (relating to maximum annual benefits) and Section 7.2 (relating to temporary restrictions on benefits in the case of termination or curtailment) be the amount computed pursuant to Section 5.2 (relating

to normal and deferred retirement) multiplied by the applicable factor (determined with reference to the Participant's attained age at the time benefits commence to be paid) from (a) with respect to any Participant who is not a member of IBEW Local Union 15, Table B, and (b) with respect to any Participant who is a member of IBEW Local Union 15, Table B-1.

D. Disability Retirement at or After Age 45. 1. Rules Applicable to Union Employees. Each Eligible Participant (as defined in the following paragraph) whose Termination of Employment occurs on or after the Eligible Participant's 45th birthday on account of a Total and Permanent Disability and who is not then eligible for a Service Annuity under Section 5.2 (relating to normal and deferred retirement) or Section 5.3 (relating to early retirement) shall be entitled to elect, subject to Section 6.1 (relating to the basic Service Annuity form of payment), without regard to the number of the Eligible Participant's years of Credited Service, to receive a disability Service Annuity payable in semi-monthly payments for the Eligible Participant's lifetime commencing no earlier than the Service Annuity payment date immediately following the day the Eligible Participant's status on the Human Resource system of the Company is changed to "inactive" and no later than the Service Annuity payment date coinciding with or immediately following the date the Eligible Participant attains age 65. The annual amount of such disability Service Annuity shall, subject to Section 5.8 (relating to special rules for computation of Service Annuities), Section 7.1 (relating to maximum annual benefits) and Section 7.2 (relating to temporary restrictions on benefits in case of termination or curtailment), be the amount computed pursuant to Section 5.3 (relating to early retirement), except that if the Eligible Participant's employment terminated on account of a Total and Permanent Disability prior to the Eligible Participant's 55th birthday, the Eligible Participant

shall be treated as though he or she attained age 55 for purposes of determining the applicable factor from Table B.

For purposes of this Section 5.4, an "Eligible Participant" shall mean a Participant who, at the time the Participant's employment terminates, is a member of Local Union 15, International Brotherhood of Electrical Workers.

2. Rules Applicable to Management Employees. Each Participant who is a management Employee, whose Termination of Employment occurs on or after the Participant's 45th birthday on account of a Total and Permanent Disability and who is not then eligible for a Service Annuity under Section 5.2 (relating to normal and deferred retirement) or Section 5.3 (relating to early retirement) shall be entitled to elect, subject to Section 6.1 (relating to the basic Service Annuity form of payment), without regard to the number of the Participant's years of Credited Service, to receive a disability Service Annuity payable in semi-monthly payments for the Participant's lifetime commencing no earlier than the Service Annuity payment date immediately following the day the Participant's status on the Human Resource system of the Company is changed to "inactive", provided that such Participant (i) shall have qualified for and received long-term disability benefits under the Exelon Corporation Disability Benefit Plan for Management Employees (the "LTD Plan"), (ii) shall be eligible to receive Social Security benefits on account of such disability and (iii) shall no longer be eligible to receive benefits under the LTD Plan because such benefits have been exhausted. In no event shall the semi-monthly payments described in the preceding sentence commence later than the later of (a) the Service Annuity payment date coinciding with or immediately following the date the Participant attains age 65 and (b) the date the Participant ceases to be eligible to receive benefits under the LTD Plan because such benefits have been exhausted. The annual amount of such disability Service Annuity shall, subject to Section 5.8 (relating to special rules for computation of Service Annuities), Section 7.1 (relating to maximum annual benefits) and Section 7.2 (relating to temporary restrictions on benefits in case of termination or curtailment), be the amount computed pursuant to Section 5.3 (relating to early retirement), except that if the Participant's employment terminated on account of a Total and Permanent Disability prior to the Participant's 55th birthday, the Participant shall be treated as though he or she attained age 55 for purposes of determining the applicable factor from Table B.

E. Disability Retirement Before Age 45. 1. Rules Applicable to Union Employees. Each Eligible Participant (as defined in the following paragraph) who has completed at least 10 years of Credited Service and whose Termination of Employment occurs prior to the Eligible Participant's 45th birthday on account of a Total and Permanent Disability shall be entitled to elect, subject to Section 6.1 (relating to the basic Service Annuity form of payment), to receive a reduced disability Service Annuity payable in semi-monthly payments for the Eligible Participant's lifetime commencing no earlier than the Service Annuity payment date immediately following the day the Eligible Participant's status on the Human Resource system of the Company is changed to "inactive" and no later than the Service Annuity payment date coinciding with or immediately following the date the Eligible Participant attains age 65. The annual amount of such reduced disability Service Annuity shall, subject to Section 5.8 (relating to special rules for computation of Service Annuities), Section 7.1 (relating to maximum annual benefits) and Section 7.2 (relating to temporary restrictions on benefits in case of termination or curtailment), be the sum of (a) the amount computed pursuant to Section 5.4 (relating to disability retirement at or after age 45) plus (b) the excess, if any, of (i) 25% of the Eligible Participant's Highest Average Annual Pay over (ii) the sum of the annual amount computed under Section 5.4 (relating to disability retirement at or after age 45) plus the aggregate annual amount of the Federal Benefit supplemental payments payable to such Eligible Participant pursuant to Section 5.6 (relating to the Federal Benefit supplemental payments).

For purposes of this Section 5.5, an "Eligible Participant" shall mean a Participant who, at the time the Participant's employment terminates, is a member of Local Union 15, International Brotherhood of Electrical Workers.

2. Rules Applicable to Management Employees. Each Participant who is a management Employee, who has completed at least 10 years of Credited Service and whose Termination of Employment occurs prior to the Participant's 45th birthday on account of a Total and Permanent Disability shall be entitled to elect, subject to Section 6.1 (relating to the basic Service Annuity form of payment), to receive a reduced disability Service Annuity payable in semi-monthly payments for the Participant's lifetime commencing no earlier than the Service Annuity payment date immediately following the day the Participant's status on the Human Resource system of the Company is changed to "inactive" and no later than the Service Annuity payment date coinciding with or immediately following the date the Participant attains age 65 provided, that such Participant (i) shall have qualified for and received long-term disability benefits under the LTD Plan, (ii) shall be eligible to receive Social Security benefits on account of such disability and (iii) shall no longer be eligible to receive benefits under the LTD Plan because such benefits have been exhausted. The annual amount of such reduced disability Service Annuity shall, subject to Section 5.8 (relating to special rules for computation of Service Annuities), Section 7.1 (relating to maximum annual benefits) and Section 7.2 (relating to temporary restrictions on benefits in case of termination or curtailment), be the sum of (a) the amount computed pursuant to Section 5.4 (relating to disability retirement at or after age 45) plus (b) the excess, if any, of (i) 25% of the Participant's Highest Average Annual Pay over (ii) the sum of the annual amount computed under Section 5.4 (relating to disability retirement at or after age 45) plus the aggregate annual amount of the Federal Benefit supplemental payments payable to such Participant pursuant to Section 5.6 (relating to the Federal Benefit supplemental payments).

F. Federal Benefit Supplemental Payments Prior to Age 65. Each Participant whose Service Annuity is computed pursuant to Section 5.3 (relating to early retirement), Section 5.4 (relating to disability retirement at or after age 45) or Section 5.5 (relating to disability retirement before age 45) and which commences prior to the Participant's attainment of age 65 shall receive supplemental monthly payments each in an amount equal to 80% of the amount of the Participant's monthly Federal Benefit and, except in the case of a Participant whose Service Annuity is computed under Section 5.5 (relating to disability retirement before age 45), shall have his or her Service Annuity reduced by an amount equal to the product of (a) the aggregate

annual amount of such supplemental monthly payments multiplied by (b) the applicable factor (determined with reference to the Participant's attained age at the time benefits commence to be paid) from (i) with respect to any Participant who is not a member of IBEW Local Union 15, Table B-2, and (ii) with respect to any Participant who is a member of IBEW Local Union 15, Table B-3.

G. Deferred Vested Termination. Each Participant whose Termination of Employment occurs after the Participant has completed at least five years of Vesting Service and who is not then eligible for a Service Annuity under Section 5.2 (relating to normal and deferred retirement), Section 5.3 (relating to early retirement), Section 5.4 (relating to disability retirement at or after age 45) or Section 5.5 (relating to disability retirement before age 45) shall be entitled, subject to Section 6.1 (relating to the basic Service Annuity form of payment), to receive a deferred Service Annuity payable in semi-monthly payments for the Participant's lifetime commencing as soon as practicable after the date elected, in the manner prescribed by the Administrator, by the Participant but not earlier than the later of (i) the day the Participant's status on the Human Resource system of the Company is changed to "inactive" and (ii) the Participant's 60th birthday or, in the case of a Participant who completed at least ten years of Credited Service, the Participant's 50th birthday. The annual amount of such deferred Service Annuity shall, subject to Section 5.8 (relating to special rules for computation of Service Annuities), Section 7.1 (relating to maximum annual benefits) and Section 7.2 (relating to temporary restrictions on benefits in case of termination or curtailment), be the amount computed under Section 5.2 (relating to normal and deferred retirement) multiplied by the applicable factor from Table F to reflect the Participant's age, if less than 65, at the date upon which payment of the Participant's deferred Service Annuity commences. In no event shall a Participant's election

hereunder to begin receiving payment of his or her Service Annuity permit such payments to begin later than April 1 of the calendar year following the calendar year in which the Participant attains age 70- 1/2. Notwithstanding anything herein to the contrary, if a Participant entitled to a deferred Service Annuity under this Section 5.7 fails to make an election to begin receiving his or her deferred Service Annuity, payment of the Participant's Service Annuity shall commence no later than 60 days following the Plan Year in which the Participant attains age 65.

Each Participant whose employment is terminated before the Participant completes at least five years of Vesting Service and who is not then eligible for a Service Annuity under Section 5.2 (relating to normal and deferred retirement), Section 5.3 (relating to early retirement), Section 5.4 (relating to disability retirement at or after age 45) or Section 5.5 (relating to disability retirement before age 45) shall be entitled to no benefits whatsoever under this Plan. Such a Participant's vested interest in his or her benefit under the Plan shall have a value of zero and such Participant shall be deemed to receive immediately upon the Participant's Termination of Employment a lump sum distribution of such vested interest and concurrent therewith the Participant shall forfeit his or her accrued benefit under the Plan.

H. Special Rules Applicable to the Computation of Service Annuities. 1. Minimum Normal, Early Retirement and Deferred Vested Termination Benefits. The Service Annuity to which a Participant is entitled under Section 5.2 (relating to normal or deferred retirement) or Section 5.3 (relating to early retirement) shall in no event be less than the hypothetical Service Annuity which the Participant would have been entitled to receive had the Participant retired under Section 5.3 (relating to early retirement) at any time prior to the Participant's actual date of retirement and elected to have such hypothetical Service Annuity commence on the Participant's hypothetical early retirement date; provided, however, that any difference between such Service Annuities which is attributable to an increase in the amount of the Participant's Federal Benefit

due to changes in the Federal Social Security Act between such hypothetical early retirement date and the Participant's date of retirement shall be disregarded.

2. Termination of Employment During Authorized Absence. In computing the annual amount of the Service Annuity pursuant to Section 5.2 (relating to normal and deferred retirement), Section 5.3 (relating to early retirement), Section 5.4 (relating to disability retirement at or after age 45) or Section 5.5 (relating to deferred vested termination) for a Participant whose Termination of Employment occurs during an authorized absence from employment which is included in the Participant's years of Credited Service pursuant to subdivision (11) of Section 2.1 (relating to the definition of Credited Service), such Participant shall be considered to have terminated employment on the earliest of (i) the date the authorized absence ends, (ii) the date that is twelve months after the day the authorized absence began and (iii) the date of the Participant's Termination of Service.

3. Service Annuities Based on Compensation In Excess of the Section 401(a)(17) Limits. In the case of a Participant whose Service Annuity was computed under this Article 5 as of the last day of any Plan Year (the "grandfather date") prior to the January 1, 1989 effective date of Section 401(a)(17) of the Code, which sets forth a compensation limit, or prior to the January 1, 1996 effective date of the reduction in the compensation limit set forth in Section 401(a)(17) of the Code (the applicable limit being referred to as the "new compensation limit"), based on Earnings or the aggregate amount of Base Pay and Incentive Pay in excess of the new compensation limit, such Participant's Service Annuity under this Article 5 (relating to Service Annuities) for periods after the applicable grandfather date shall be the greater of:

the sum of (a) the Participant's Service Annuity determined as of such grandfather date, plus (b) the Participant's Service Annuity determined after such date by applying the new compensation limit and based only on the Participant's years of Credited Service after such date; and

the Service Annuity determined after the grandfather date by applying the new compensation limit and based on all of the Participant's years of Credited Service.

4. Participants Formerly Employed at the Company's Fossil-Fired Generation Facilities.

Participants entitled to a Service Annuity Under Section 5.7. Notwithstanding anything contained in the Plan to the contrary, a "Terminated Participant" (as defined below) who, but for this subparagraph (i) of Section 5.8(d), would have his or her Service Annuity computed under Section 5.7 (relating to Deferred Vested Termination), shall have his or her Service Annuity computed under (a) Section 5.2 (relating to normal and deferred retirement) if the Participant is at least age 65 on the date his or her Service Annuity payments commence or (b) Section 5.3 (relating to early retirement) if the Participant is at least age 50, but not yet age 65, on the date his or her Service Annuity payments commence, in either case, treating the Participant (solely for

purposes of Section 5.2 or 5.3, as the case may be, but not for any other purpose) as though his or her Termination of Employment occurred on the day immediately preceding the date that such Participant's Service Annuity payments commence; provided, however, that such Participant's Service Annuity shall be computed taking into account his Highest Average Annual Pay and Credited Service determined as of the date of his actual Termination of Employment. For purposes of the preceding sentence, a "Terminated Participant" shall mean a Participant whose Termination of Employment with the Company occurs as a result of the sale of any of the assets sold as part of a divestiture process commencing in 1998 of the Company's fossil-fired generation facilities to one or more purchasers, provided that, on the "Determination Date" (defined in subparagraph (iii) below), (a) the sum of such Participant's years of age and years of Credited Service, including as Credited Service any period between the Participant's actual Termination of Employment date and the "Determination Date" (defined in subparagraph (iii) below) equals or exceeds 60 and (b) such Participant is not then eligible for a Service Annuity under Section 5.2 (relating to normal and deferred retirement) or Section 5.3 (relating to early retirement).

"Determination Date" Used to Determine Eligibility for a Service Annuity Under Section 5.3. Further notwithstanding anything contained herein to the contrary, for purposes of determining whether an "Eligible Participant" (as defined below) is entitled to a Service Annuity under Section 5.3 (relating to early retirement), such Eligible Participant shall be treated (solely for purposes of Section 5.3) as though his or her Termination of Employment occurred on the "Determination Date" (defined in subparagraph (iii) below). For purposes of the preceding sentence, an "Eligible Participant" shall mean a Participant whose Termination of Employment occurs as a result of the sale of any of the assets sold as part of a divestiture process commencing in 1998 of the Company's fossil-fired generation facilities to one or more purchasers, provided that, on the "Determination Date" (defined in subparagraph (iii) below), such Participant (a) has attained at least age 50 and (b) has at least ten years of Credited Service, including as Credited Service any period between the Participant's actual Termination of Employment date and the "Determination Date" (defined in subparagraph (iii) below).

Definition of Determination Date. For purposes of this Section 5.8(d), the "Determination Date" shall mean the later of the date on which the transfer of ownership of all FGG assets offered as part of a sale process commencing in 1998 has been completed or the date any remaining FGG assets have been removed by the Company from such sale process.

As required under Section 5.5(b)(i) of that certain Asset Sale Agreement By and Between Commonwealth Edison Company and Edison Mission Energy as to Fossil Fuel Generating Assets dated as of March 22, 1999, (A) the benefits payable under the Plan to any Participant who becomes employed by Edison Mission Energy or any subsidiary thereof on the date the transactions contemplated by that Agreement are consummated (a "Transferred Participant") shall be fully vested and nonforfeitable, effective as of the Determination Date (as defined in subparagraph (iii), above), and (B) no Transferred Participant shall accrue additional benefits under the Plan after the Determination Date, or, if later, the date of such Transferred Participant's Termination of Employment.

5. Rehired Participants. Notwithstanding anything contained herein to the contrary, if a Participant terminates employment and is reemployed as an Employee under circumstances that satisfy the applicable conditions for continuation of payment of retirement benefits set forth in the Company's policy regarding the rehiring of retirees, including that the Participant waives participation in, or additional benefits and accruals under the Plan, such Participant's Service Annuity shall be computed by excluding all service completed, and compensation earned, during such period of reemployment.

6. Participant's Death During Qualified Military Service. Effective January 1, 2007, in the case of a Participant who dies while performing Military Service, the Beneficiaries of such Participant shall be entitled to any additional benefits, if any (other than benefit accruals relating to the period of Military Service), provided under the Plan had the Participant resumed employment with an Employer and then terminated such employment on account of such Participant's death.

I. Post Retirement Adjustments. The annual Service Annuity payable pursuant to this Article 5 (relating to Service Annuities) and Article 6 (relating to Service Annuity forms) that commences by reason of (a) the Termination of Employment of a Participant after the Effective Date under circumstances that entitle the Participant to a Service Annuity under Section 5.2 (relating to normal and deferred retirement), Section 5.3 (relating to early retirement), Section 5.4 (relating to disability retirement at or after age 45), Section 5.5 (relating to disability retirement before age 45) or Section 5.7 (relating to deferred vested terminations), or (b) the Termination of Employment of the Participant after the Effective Date by reason of the Participant's death shall, subject to the limitations set forth in this Section 5.9, be adjusted each October 1 for the twelve-month period then beginning by adding a post-retirement cost of living adjustment computed by applying an adjustment percentage to the appropriate base specified in this Section 5.9.

1. The adjustment percentage shall equal, for each October 1, the percentage by which the Consumer Price Index for the July immediately preceding such October 1 exceeds the Consumer Price Index for the July immediately preceding the twelve-month period beginning October 1 in which the Participant terminated employment under circumstances described in the first sentence of this Section 5.9 or payment of a Service Annuity commenced; provided, however, that:

If, as of such October 1, there shall be no such excess, the adjustment percentage shall be deemed to be zero for the twelve-month period beginning on such October 1.

There shall be no negative adjustment percentage.

The aggregate adjustment percentage for any twelve-month period beginning October 1 shall never be lower than the aggregate adjustment percentage for the preceding such period.

If the percentage increase in the Consumer Price Index computed for the twelve-month period beginning on October 1 does not exceed the aggregate adjustment percentage for the preceding twelve-month period by at least three percentage points, the aggregate adjustment percentage for the preceding twelve-month period shall continue in effect during such twelve-month period beginning on October 1.

The aggregate adjustment percentage for any twelve-month period beginning on October 1 shall not be more than seven percentage points greater than that for the preceding twelve-month period. If the aggregate adjustment percentage for any twelve-month period beginning on October 1 exceeds by more than seven percentage points the aggregate adjustment percentage for the preceding twelve-month period, the excess shall be carried over to succeeding twelve-month periods until such excess is reduced to zero.

The adjustment percentage for the twelve-month period beginning with the October 1 next following the date the Participant's Service Annuity commences shall be the adjustment percentage determined in accordance with the preceding provisions of this Section 5.9 multiplied by a fraction the numerator of which shall be the number of full calendar months between such date and such October 1 and the denominator of which shall be twelve.

2. To determine the amount of the monthly cost of living adjustment made after the Effective Date with respect to any employee who, on the date of his or her Termination of Employment is a member of IBEW Local Union 15, in the case of a Service Annuity payable to a Participant pursuant to this Article 5 (relating to Service Annuities) or Article 6 (relating to Service Annuity forms), the adjustment percentage shall be applied to the first $500 per month (effective December 1, 2000 for each Participant who is a member of IBEW Local Union 15, $1,000 per month) of his or her Service Annuity, computed pursuant to this Article 5 (relating to Service Annuities), subject to a maximum monthly adjustment of $1,000 or, if the monthly amount of such Service Annuity is less than $1,000 per month, subject to a maximum monthly adjustment equal to the monthly Service Annuity payment. To determine the amount of the adjustment made after the Effective Date in the case of a marital annuity under paragraph (b) of Section 6.1 or under Section 6.2 or surviving spouse annuity payable pursuant to Section 6.3 to the surviving Spouse of a deceased Participant, a family annuity payable pursuant to Section 6.2 to a surviving Dependent Minor Child or Children of a deceased Participant or a surviving dependent's annuity payable pursuant to Section 6.4 to a surviving Dependent Disabled Child or Children of a deceased Participant, the adjustment percentage shall be applied to the first $250 per month of such annuity or benefit, subject to a maximum monthly adjustment of $350 ($500 in the case of a marital annuity under paragraph (b) of Section 6.1 or under Section 6.2) or, if the monthly amount of such annuity or benefit is less than $350 ($500 in the case of marital annuity under paragraph (b) of Section 6.1 or under Section 6.2), subject to a maximum monthly adjustment equal to

the monthly Service Annuity payment. Cost of living adjustments with respect to Service Annuities not described in the first sentence of this Section 5.9(a) shall be determined under the terms of the Plan as in effect at the time the adjustment was made. Notwithstanding anything herein to the contrary, the cost of living adjustments provided under this Section 5.9(a) may be the subject of bargaining between Commonwealth Edison Company and IBEW Local Union 15 beginning no earlier than the date negotiations commence regarding the successor agreement to the first collective bargaining agreement between the parties that expires on or after January 1, 2006.

3. To determine the amount of the monthly cost of living adjustment made after the Effective Date with respect to any employee who is not described in paragraph (b), above, to in the case of a Service Annuity payable to a Participant pursuant to this Article 5 (relating to Service Annuities) or Article 6 (relating to Service Annuity forms), the adjustment percentage shall be applied to the first $500 per month of his or her Service Annuity, computed pursuant to this Article 5 (relating to Service Annuities), subject to a maximum monthly adjustment of $500 or, if the monthly amount of such Service Annuity is less than $500 per month, subject to a maximum monthly adjustment equal to the monthly Service Annuity payment. To determine the amount of the adjustment made after the Effective Date in the case of a marital annuity under paragraph (b) of Section 6.1 or under Section 6.2 or surviving spouse annuity payable pursuant to Section 6.3 to the surviving Spouse of a deceased Participant, a family annuity payable pursuant to Section 6.2 to a surviving Dependent Minor Child or Children of a deceased Participant or a surviving dependent's annuity payable pursuant to Section 6.4 to a surviving Dependent Disabled Child or Children of a deceased Participant, the adjustment percentage shall be applied to the first $250 per month of such annuity or benefit, subject to a maximum monthly adjustment of $175 ($250 in the case of a marital annuity under paragraph (b) of Section 6.1 or under Section 6.2) or, if the monthly amount of such annuity or benefit is less than $175 ($250 in the case of marital annuity under paragraph (b) of Section 6.1 or under Section 6.2), subject to a maximum monthly adjustment equal to the monthly Service Annuity payment. Cost of living adjustments with respect to Service Annuities not described in the first sentence of this Section 5.9(a) shall be determined under the terms of the Plan as in effect at the time the adjustment was made.

6.

SERVICE ANNUITY FORMS

A. Basic Service Annuity Form. 1. Unmarried Participants. A Participant who on his or her Annuity Starting Date is not married shall receive a Service Annuity payable in

semi-monthly payments for the Participant's lifetime unless the Participant is eligible for and elects an optional form of Service Annuity under Section 6.2 (relating to optional Service Annuity forms) at the time and in the manner prescribed by paragraph (b) of Section 6.6 (relating to election of optional form of Service Annuity).

2. Married Participants. A Participant who is married on his or her Annuity Starting Date and does not elect an optional form of Service Annuity under Section 6.2 (relating to optional Service Annuity forms) at the time and in the manner prescribed in paragraph (b) of Section 6.6 (relating to election of optional form of Service Annuity) shall receive in lieu of a Service Annuity payable in semi-monthly payments for the Participant's lifetime an annual marital annuity payable in semi-monthly payments for the Participant's lifetime equal to the Participant's annual Service Annuity computed pursuant to Article 5 (relating to Service Annuities) reduced by the product of (1) 50% of the annual amount of Service Annuity the Participant would have received under Article 5 (relating to Service Annuities) multiplied by (2) 40% of the applicable factor set forth in Table D. Thereafter, if the Participant's Spouse shall survive the Participant, such Spouse shall receive during the remainder of the Spouse's lifetime an annual Service Annuity payable in semi-monthly payments equal to 50% of the annual amount of Service Annuity the Participant would have received under Article 5 (relating to Service Annuities) if the Participant's Service Annuity were payable in semi-monthly payments for the Participant's lifetime.

B. Optional Service Annuity Forms. Upon written request to the Administrator made at the time and in the manner prescribed in paragraph (b) of Section 6.6 (relating to election of optional form of Service Annuity), a Participant may elect to receive, in lieu of the basic Service Annuity form described in Section 6.1, a Service Annuity in one of the following optional forms, provided that the Participant is eligible therefor:

Service Annuity Payable for the Life of the Participant: A Participant who is married on the Participant's Annuity Starting Date may elect, with spousal consent, to receive, in lieu of the marital annuity described in paragraph (b) of Section 6.1 (relating to annuities payable to married Participants), a Service Annuity payable in semi-monthly payments for the Participant's lifetime.

Optional Marital Annuity: A Participant who is married on the Participant's Annuity Starting Date may elect to receive a marital annuity described in paragraph (b) of Section 6.1 (relating to annuities payable to married Participants) with a Service Annuity payable to the Participant's Spouse, if the Participant predeceases such Spouse, of a percentage less than 50 of the Service Annuity the Participant would have received under Article 5 (relating to Service Annuities) if the Participant's Service Annuity were payable in semi-monthly payments for the Participant's lifetime. A marital annuity described in this Section 6.2 shall be payable at the same time and in the same manner as described in paragraph (b) of Section 6.1 (relating to annuities payable to married Participants) and shall be computed in the same manner as described in paragraph (b) of Section 6.1 (relating to annuities payable to married Participants), except that the lesser percentage of Service Annuity designated by the Participant shall be used.

75% Marital Annuity: A Participant who is married on the Participant's Annuity Starting Date may elect to receive a 75% marital annuity with a Service Annuity payable to the Participant's Spouse, if the Participant predeceases such Spouse, of a percentage equal to 75 of the Service Annuity the Participant would have received under Article 5 (relating to Service Annuities) if the Participant's Service Annuity were payable in semi-monthly payments for the Participant's lifetime. A 75% marital annuity described in this Section 6.2 shall be payable at the same time and in the same manner as described in paragraph (b) of Section 6.1 (relating to annuities payable to married Participants) and shall be the actuarial equivalent of the Service Annuity the Participant would have received under Article 5 (relating to Service Annuities), determined by using the annual interest rate specified under section 417(e) of the Code for the November preceding the calendar year in which such distribution is made or commences, and the mortality table prescribed for purposes of section 417(e)(3)(A)(ii)(I) of the Code.

Family Annuity: A Participant who is not married on the Participant's Annuity Starting Date and who, as of such date, has a Dependent Minor Child or Dependent Minor Children may elect to receive a family annuity payable in semi-monthly payments for the Participant's lifetime and, thereafter, payable in semi-monthly payments in equal shares to each of the Participant's Dependent Minor Children who have not yet attained age 21. The annual amount of the family annuity payable to the Participant shall be the Participant's annual Service Annuity computed pursuant to Article 5 (relating to Service Annuities), reduced by the product of (1) the annual amount of the family annuity designated by the Participant for the Participant's surviving Dependent Minor Child or Children which amount shall be a percentage, not to exceed 50, of the annual amount of the Participant's Service Annuity computed pursuant to Article 5 (relating to Service Annuities) multiplied by (2) the applicable factor set forth in Table E. The annual amount of the family annuity payable after the Participant's death to the Participant's Dependent Minor Child or Children who have not yet attained age 21 shall equal the percentage designated by the Participant, not to exceed 50, of the annual amount of the Participant's Service Annuity computed pursuant to Article 5 (relating to Service Annuities).

Surviving Dependent's Annuity: A Participant who is not married on the Participant's Annuity Starting Date and who, as of such date, has a Dependent Disabled Child or Dependent Disabled Children may elect to receive a surviving dependent's annuity payable in semi-monthly payments for the Participant's lifetime and, thereafter, payable in semi-monthly payments in equal shares to each of the Participant's Dependent Disabled Children who

remain disabled. The annual amount of the surviving dependent's annuity payable to the Participant shall be the Participant's annual Service Annuity computed pursuant to Article 5 (relating to Service Annuities) reduced by the product of (1) the annual amount of the surviving dependent's annuity designated by the Participant for the Participant's Dependent Disabled Child or Children, which amount shall be a percentage, not to exceed 50, of the annual amount of the Participant's Service Annuity computed pursuant to Article 5 multiplied by (2) 50% of the applicable factor set forth in Table D, such factor to be determined based on the age of the other parent of such Child or Children, at the Participant's Annuity Starting Date or the age such other parent would have attained had such other parent survived or if, in either case, the age of such other parent cannot be determined, the age of the Participant. The annual amount of the surviving dependent's annuity payable after the Participant's death to the Participant's Dependent Disabled Child or Children who remain disabled shall equal the percentage designated by the Participant, not to exceed 50, of the annual amount of the Participant's Service Annuity computed pursuant to Article 5 (relating to Service Annuities).

C. Pre-retirement Surviving Spouse Benefit. 1. Death Occurring During Employment after Completion of Ten Years of Credited Service. Except as provided in Section 6.5 (relating to death benefits with respect to certain Participants who die during employment and after age 65), if the Termination of Employment of a Participant who completed at least ten years of Credited Service shall occur by reason of the Participant's death, the Participant's Spouse, if the Participant is married on the date of the Participant's death, shall receive a surviving spouse annuity payable in semi-monthly payments for the surviving Spouse's lifetime commencing on the Service Annuity payment date immediately following the later of the Participant's death and the date the Participant would have attained age 65 or, in the event that the Participant dies prior to attainment of age 65, such earlier Service Annuity payment date elected by the surviving Spouse in writing in the manner specified by the Administrator. The annual amount of such surviving spouse annuity shall be 50% of the annual amount of the Service Annuity, computed pursuant to Section 5.2 (relating to normal and deferred retirement), that would have been payable to such Participant (i) had the Participant terminated employment the day before the Participant's death; or (ii) in the case of a Participant who dies before attaining age 55, had the Participant's Service Annuity commenced on the date the Participant would have

attained age 55, in either case, reduced by 2% for each year (computed to the nearest full year), if any, by which the age of such Participant exceeds that of the Participant's surviving Spouse. Notwithstanding the preceding sentence, in no event shall the annual amount of the surviving spouse annuity computed pursuant to this paragraph (a) of Section 6.3 be less than 50% of the annual amount of the marital annuity, computed pursuant to paragraph (b) of Section 6.1 (relating to annuities payable to married Participants), that would have been payable to such Participant (i) had payment of the Participant's marital annuity commenced the day before the Participant's death or (ii) in the case of a Participant who dies before attaining age 55, had payment of such marital annuity commenced at age 55 reduced by $^{1}/_{2}$% for each month (but not to exceed 120 months) that the Participant's death precedes the date the Participant would have attained age 55 had the Participant survived, $^{1}/_{6}$% for each month (but not to exceed 120 months) that the Participant's death precedes the date that the Participant would have attained age 45 had the Participant survived, and $^{1}/_{12}$% for each month the Participant's death precedes the date that the Participant would have attained age 35 had the Participant survived.

2. Death Occurring After Termination of Employment and Completion of Ten Years of Credited Service. If a Participant who completed at least ten Years of Credited Service and who is entitled to a deferred Service Annuity under Section 5.7 (relating to deferred vested termination) shall die before the Participant's Annuity Starting Date, the Participant's Spouse, if the Participant is married on the date of the Participant's death, shall be entitled to receive a surviving spouse annuity payable in semi-monthly payments for the surviving Spouse's lifetime commencing on or about the first Service Annuity payment date immediately following the later of the date of the Participant's death and the date the Participant would have attained age 65. Notwithstanding the preceding sentence, in the case of a Participant described in the preceding sentence who dies prior to attaining age 65, such Participant's surviving Spouse may elect, in writing in the manner specified by the Administrator, to receive payment of the surviving spouse annuity on any Service Annuity payment date following the later of the date of the Participant's death and the date the Participant would have attained age 50, but in no event

later than the first Service Annuity payment date immediately following the date the Participant would have attained age 65. The annual amount of the surviving spouse annuity shall be 50% of the annual Service Annuity computed pursuant to Section 5.7 (relating to deferred vested termination), that would have been payable to such Participant (i) had payment of such deferred Service Annuity commenced the day before the Participant's death, or (ii) in the case of a Participant who dies before attaining age 50, had payment of the Participant's deferred Service Annuity commenced at age 50, in either case, reduced by 2% for each year (computed to the nearest full year), if any, by which the age of such Participant exceeds the age of the Participant's surviving Spouse. Notwithstanding the preceding sentence, in no event shall the annual amount of the surviving spouse annuity computed pursuant to this paragraph (b) of Section 6.3 be less than 50% of the annual amount of the marital annuity, computed pursuant to paragraph (b) of Section 6.1 (relating to annuities payable to married Participants), that would have been payable to such Participant (i) had payment of the Participant's marital annuity commenced the day before the Participant's death or (ii) in the case of a Participant who dies before attaining age 50, had payment of such a marital annuity commenced at age 50.

3. Death Occurring after Completion of at Least Five Years of Vesting Service but Less than Ten Years of Credited Service. Except as provided in Section 6.5 (relating to death benefits with respect to certain Participants who die during employment and after age 65), if a Participant who has at least five years of Vesting Service but less than ten years of Credited Service shall die prior to the Participant's Annuity Starting Date, the Participant's Spouse, if the Participant is married on the date of the Participant's death, shall be entitled to receive a surviving spouse annuity payable in semi-monthly payments for the surviving Spouse's lifetime commencing on or about the first Service Annuity payment date immediately following the later of the date of the Participant's death and the date the Participant would have attained age 65. Notwithstanding the preceding sentence, the surviving Spouse of a Participant who is described in the preceding sentence and who dies before the Participant's 65th birthday may elect, in writing in the manner specified by the Administrator, to receive payment of the surviving spouse annuity on any Service Annuity payment date following the later of the date of the Participant's death and the date the Participant would have attained age 60, but in no event later than the first Service Annuity payment date immediately following the date the Participant would have attained age 65. The annual amount of the surviving spouse annuity shall be 50% of the annual Service Annuity computed pursuant to Section 5.7 (relating to deferred vested termination) that would have been payable to such Participant had payment of such deferred Service

Annuity commenced at age 65, in either case, reduced by 2% for each year (computed to the nearest full year), if any, by which the age of such Participant exceeds the age of the Participant's surviving Spouse. Notwithstanding the preceding sentence, in no event shall the annual amount of the surviving spouse annuity computed pursuant to this paragraph (c) of Section 6.3 be less than 50% of the annual amount of the marital annuity, computed pursuant to paragraph (b) of Section 6.1 (relating to annuities payable to married Participants) that would have been payable to such Participant had payment of such marital annuity commenced at age 65.

Except as provided in Section 6.4 (relating to pre-retirement surviving Child benefits) or Section 6.5 (relating to death benefits with respect to certain Participants who die during employment and after age 65), no Service Annuity or other benefit shall be payable under this Plan with respect to a Participant who dies prior to the Participant's Annuity Starting Date and who on the date of the Participant's death has no surviving Spouse. In addition, except as provided in Section 6.5 (relating to death benefits with respect to certain Participants who die during employment and after age 65), no Service Annuity or other benefit shall be payable under this Plan with respect to a Participant who dies prior to completion of at least five years of Vesting Service.

D. Pre-retirement Surviving Child Benefits. In the event of the death of any Participant who (i) has at least ten years of Credited Service and (ii) has on file with the Plan Administrator either a family annuity or a surviving dependent's annuity or, for Plan Years beginning on and after January 1, 2007, meets the eligibility conditions to elect a family annuity or surviving dependent's annuity, then, except as provided in Section 6.5 (relating to death benefits with respect to certain Participants who die during employment and after age 65), such Participant's surviving Dependent Minor Children or Dependent Disabled Children, as the case may be, shall receive a surviving child annuity payable in semi-monthly payments commencing on the Service Annuity payment date immediately following the Participant's death and ending with the Service Annuity payment for the period next preceding the date on which (i) in the case of a family annuity, all of the Participant's Children have attained age 21 and (ii) in the case of a surviving dependent's annuity, all of the Participant's Children cease to be Dependent Disabled

Children. The annual amount of such surviving child annuity shall be the annual annuity the Participant's Child or Children would have received (i) had the Participant terminated employment on the date of the Participant's death under circumstances entitling the Participant to a Service Annuity under Section 5.2 (relating to Normal and Deferred Retirement) or Section 5.3 (relating to Early Retirement) and died subsequently, or (ii) in the case of a Participant who dies before attaining age 55, had the Participant terminated employment at age 55 under circumstances entitling the Participant to a Service Annuity under Section 5.3 (relating to Early Retirement) and died subsequently, in either case, reduced by 2% for each year (computed to the nearest full year), if any, by which the age of such Participant exceeds the age of the other parent of such Child or Children at the Participant's death or the age such other parent would have attained on such date had such other parent survived or if, in either case, the age of such other parent cannot be determined, the age shall be deemed to be the same as the Participant.

E. Death Benefits for Spouse or Child of Participant Who Dies During Employment After Age 65. Notwithstanding any provision of this Plan to the contrary, in the event of the death of any Participant who (a) has attained age 65 and (b) on the date of his or her death the Participant is married or has on file with the Plan Administrator an election for a family annuity or a surviving dependent's annuity or, for Plan Years beginning on and after January 1, 2007, meets the eligibility conditions to elect a family annuity or surviving dependent's annuity, the Participant's surviving Spouse, Dependent Minor Children or Dependent Disabled Children, as the case may be, shall receive the annuities they would have received had the Participant terminated employment on the date of the Participant's death under circumstances entitling the Participant to a Service Annuity under Section 5.2 (relating to Normal and Deferred Retirement) and died subsequently, or, in the case of a surviving Spouse, a surviving spouse annuity

computed pursuant to the applicable paragraph of Section 6.3 (relating to pre-retirement surviving spouse benefits), if greater.

F. Election Procedure. 1. Notice of Availability of Elections. No less than 30 days and no more than 90 days before the Participant's Annuity Starting Date, the Administrator shall give the Participant by mail or personal delivery written notice in nontechnical language that, if the Participant is eligible, the Participant may elect an optional form of Service Annuity set forth in Section 6.2 (relating to optional Service Annuity forms). Notwithstanding the preceding sentence, the Administrator may deliver such notice to the Participant less than 30 days before the Participant's Annuity Starting Date, provided that (i) the Participant and the Participant's spouse (if any) waive any requirement that such notice be provided no less than 30 days before the Participant's Annuity Starting Date and (ii) payment of the Participant's Service Annuity commences more than 7 days after such notice is received by the Participant. The notice referred to herein shall mean a notice written in nontechnical language that includes a general description of the benefit forms provided under the Plan, including the terms and conditions of the basic benefit forms provided under the Plan and the circumstances under which such forms will be provided unless the Participant elects otherwise, with applicable spousal consent, a description of the eligibility conditions for and any material features of the optional forms of benefit, general information on the relative financial effect upon a Participant's benefit if he elects an optional form of benefit or revokes any prior election, and a description of the relative value of the optional forms of benefit as compared to a marital annuity. In no event shall payment of a Participant's monthly benefits commence before the notice is made available to the Participant and he has had an opportunity to make the election described in Section 6.1(b). Notwithstanding the foregoing, the notice described in the previous paragraph may be provided

to the Participant subsequent to the Participant's Annuity Starting Date, if the Participant so elects, provided that the following conditions are satisfied:

the date the on which the first payment to be received by the Participant is made (the "initial payment date") shall be no earlier than thirty (30) days following the date that the notice is furnished to the Participant, except that the initial payment date may be as early as the seventh day after such notice is provided if (i) such notice clearly indicates that the Participant has a right to a period of thirty (30) days after receiving the notice to consider to waive the basic forms of distribution provided under the Plan and to elect (with spousal consent) an optional form of benefit, (ii) the Participant affirmatively elects a form of distribution with the consent of his or her spouse (if required) to commence as of the initial payment date, and (iii) the Participant is permitted to revoke such election until the initial payment date;

the notice shall be provided to the Participant no more than ninety (90) days before the initial payment date, however, the Plan will not fail to satisfy the ninety (90)- day requirement if the delay in providing the distribution is due solely to an administrative delay;

the Participant is not permitted to elect an Annuity Starting Date that precedes the date upon which the Participant could have otherwise started receiving benefits under the terms of the Plan as in effect on the Annuity Starting Date;

to the extent that a Participant has not received any payments for the period from the Annuity Starting Date to the initial payment date, the Participant shall receive a one-time payment to reflect any such missed payments (a "make-up payment"). Such make-up payment shall be adjusted for interest from the period beginning on the Annuity Starting Date and ending on the initial payment date, which shall be calculated with respect to such payments that would have been received prior to the initial payment date. The interest rate used to compute the adjustment described in the preceding sentence shall equal the 30 Year Treasury rate for December of the preceding Plan Year. Notwithstanding the foregoing, with respect to any Annuity Starting Date on or after January 1, 2008, the interest rate used to compute the adjustment described in the sentence above shall be the interest rate as specified or prescribed by the Commissioner of the Internal Revenue Service for purposes of Section 417(e)(3) of the Code, in revenue rulings, notices or other guidance for November of the preceding Plan Year. For purposes of Section 7.1 of the Plan, the limitations set forth therein shall comply with the adjustments required thereto pursuant to Treasury Regulation 1.417(e)-1 with respect to any Annuity Starting Date described in this paragraph which is a "retroactive annuity starting date" as defined for purposes of such Regulation; and

if a Participant who is married elects to commence the Participant's benefit as of the initial payment date pursuant to this paragraph, then the Participant's spouse (including an alternate payee who is treated as the Participant's spouse under a qualified domestic relations order), determined as of the initial payment date, must consent to such election if the survivor benefits payable as of the Annuity Starting Date are less than the survivor benefits payable under the benefit described in Section 6.2(b) of the Plan as of the initial payment date.

2. Election of Optional Form of Service Annuity. Subject to the terms of, and except as otherwise provided by, this paragraph, a Participant may, at any time during the 90-day period ending on the Participant's Annuity Starting Date, elect, change or revoke (i) any form of Service Annuity provided under this Plan and (ii) the percentage of the Participant's Service Annuity to be paid to a Spouse under a marital annuity, to a

Dependent Minor Child under a family annuity or to a Dependent Disabled Child under a surviving dependent's annuity. Notwithstanding the preceding sentence, if the written notice described in paragraph (a) of this Section 6.6 is delivered to the Participant within 30 days of, or after, the Participant's Annuity Starting Date, the Participant may make an election, change or revocation as described in the preceding sentence at any time within 30 days after the date the written notice described in paragraph (a) of this Section 6.6 is delivered to the Participant. The Participant and the Participant's Spouse, if any, may waive the 30 day period described in the preceding sentence and begin receiving payment of the Participant's Service Annuity prior to the expiration of such 30-day period, provided that distribution of the Participant's Service Annuity commences more than 7 days after the notice described in paragraph (a) of this Section 6.6 is delivered to the Participant. An election, change or revocation described in this paragraph (b) shall be made by delivering a written notice describing the election, change or revocation to the Administrator. Notwithstanding the foregoing, if the Participant is married on the Participant's Annuity Starting Date, the Participant's election to receive an optional form of Service Annuity under Section 6.2 (relating to optional Service Annuity forms) in lieu of the marital annuity described in paragraph (b) of Section 6.1 (relating to annuities payable to married Participants) shall not be effective unless (i) it shall have been consented to at the time of such election in writing by the Participant's Spouse and such consent acknowledges the effect of such election and is witnessed by either a Plan representative or a notary public, or (ii) it is established to the satisfaction of a Plan representative that such consent cannot be obtained because the Participant's Spouse cannot be located or because of such other circumstances as may be prescribed in Regulations. An election of an optional Service Annuity form shall be deemed a rejection of the basic Service Annuity form provided in Section 6.1 (relating to the basic Service Annuity form of payment). The consent of a Spouse required by this paragraph shall not be necessary for a distribution required by a qualified domestic relations order described in paragraph (b) of Section 13.2.

3. Automatic Cancellation of Elections. If a Participant's Service Annuity is payable in the form of a marital annuity and if, prior to the Participant's Annuity Starting Date, the Participant's spouse dies or the Participant and such spouse divorce, the Participant's election or deemed election to receive a marital annuity shall, upon the Participant's notice to the Administrator of such death or divorce, be automatically cancelled, unless, subsequent to such spouse's death or the Participant's divorce and prior to the Participant's Annuity Starting Date, the Participant remarries and notice of such new marriage is timely received by the Administrator.

If a Participant's Service Annuity is payable in the form of a marital annuity and if, after the Participant's Annuity Starting Date, the Participant's Spouse predeceases the Participant or the Participant's Spouse, pursuant to a duly entered divorce decree, specifically relinquishes all rights to receive any Service Annuity in the event of the Participant's death, the Participant's Service Annuity shall be recomputed prospectively as if the Participant were not married on the Annuity Starting Date. Any marriage by the Participant after the Participant's Annuity Starting Date shall not affect the payment of the Participant's Service Annuity or require any payment to the Participant's new spouse.

If a Participant has elected to receive a family annuity and, either before or after payment of such annuity commences, all of the Participant's previously Dependent Minor Children have predeceased the Participant or have ceased to be dependent, within the meaning of Section 152 of the Code, the Participant's election to receive a family annuity shall, upon the Participant's notice to the Administrator of such death or cessation of being a dependent, be automatically cancelled.

If a Participant has elected to receive a surviving dependent's annuity and either before or after payment of such annuity commences, all of the Participant's previously Dependent Disabled Children have predeceased the Participant or have ceased to be Dependent Disabled Children, as certified by the medical director of the Company or by such other licensed physician designated by the Company, the Participant's election to receive a surviving dependent's annuity shall, upon the Participant's notice to the Administrator of such death or cessation of being a Dependent Disabled Child, be automatically cancelled.

A Participant whose election has been automatically cancelled pursuant to this paragraph (c) shall be entitled to receive the Service Annuity described in Section 6.1 (relating to the basic Service Annuity form of payment) or, in the case of an election that is automatically cancelled prior to the Participant's Annuity Starting Date and subject to Section 6.1 (relating to the basic Service Annuity form of payment), such other form of Service Annuity described in Section 6.2 (relating to optional Service Annuity forms) for which the Participant is eligible and elects in accordance with this Section 6.6.

G. Lump Sum Payment. Notwithstanding anything herein to the contrary, if the monthly amount of any Service Annuity shall initially be or at any time become $10 or less,

the Participant, Beneficiary or Retiree may, in lieu of such annuity, elect to receive, and within 30 days after such election there shall be paid to such Participant, Beneficiary or Retiree, an amount equal to the lump sum equivalent of such annuity calculated on the basis of the "applicable interest rate" as defined in Section 417 of the Code and the Regulations promulgated thereunder and the applicable mortality table. Notwithstanding the foregoing, for purposes of computing single sum payments on or after January 1, 2008, (i) the interest rate used shall be the interest rate as defined in Section 417(e)(3)(C) of the Code for the second month preceding the calendar year in which such distribution is made or commences and (ii) the mortality table shall be the mortality table specified by the Commissioner of the Internal Revenue Service for purposes of Section 417(e)(3) of the Code as in effect on the first day of the Plan Year in which the Annuity Starting Date occurs.

In the case of a distribution pursuant to this Section 6.7 that is an "eligible rollover distribution" within the meaning of Section 402 of the Code and that is at least $200, an eligible distributee (as defined below) may elect that all or any portion of such distribution shall be directly transferred as a rollover contribution from the Service Annuity Fund to (i) an individual retirement account described in Section 408(a) of the Code, (ii) an individual retirement annuity described in Section 408(b) of the Code, (iii) an annuity plan described in Section 403(a) of the Code, (iv) an annuity contract described in Section 403(b) of the Code, (v) a retirement plan qualified under Section 401(a) of the Code, (vi) an eligible plan under Section 457(b) of the Code which is maintained by an eligible employer described in Section 457(e)(1)(A) of the Code (the terms of which permit the acceptance of rollover contributions) or (vii) effective January 1, 2008, a Roth IRA described in Section 408A of the Code; provided, however, that (x) with respect to a plan described in clause (vii), for transfers occurring before January 1, 2010, the Participant (or surviving Spouse of a Participant or a former Spouse who is an alternate payee under a qualified domestic relations order as defined in Section 414(p) of the Code) meets the requirements of Section 408A(c)(3)(B) of the Code and (y) with respect to a distribution (or portion of a distribution) to a person who is not the Participant or the surviving Spouse of the Participant, "eligible retirement plan" shall mean only a plan described

in clause (i) or (ii) or effective January 1, 2010, clause (vii), that, in either case, is established for the purpose of receiving such distribution on behalf of such person. For purposes of the preceding sentence, the term "Spouse" shall include the Participant's surviving Spouse and the Participant's Spouse or former Spouse who is the alternate payee under a qualified domestic relations order. In addition, in the case of a distribution that occurs on or after January 1, 2008, a Beneficiary who is not the Spouse of the Participant may elect that all or any portion of such distribution shall be directly transferred as a rollover contribution from this Plan to (i) an individual retirement account described in section 408(a) of the Code or (ii) an individual retirement annuity described in section 408(b) of the Code that, in either case, is established for the purpose of receiving such distribution on behalf of the Beneficiary. Notwithstanding the foregoing, an eligible distributee shall not be entitled to elect to have less than the total amount of such distribution transferred as a rollover contribution unless the amount to be transferred equals at least $500. At least 30 days but no more than 90 days prior to the date on which the eligible distributee is entitled to receive a distribution described in this Section 6.7, a written explanation shall be provided to the eligible distributee of the availability of the direct rollover option, the rules that require income tax withholding on distributions, the rules under which the eligible distributee may roll over the distribution within 60 days of receipt and, if applicable, other special tax rules that may apply to the distribution.

For purposes of this Section 6.7, "eligible distributee" shall include the Participant, his Spouse or his alternate payee under a qualified domestic relations order within the meaning of Section 414(p) of the Code and, effective January 1, 2008, the Participant's Beneficiary who is not the Participant's Spouse.

H. Distributions to Dependent Minor and Disabled Children. Any distribution under this Plan to a Dependent Minor Child or Dependent Disabled Child, or payment to any person for the account of a Dependent Minor Child or Dependent Disabled Child, as the case may be, shall discharge all obligations in respect of such payment, and none of the Company, the Trustee, the Administrator, the Investment Fiduciary or the Corporate Investment Committee, shall have any duty to see to the application by any third party of any distribution made to or for the benefit of such Dependent Minor Child or Dependent Disabled Child.

7.

LIMITATIONS ON BENEFITS

A. Maximum Annual Benefits. Notwithstanding any other provision of the Plan to the contrary, the amount of the Participant's annual benefit (as defined below) accrued, distributed or payable at any time under the Plan shall be limited to an amount such that such annual benefit and the aggregate annual benefit of the Participant under all other defined benefit plans maintained by the Employer or any other Affiliate does not exceed the lesser of:

(i) $160,000 (as increased to reflect the cost of living adjustments provided under Section 415(d) of the Code), multiplied by a fraction (not exceeding 1 and not less than 1/10th), the numerator of which is the Participant's years of participation (within the meaning of Section 1.415(b)-1(g)(1)(ii) of the Regulations) and the denominator of which is 10; or

(ii) an amount equal to 100% of the Participant's average compensation for the 3 consecutive calendar years in which his or her compensation was the highest (as determined in accordance with Section 1.415(b)-1(a)(5) of the Regulations) and which are included in his or her years of service (within the meaning of Section 1.415(b)-1(g)(2)(ii) of the Regulations) with the Employers multiplied by a fraction (not exceeding 1 and not less than 1/10th), the numerator of which is the Participant's years of service with the Employers and the denominator of which is 10.

The dollar amount set forth in clause (i) of the preceding paragraph shall be actuarially reduced in accordance with Section 1.415(b)-1(d) of the Regulations if the Participant's Pension Starting Date occurs prior to the Participant's attainment of age 62. If the Participant's Pension Starting Date occurs after the Participant's attainment of age 65, such dollar amount shall be actuarially increased in accordance with Section 1.415(b)-1(e) of the Regulations.

A Participant's "annual benefit" shall mean the Participant's accrued benefit payable annually in the form of a straight life annuity, as determined in, and accordance with, Section 1.415(b)-1(b) of the Regulations. If the annual benefit is payable in a form other than a single life annuity, the annual benefit shall be adjusted to the

actuarial equivalent of a single life annuity using the assumptions of the following sentences; provided, however, that no adjustment shall be required for survivor benefits payable to a surviving spouse under a qualified joint and survivor annuity (as described in Section 6.1(b)) to the extent such benefits would not be payable if the Participant's annual benefit were paid in another form.

Effective for Plan Years beginning January 1, 2004 and January 1, 2005, for any form of benefit subject to Section 417(e)(3) of the Code, a Participant's annual benefit shall be the greater of (i) the amount computed using the annual interest rate specified under section 417(e) of the Code for the November preceding the calendar year in which such distribution is made or commences, and the mortality table prescribed for purposes of section 417(e)(3)(A)(ii)(I) of the Code (the "Actuarial Equivalent") and (ii) the amount computed using an interest rate assumption of 5.5% and the applicable mortality table under Section 1.417(e)-1(d)(2) of the Regulations (the "Applicable Mortality Table"). Effective for Plan Years beginning on or after January 1, 2006, for any form of benefit subject to Section 417(e)(3) of the Code, a Participant's annual benefit shall be the greatest of (i) the amount computed using the Actuarial Equivalent under the Plan, (ii) the amount computed using an interest rate assumption of 5.5% and the Applicable Mortality Table and (iii) the amount computed using the applicable interest rate under Section 1.417(e)-1(d)(3) of the Regulations and the Applicable Mortality Table, divided by 1.05. Effective for Plan Years beginning on or after January 1, 2006, for any form of benefit not subject to Section 417(e)(3) of the Code, a Participant's annual benefit shall be determined in accordance with Section 1.415(b)-1(c) of the Regulations. An individual's "annual benefit" under any other defined benefit plan maintained by the Employer and Affiliate shall be as determined pursuant to the provisions of Section 415 of the Code and the Regulations issued thereunder the terms of such plan.

Notwithstanding the foregoing provisions of this Section, the limitation provided by this Section shall not apply to a Participant who has not at any time participated in a defined contribution plan maintained by any Employer and whose annual benefit under the Plan does not exceed $10,000 multiplied by a fraction (not exceeding 1 and not less than 1/10th) the numerator of which is the Participant's years of years of service (within the meaning of Section 1.415(b)-1(g)(2)(ii) of the Regulations) and the denominator of which is 10.

For purposes of this Section, the term "compensation" shall have the meaning set forth in Section 415(c)(3) of the Code and the applicable Regulations, the term "defined contribution plan" shall have the meaning

set forth in Section 1.415(c)-1(a)(2) of the Regulations, the term “defined benefit plan” shall have the meaning set forth in Section 1.415(b)-1(a)(2) of the Regulations and the term “Employer” shall include the Employers and all corporations and entities required to be aggregated with any of the Employers pursuant to Section 414(b) and (c) of the Code as modified by Section 415(h) of the Code.

B. Temporary Restrictions on Benefits in Case of Termination or Curtailment. This Section 7.2 sets forth restrictions required by the Internal Revenue Service on the Service Annuity payable for a Plan Year to a highly compensated employee or highly compensated former employee, as described in Section 414(q) of the Code and Regulations who is among the twenty-five highest paid nonexcludable employees in the service of the Employers for the Plan Year. The restrictions set forth in this Section 7.2 shall not become applicable if:

after payment to such highly compensated employee of any Service Annuity, the value of Plan assets equals or exceeds 110 percent of the value of current liabilities (as defined in Section 412(l)(7) of the Code),

the value of the Service Annuity paid to such highly compensated employee is less than one percent of the value of current liabilities of the Plan, or

the value of the Service Annuity payable to or on behalf of such highly compensated employee does not exceed the amount described in Section 411(a)(11)(A) of the Code.

If the Service Annuity payable to a Participant is subject to the restrictions set forth in this Section 7.2, the Service Annuity provided from the Plan shall not exceed the payments that would be made on behalf of such Participant under a single life annuity that is the actuarial equivalent of the sum of the Participant’s Service Annuity and the Participant’s other benefits under the Plan.

The foregoing conditions do not restrict the full payment of any death or survivor’s benefits on behalf of a Participant who dies while the Plan is in full effect and its full current costs have been met.

Any amounts that become due but because of the limitations of this Section 7.2, if applicable, cannot be made available to or for the Participant (either currently or later) shall be applied to reduce subsequent contributions of the Employers; but if the Employers have ceased contributions to the Plan, such amounts shall be applied for the benefit of Participants not affected by this Section 7.2 in an equitable and nondiscriminatory manner.

This Section 7.2 is inserted solely for the purpose of complying with the requirements of the Internal Revenue Service and shall not be applied except to the extent necessary to comply with such requirements.

C. Benefit Restrictions as a Result of Funding. (a) Notwithstanding any provision of the Plan to the contrary, the following benefit restrictions shall apply if the Plan's "Adjusted Funding Target Attainment Percentage" (the "AFTAP"), as defined in Section 436(j) of the Code, is at or below the following levels.

If the Plan's AFTAP is 60% or greater but less than 80% for a Plan Year, the Plan shall not pay any prohibited payment (as defined in subsection 7.3(a)(iv) below) after the valuation date for the Plan Year to the extent the amount of the payment exceeds the lesser of (x) 50% of the amount of the payment which could be made without regard to the restrictions under this subsection 7.3 and (y) the present value (determined pursuant to guidance prescribed by the Pension Benefit Guaranty Corporation, using the interest and mortality assumptions under Section 417(e) of the Code) of the maximum guarantee with respect to the Participant under Section 4022 of ERISA. Notwithstanding the preceding sentence, only one such prohibited payment may be made with respect to any Participant during any period of consecutive Plan Years to which the limitations under either clause (x) or (y) of the preceding sentence apply. For purposes of this subsection 7.3(a)(i), a Participant, his Beneficiary and any alternate payee (as defined in Section 414(p)(8) of the Code) shall be deemed a single "Participant."

If the Plan's AFTAP is less than 60% for a Plan Year, the Plan shall not pay any prohibited payment after the valuation date for the Plan Year.

During any period in which the Company is a debtor in a case under Title 11, United States Code (or similar federal or state law), the Plan shall not make any prohibited payment. The preceding sentence shall not apply on or after the date on which the Plan's enrolled actuary certifies that the AFTAP is not less than 100%.

For purposes of this subsection 7.3(a), the term "prohibited payment" means (x) any payment, in excess of the monthly amount paid under a single life annuity (plus any supplements described in Section 6.2), to a Participant or Beneficiary whose annuity starting date (as defined in Section 417(f)(2) of the Code and any regulations promulgated thereunder) occurs during any period a limitation under subsection 7.3(a)(ii) or (iii) is in effect, (y) any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or (z) any other payment specified by the Secretary of the Treasury by regulations.

2. In any Plan Year in which the Plan's AFTAP for such Plan Year is less than 60%, benefit accruals under the Plan shall cease as of the valuation date for the Plan Year. This restriction shall cease to apply with respect to any Plan Year, effective as of the first day of the Plan Year, upon payment by the Company or the Employers of a contribution (in addition to any minimum required contribution under Section 430 of the Code) equal to the amount sufficient to result in an AFTAP of 60%.

3. No amendment which has the effect of increasing Plan liabilities by reason of increases in benefits, establishment of new benefits, changing the rate of benefit accruals or the rate at which benefits become nonforfeitable shall take effect during any Plan Year if the Plan's AFTAP for such Plan Year is less than 80% or would be less than 80% after taking into account such amendment; provided, however, that the preceding restriction shall not apply to an amendment which provides for an increase in benefits under a formula which is not based on a Participant's compensation if the rate of such increase is not in excess of the contemporaneous rate of increase in average wages of Participants covered by the amendment; and provided, further, that such restriction shall cease to apply with respect to any Plan Year, effective as of the first day of the Plan Year (or if later, the effective date of the amendment), upon payment by the Company or the Employers of a contribution as described in Section 436(c)(2) of the Code.

4. The Plan shall not provide an unpredictable contingent event benefit payable with respect to any event occurring during any Plan Year if the AFTAP for such Plan Year is less than 60% or would be less than 60% after taking into account such occurrence; provided, however, such restriction shall cease to apply with respect to any Plan Year, effective as of the first day of the Plan Year, upon payment by the Company or the Employers of a contribution as described in Section 436(b)(2) of the Code. For purposes of this subsection 7.3(d), the term "unpredictable contingent event benefit" means any benefit payable solely by reason of a plant shutdown (or similar event, as determined by the Secretary of the Treasury), or any event other than the attainment of any age, performance of any service, receipt or derivation of any compensation, or occurrence of death or disability.

5. To avoid benefit restrictions, the Company may take any action permitted by Section 436 of the Code and the regulations promulgated thereunder.

6. The provisions of this subsection 7.3 are intended to comply with Section 436 of the Code and any regulations promulgated thereunder, and shall be construed to comply therewith.

8.

SERVICE ANNUITY FUND

The Service Annuity Fund is the Service Annuity Fund created by the Company for the payment of Service Annuities. All contributions under this Plan shall be paid to the Trustee. The Trustee shall hold all monies and other property received by it and shall invest and

reinvest the same, together with the income therefrom, on behalf of the Participants collectively in accordance with the directions of the Investment Fiduciary. The Investment Fiduciary shall be a "named fiduciary" under the Plan for purposes of ERISA and, as such, may, in its discretion, delegate to one or more investment managers, as defined in ERISA, the authority to hold, manage, acquire and dispose of all or any part of the Service Annuity Fund. Any investment manager appointed by the Investment Fiduciary pursuant to this Article 8 which is a bank or trust company supervised by a State or Federal agency is authorized and empowered to invest and reinvest all or any part of the Service Annuity Fund allocated to it for investment in any common, collective or commingled trust qualified under the provisions of Section 401(a) and exempt from tax under Section 501(a) of the Code which is maintained by such investment manager ("common trust"). During such period of time as all or any portion of the Service Annuity Fund shall be invested in a common trust, the trust document governing such common trust shall govern any investment therein and such trust document shall be a part hereof. Investment of the common trust in deposits of the trustee of the common trust is hereby expressly authorized.

In addition, the Investment Fiduciary is authorized and empowered to direct the Trustee as to the investment and reinvestment all or any part of the Service Annuity Fund in the Commonwealth Edison Pooled Fund (the "Pooled Fund"). During such period of time as all or any portion of the Service Annuity Fund is invested in the Pooled Fund, the trust document governing the Pooled Fund shall govern any investment therein and such trust document shall be a part hereof. On and after November 1, 2010, the Service Annuity Fund shall be invested in the Exelon Corporation Pension Master Retirement Trust (the "Master Trust"), which is an amendment and restatement of the Pooled Fund, and the Master Trust document shall govern any investment therein. The Investment Fiduciary may delegate to one or more investment managers, as defined in ERISA, the authority to hold, manage, acquire and dispose of all or any part of the Service Annuity Fund invested in the Pooled Fund or, on and after November 1, 2010, in the Master Trust.

The Trustee shall make distributions from the Service Annuity Fund at such time or times to such person or persons and in such amounts as the Administrator shall direct in accordance with this Plan.

9.

SPECIAL RULES RELATING TO PARTICIPATION OF AND DISTRIBUTION TO CERTAIN TERMINATED OR TRANSFERRED EMPLOYEES

A. Employment After Commencement of Service Annuity. A retired Employee or former Employee, other than an Employee described in either of the following paragraphs, receiving, or eligible to begin receiving, a Service Annuity may be employed in any business, including that of an Employer or an Affiliate, without in any way affecting the payment to him or her of his or her Service Annuity, provided however, that if he or she is employed by an

Employer or an Affiliate, such employment satisfies the applicable conditions for continuation of payment of retirement benefits as set forth in the Company's policy regarding the rehiring of retirees.

A retired bargaining unit Employee or former bargaining unit Employee, if such bargaining unit Employee was a member of Local Union 15 (or a predecessor union), International Brotherhood of Electrical Workers, receiving a Service Annuity may be employed in any business, other than that of the Company, without in any way affecting the payment to him or her of his or her Service Annuity. Such retired bargaining unit Employee, or former bargaining unit Employee, receiving a Service Annuity may be employed in the temporary service of an Employer or an Affiliate, but, except as otherwise provided in paragraph (b) of Section 5.2, during the term of such employment, he or she shall not receive any Service Annuity payments unless such employment is for less than 40 Hours of Service per calendar month. Upon the conclusion of such temporary service employment, Service Annuity payments shall again be made to him or her, as described in Section 9.4 (relating to suspension of Service Annuities).

Notwithstanding anything contained herein to the contrary, a retired Employee or former Employee who becomes re-employed by an Employer or an Affiliate after his or her Service Annuity payments have commenced shall not, under any circumstances, have the right to elect to participate in the Exelon Corporation Cash Balance Pension Plan or the Exelon Corporation Pension Plan for Bargaining Unit Employees. In addition, a retired Employee or former Employee who becomes re-employed by an Employer after payments have begun to be paid to him or her under the Exelon Corporation Cash Balance Pension Plan or the Exelon Corporation Pension Plan for Bargaining Unit Employees shall not, under any circumstances, have the right to elect to participate in this Plan.

B. Social Security Increases. The Service Annuity of a Retiree or a Participant who has terminated employment under circumstances that entitle the Participant to a deferred Service Annuity under Section 5.7 (relating to deferred vested termination) shall not be recomputed to reflect any change in the benefit levels payable under Title II of the Federal Social Security Act or any change in the wage base under such Title II if such change takes place after

the earlier of the date payment of such Service Annuity commences or the date of such termination, as the case may be.

C. Leased Employees. A leased employee (within the meaning of section 414(n)(2) of the Code) shall not be eligible to participate in the Plan. If a person who performed services as a leased employee (as defined below) of any Employer or Affiliate becomes an Employee, or if an Employee becomes such a leased employee, then any period during which such services were so performed shall be taken into account solely for the purposes of determining whether and when such person is eligible to participate in this Plan under Article 3 (relating to participation), measuring such person's years of Vesting Service and determining when such person has terminated his or her employment for purposes of Article 5 (relating to Service Annuities) and Article 6 (relating to Service Annuity forms) to the same extent it would have been had such service been as an Employee. In addition, any contributions or benefits provided under another plan to such leased employee by his or her leasing organization shall be treated as provided under this Plan and shall be taken into account under Section 7.1 to the extent required under Section 1.415(a)-1(f)(3) of the Regulations. This Section 9.3 shall not apply to any period of service during which such a leased employee was covered by a plan described in Section 414(n)(5) of the Code and during which the total number of leased employees did not constitute more than 20% of the Employer's non-highly compensated work force within the meaning of Section 414(n)(1)(C)(ii) of the Code. For purposes of this Plan, a "leased employee" shall mean any person who is not an employee of an Employer and who pursuant to an agreement between an Employer or Affiliate has performed services for an Employer or an Affiliate on a substantially full-time basis for a period of at least one year, which services were performed under the primary direction and control of an Employer or an Affiliate.

D. <u>Suspension of Service Annuities</u>. 1. Notwithstanding anything contained in the Plan to the contrary and except as provided in paragraph (b) of Section 5.2 (relating to special rule for Participants who attain age 70-1/2 while employed), a Participant who remains an Employee after the Participant's Normal Retirement Age without having any Termination of Employment that results in the Participant beginning to receive his or her Service Annuity shall not be entitled to receive any Service Annuity for any calendar month of employment by an Employer or an Affiliate during which the Participant completes at least 40 Hours of Service. If the Service Annuity payments of a Participant described in the preceding sentence or a Participant described in either of the second or third paragraph of Section 9.1 (relating to employment after commencement of Service Annuity System) are suspended, then such payments shall resume at the earlier of (i) such Participant's actual retirement, or (ii) such Participant's ceasing to work 40 Hours of Service or more per calendar month. A Participant's Service Annuity payments which have been suspended pursuant to this Section 9.4 or Section 9.1 (relating to employment after commencement of Service Annuity System) shall be resumed not later than the third calendar month after the calendar month in which the Participant ceases to be employed as described in the preceding sentence. The initial payment upon resumption of the Service Annuity payments shall include any amounts withheld during the period between the cessation of the period during which his or her Service Annuity was suspended and the resumption of payments, but shall not be actuarially adjusted for such delay in resumption of his or Service Annuity nor shall any Service Annuity payment be made with respect to any month during which his or her Service Annuity was suspended pursuant to this Section 9.4 or Section 9.1 (relating to employment after commencement of Service Annuity System).

2. No Service Annuity shall be suspended under this Section 9.4 or Section 9.1 (relating to employment after commencement of Service Annuity System) unless the Participant is notified by personal delivery or first class mail during the first calendar month or payroll period in which the Service Annuity is being suspended. Such notice will contain such information as may from time to time be required by Section 2530.203-3(b)(4) of the regulations of the Department of Labor or any amendment thereto.

3. If a Participant erroneously receives Service Annuity payments for a month during which such payments should have been suspended pursuant to this Section 9.4 or Section 9.1 (relating to employment after commencement of Service Annuity System), then the Administrator may deduct from future Service Annuity payments such erroneously received payments. However, no such deduction may exceed in any one month 25 percent of that month's payment to which the Participant or the Participant's Beneficiary, as the case may be, would have been entitled.

E. Reemployment Before Commencement of Service Annuity. 1. Employees Represented by IBEW Local Union 15. The following rules shall apply to an Eligible Employee who is a member of a collective bargaining unit represented by IBEW Local Union 15 who incurs a Termination of Employment and who is rehired by an Employer prior to commencing his or her Service Annuity or any benefits under the Exelon Corporation Pension Plan for Bargaining Unit Employees:

Rehire Date Before Absence of 5 Years. If an Employee terminates employment and is later rehired by an Employer before having an absence from employment with the Employers and their Affiliates of five years and, on the date of such Employee's rehire, the Employee is a member of a collective bargaining unit represented by IBEW Local Union 15, then either: (1) if such Employee was a Participant on the date his or her employment terminated, such Employee shall become a Participant in the Plan as of his or her rehire date or (2) if such Employee was not a Participant on the date his or her employment terminated, such Employee shall not be an Eligible Employee and shall not become a Participant.

Rehire Date After Absence of at Least 5 Years. If an Eligible Employee terminates employment, regardless of whether such Eligible Employee was a Participant on the date that his or her employment terminated, and is later rehired by an Employer after having an absence from employment with the Employers and their Affiliates of at least five years and, on the date of such Employee's rehire, the Employee is a member of a collective bargaining unit represented by IBEW Local Union 15, such Eligible Employee shall (A) if he or she was a Participant with a vested Service Annuity as of his or her termination date, become a Participant as of his or her rehire date, (B) if he or she was not a Participant as of his or her termination date and was a participant entitled to a vested benefit under the Exelon Corporation Pension Plan for Bargaining

Unit Employees as of his or her termination date, he or she shall not be an Eligible Employee and shall not become a Participant, or (C) if he or she was neither a Participant with a vested Service Annuity nor a participant entitled to a vested benefit under the Exelon Corporation Pension Plan for Bargaining Unit Employees as of his or her termination date, then, (1) if he or she is rehired prior to January 1, 2009, be permitted to elect, in accordance with procedures established by the Administrator or, for periods prior to June 1, 2006, the 'Committee', as such term was defined in the Plan prior to such date, to participate in the Plan or the Exelon Corporation Pension Plan for Bargaining Unit Employees as of his or her rehire date, or (2) if he or she is rehired on or after January 1, 2009, he or she shall not be an Eligible Employee and shall not become a Participant.

2. Management Employees. The following rules shall apply to an Eligible Employee who is not a member of a collective bargaining unit represented by IBEW Local Union 15 and who is rehired by an Employer after a Termination of Employment and prior to commencing his or her Service Annuity or any benefits under the Exelon Corporation Cash Balance Pension Plan, as applicable:

Rehire Date Before Absence of 5 Years. If an Employee terminates employment and is later rehired by an Employer before having an absence from employment with the Employers and their Affiliates of five years and, on the date of his or her rehire, such Employee is not a member of a collective bargaining unit represented by IBEW Local Union 15, then either: (1) if such Employee was a Participant on the date his or her employment terminated, such Employee shall be Participant in the Plan as of his or her rehire date if he or she is then an Eligible Employee or (2) if such Employee was not a Participant on the date his or her employment terminated, such Employee shall not be an Eligible Employee and shall not become a Participant. Notwithstanding clause (1) of the preceding sentence, if an Eligible Employee described in the preceding sentence was not at any time permitted to make the election described in Section 3.2(a) or was permitted to make such election and elected to participate in the Exelon Corporation Cash Balance Pension Plan but such election was not given effect as a result of such Employee's Termination of Employment, such Eligible Employee shall be permitted to elect, in the time and manner prescribed by the Administrator or, for periods prior to June 1, 2006, the 'Committee', as such term was defined in the Plan prior to such date, to either (1) participate in the Plan as of his or her rehire date or (2) participate in the Exelon Corporation Cash Balance Pension Plan at the time prescribed therein and have his or her Service Annuity and related assets transferred to such plan in the manner described in Section 3.2(b).

Rehire Date After Absence of at Least 5 Years. If an Employee terminates employment with the Employers and their Affiliates and the Employee was not a Participant or was a Participant who did not have a vested Service Annuity as of the date his or her employment terminated, and such Employee is rehired by an Employer after having an absence from employment with the Employers and their Affiliates of at least five years and, on the date of his or her rehire, such Employee is not a member of a collective bargaining unit represented by IBEW Local Union 15, such Employee shall not be an Eligible Employee and shall not become a Participant upon such rehire. If a Participant with a vested Service Annuity terminates employment with the Employers and their Affiliates and the Participant is rehired after having an absence from employment with the Employers and their Affiliates of at least five years, such Participant shall remain a Participant upon his or her rehire. Notwithstanding the preceding sentence if a Participant described in the preceding sentence was not at any time permitted to make the election described in Section 3.2(a) or was permitted to make such election and elected to participate in the Exelon Corporation Cash Balance Pension Plan but such election was not given effect as a result of such Employee's Termination of Employment, such Eligible Employee shall be permitted to elect, in the time and manner prescribed by the Administrator or, for periods prior to June 1, 2006, the 'Committee', as such term was defined in the Plan prior to such date, to either (1) participate in the Plan as of his or her rehire date or (2) participate in the Exelon Corporation

Cash Balance Pension Plan at the time prescribed therein and have his or her Service Annuity and related assets transferred to such plan in the manner described in Section 3.2(b).

F. Employees whose Representation by IBEW Local Union 15 Changes. Except as provided in the last paragraph of Section 9.1 (relating to employment after commencement of Service Annuity) if an Employee who, on the day he or she first performed an Hour of Service with an Employer, was not a member of a collective bargaining unit represented by IBEW Local Union 15 and was not an Eligible Employee later becomes an Eligible Employee as a result of becoming a member of a collective bargaining unit represented by IBEW Local Union 15 and being employed at a facility that, as of October 19, 2000, was owned by Commonwealth Edison Company, Unicom Corporation or any affiliate of Unicom Corporation, such Employee shall become a Participant as of the date he or she first becomes a member of a collective bargaining unit represented by IBEW Local Union 15, provided that such Employee becomes a member of a collective bargaining unit represented by IBEW Local Union 15 prior to January 1, 2009 and does not elect, in the time and manner prescribed by the Administrator or, for periods prior to June 1, 2006, the ‘Committee’, as such term was defined in the Plan prior to such date for such an election, to participate in the Exelon Corporation Pension Plan for Bargaining Unit Employees. Except as provided in the last paragraph of Section 9.1 (relating to employment after commencement of Service Annuity) if an Employee who was a member of a collective bargaining unit represented by IBEW Local Union 15 and who first became employed by an Employer prior to January 1, 2001 later ceases to be a member of a collective bargaining unit represented by IBEW Local Union 15, such Employee shall be permitted to elect, in the time and manner prescribed by the Administrator or, for periods prior to June 1, 2006, the ‘Committee’, as such term was defined in the Plan prior to such date, to either (a) continue to participate in the Plan as of the date he or she ceases to be a member of a collective bargaining unit represented by

IBEW Local Union 15 or (b) participate in the Exelon Corporation Cash Balance Pension Plan at the time prescribed therein and have his or her Service Annuity and related assets transferred to such plan in the manner described in Section 3.2(b).

G. Transfer of Employment to or Reemployment in Positions Eligible for Participation in the Plan or the Service Annuity Plan of PECO Energy Company by Certain Individuals Who Were Participants in Such a Plan on December 31, 2000. If a Participant who was a Participant on December 31, 2000 transfers employment to or is reemployed by an Employer or an Affiliate in a job classification with respect to which similarly situated employees of such Employer or Affiliate are not eligible to participate in the Plan but are instead eligible to participate in the Service Annuity Plan of PECO Energy Company (or would be so eligible but for their election to participate in the Exelon Corporation Cash Balance Pension Plan), then such individual shall upon such transfer or reemployment remain a Participant in the Plan and shall not participate in the Service Annuity Plan of PECO Energy Company. If a participant in the Service Annuity Plan of PECO Energy Company who was a participant in such plan on December 31, 2000 transfers employment to or is reemployed by an Employer or an Affiliate in a management job classification with respect to which similarly situated employees of such Employer or Affiliate are not eligible to participate in such plan but are instead eligible to participate in the Plan (or would be so eligible but for their election to participate in the Exelon Corporation Cash Balance Pension Plan), then such individual shall upon such transfer or reemployment remain a participant in the Service Annuity Plan of PECO Energy Company and shall not participate in the Plan.

H. Change in Employment Status or Transfer to Affiliate. Except as otherwise provided herein, if an Employee who was a Participant transfers employment to or is reemployed by an Employer or an Affiliate in a job classification with respect to which similarly situated

employees of such Employer or Affiliate are not eligible to participate in the Plan but are instead either eligible to participate in another plan maintained by such Employer or Affiliate or are not eligible to participate in any plan, then such individual shall upon such transfer or reemployment participate in the plan, if any, determined pursuant to rules established by the Company, which rules may be set forth in a Supplement hereto.

10.

ADMINISTRATION

A. The Administrator, the Investment Fiduciary and the Corporate Investment Committee. (a) The Administrator. The Company's Vice President, Compensation & Benefits, or such other person or committee appointed by the Chief Human Resources Officer from time to time (such vice president or other person or committee, the "Administrator"), shall be the "administrator" of the Plan, within the meaning of such term as used in ERISA. In addition, the Administrator shall be the "named fiduciary" of the Plan, within the meaning of such term as used in ERISA, solely with respect to administrative matters involving the Plan and not with respect to any investment of the Plan's assets. The Administrator shall have the following duties, responsibilities and rights:

(i) The Administrator shall have the duty and discretionary authority to interpret and construe this Plan in regard to all questions of eligibility, the status and rights of Participants, Retirees, Beneficiaries and other persons under this Plan, and the manner, time, and amount of payment of any distributions under this Plan. The determination of the Administrator with respect to an Employee's years of Credited Service, the amount of the Employee's Earnings, Highest Average Annual Pay, Federal Benefit and any other matter affecting payments under the Plan shall be final and binding. Benefits under the Plan shall be paid to a Participant or Beneficiary only if the Administrator, in his or her discretion, determines that such person is entitled to benefits.

(ii) Each Employer shall, from time to time, upon request of the Administrator, furnish to the Administrator such data and information as the

Administrator shall require in the performance of his or her duties.

(iii) The Administrator shall direct the Trustee to make payments of amounts to be distributed from the Trust under Article 6 (relating to Service Annuity forms). In addition, it shall be the duty of the Administrator to certify to the Trustee the names and addresses of all Retirees, the amounts of all Service Annuities, the dates of death of Retirees and all proceedings and acts of the Administrator necessary or desirable for the Trustee to be fully informed as to the Service Annuities to be paid out of the Service Annuity Fund.

(iv) The Administrator shall have all powers and responsibilities necessary to administer the Plan, except those powers that are specifically vested in the Investment Fiduciary, the Corporate Investment Committee or the Trustee.

(v) The Administrator may require a Participant or Beneficiary to complete and file certain applications or forms approved by the Administrator and to furnish such information requested by the Administrator. The Administrator and the Plan may rely upon all such information so furnished to the Administrator.

(vi) The Administrator shall be the Plan's agent for service of legal process and forward all necessary communications to the Trustee.

(b) Removal of Administrator. The Chief Human Resources Officer shall have the right at any time, with or without cause, to remove the Administrator (including any member of a committee that constitutes the Administrator). The Administrator may resign and the resignation shall be effective upon delivery of the written resignation to the Chief Human Resources Officer. Upon the resignation, removal or failure or inability for any reason of the Administrator to act hereunder, the Chief Human Resources Officer shall appoint a successor. Any successor Administrator shall have all the rights, privileges and duties of the predecessor, but shall not be held accountable for the acts of the predecessor. None of the Company, any member of the board of directors of the Company who is not the Chief Human Resources Officer, nor any other person shall have any responsibility regarding the retention or removal of the Administrator.

(c) The Investment Fiduciary. The Company, acting through the Exelon Investment Office, shall be the Investment Fiduciary and the "named fiduciary" of the Plan, within the meaning of such term as used in ERISA, solely with respect to matters involving the investment of assets of the Plan and, any contrary provision of the Plan notwithstanding, in all events subject to the limitations contained in Sections 404(a)(2) of ERISA and all other applicable limitations. In addition to the duties, responsibilities and rights of the Investment Fiduciary set forth in Article 8, the Investment Fiduciary shall have the following duties, responsibilities and rights:

(i) The Investment Fiduciary shall be the "named fiduciary" for purposes of directing the Trustee as to the investment of amounts held in the Trust Fund and for purposes of appointing one or more investment managers as described in ERISA.

(ii) The Investment Fiduciary shall submit to the Corporate Investment Committee annual manager review results and such other reports and documents as may be necessary for the Corporate Investment Committee to monitor the activities and performance of the Investment Fiduciary.

(iii) Each Employer shall, from time to time, upon request of the Investment Fiduciary, furnish to the Investment Fiduciary such data and information as the Investment Fiduciary shall require in the performance of its duties.

(d) The Corporate Investment Committee. The Corporate Investment Committee shall be responsible for overall monitoring of the performance of the Investment Fiduciary. The Corporate Investment Committee shall have the following duties, responsibilities and rights:

(i) The Corporate Investment Committee shall monitor the activities and performance of the Investment Fiduciary and shall review annual manager review results and any other reports and documents submitted by the Investment Fiduciary.

(ii) The Corporate Investment Committee shall have authority to approve asset allocation recommendations of the Investment Fiduciary, and approve the retention or firing of any investment consultant (but not any investment manager), custodian or trustee, as recommended by the Investment Fiduciary.

(iii) The Corporate Investment Committee shall have the right at any time, with or without cause, to remove one or more employees of the Exelon Investment Office or to appoint another person or committee to act as Investment Fiduciary. Any successor Investment Fiduciary shall have all the rights, privileges and duties of the predecessor, but shall not be held accountable for the acts of the predecessor.

The power and authority of the Corporate Investment Committee with respect to the Plan shall be limited solely to the monitoring and removal of the Investment Fiduciary and approval of the recommendations specified in clause (ii) above. The Corporate Investment Committee shall have no responsibility for making investment decisions, appointing or firing investment managers or for any other duties or responsibilities with respect to the Plan, other than those specifically listed herein.

(e) Status of Administrator, the Investment Fiduciary and the Corporate Investment Committee. The Administrator, any person acting as, or on behalf of, the Investment Fiduciary, and any member of the Corporate Investment Committee may, but need not, be an Employee, trustee or officer of an Employer and such status shall not disqualify such person from taking any action hereunder or render such person accountable for any distribution or other material advantage received by him or her under this Plan, provided that no Administrator, person acting as, or on behalf of, the Investment Fiduciary, or any member of the Corporate Investment Committee who is a Participant shall take part in any action of the Administrator or the Investment Fiduciary on any matter involving solely his or her rights under this Plan.

(f) Notice to Trustee of Members. The Trustee shall be notified as to the names of the Administrator and the person or persons authorized to act on behalf of the Investment Fiduciary.

(g) Allocation of Responsibilities. Each of the Administrator, the Investment Fiduciary and the Corporate Investment Committee may allocate their respective responsibilities and may designate any person, persons, partnership or corporation to carry out any of such

responsibilities with respect to the Plan. Any such allocation or designation shall be reduced to writing and such writing shall be kept with the records of the Plan.

(h) General Governance. Each of the Administrator, the Investment Fiduciary and the Corporate Investment Committee may act at a meeting or by written consent approved by a majority of its respective members, as applicable. The Corporate Investment Committee shall elect one of its members as chairman and appoint a secretary, who may or may not be a member of such Committee. The secretary of the Corporate Investment Committee shall keep a record of all meetings and forward all necessary communications to the Employers or the Trustee. All decisions of the Corporate Investment Committee shall be made by the majority, including actions taken by written consent. The Administrator, the Investment Fiduciary and the Corporate Investment Committee may adopt such rules and procedures as it deems desirable for the conduct of its affairs, provided that any such rules and procedures shall be consistent with the provisions of the Plan.

(i) Indemnification. The Employers hereby jointly and severally indemnify the Administrator, the persons employed in the Exelon Investment Office, the members of the Corporate Investment Committee, the Chief Human Resources Officer, and the directors, officers and employees of the Employers and each of them, from the effects and consequences of their acts, omissions and conduct in their official capacity with respect to the Plan (including but not limited to judgments, attorney fees and costs with respect to any and all related claims, subject to the Company's notice of and right to direct any litigation, select any counsel or advisor, and approve any settlement), except to the extent that such effects and consequences result from their own willful misconduct. The foregoing indemnification shall be in addition to (and secondary to) such other rights such persons may enjoy as a matter of law or by reason of insurance

coverage of any kind.

(j) No Compensation. None of the Administrator, any person employed in the Exelon Investment Office nor any member of the Corporate Investment Committee may receive any compensation or fee from the Plan for services as the Administrator, Investment Fiduciary or a member of the Corporate Investment Committee; provided, however that nothing contained herein shall preclude the Plan from reimbursing the Company or any Affiliate for compensation paid to any such person if such compensation constitutes “direct expenses” for purposes of ERISA. The Employers shall reimburse the Administrator, the persons employed in the Exelon Investment Office and the members of the Corporate Investment Committee for any reasonable expenditures incurred in the discharge of their duties hereunder.

(k) Employ of Counsel and Agents. The Administrator, the Investment Fiduciary and the Corporate Investment Committee may employ such counsel (who may be counsel for an Employer) and agents and may arrange for such clerical and other services as each may require in carrying out its respective duties under the Plan.

B. Claims Procedure. Any Participant or distributee who believes he or she is entitled to benefits in an amount greater than those which he or she is receiving or has received may file a claim with the Administrator. Such a claim shall be in writing and state the nature of the claim, the facts supporting the claim, the amount claimed, and the address of the claimant. The Administrator shall review the claim and, unless special circumstances require an extension of time, within 90 days after receipt of the claim, give notice to the claimant, either in writing by registered or certified mail or in an electronic notification, of the Administrator’s decision with respect to the claim. Any electronic notice delivered to the claimant shall comply with the standards imposed by applicable Regulations. If the Administrator determines that special

circumstances require an extension of time for processing the claim, the claimant shall be so advised in writing within the initial 90-day period and in no event shall such an extension exceed 90 days. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Administrator expects to render the benefit determination. The notice of the decision of the Administrator with respect to the claim shall be written in a manner calculated to be understood by the claimant and, if the claim is wholly or partially denied, the Administrator shall notify the claimant of the adverse benefit determination and shall set forth the specific reasons for the adverse determination, the references to the specific Plan provisions on which the determination is based, a description of any additional material or information necessary for the claimant to perfect the claim, an explanation of why such material or information is necessary, and a description of the claim review procedure under the Plan and the time limits applicable to such procedures, including a statement of the claimant's right (subject to the limitations described in Section 13.8 and 13.9) to bring a civil action under Section 502 of ERISA following an adverse benefit determination on review. The Administrator shall also advise the claimant that the claimant or the claimant's duly authorized representative may request a review by the Chief Human Resources Officer (or such other officer designated from time to time by the Chief Human Resources Officer) of the adverse benefit determination by filing with such officer, within 60 days after receipt of a notification of an adverse benefit determination, a written request for such review. The claimant shall be informed that, within the same 60-day period, he or she (a) may be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits and (b) may submit to the officer written comments, documents, records and other information relating to the claim for benefits. If a request is so filed, review of the adverse

benefit determination shall be made by the officer within, unless special circumstances require an extension of time, 60 days after receipt of such request, and the claimant shall be given written notice of the officer's final decision. If the officer determines that special circumstances require an extension of time for processing the claim, the claimant shall be so advised in writing within the initial 60-day period and in no event shall such an extension exceed 60 days. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the officer expects to render the determination on review. The review of the officer shall take into account all comments, documents, records and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The notice of the final decision shall include specific reasons for the determination and references to the specific Plan provisions on which the determination is based and shall be written in a manner calculated to be understood by the claimant.

C. Procedures for Domestic Relations Orders. If the Administrator shall receive any judgment, decree or order (including approval of a property settlement agreement) pursuant to State domestic relations or community property law relating to the provision of child support, alimony or marital property rights of a spouse, former spouse, child or other dependent of a Participant and purporting to provide for the payment of all or a portion of the Participant's Service Annuity to or on behalf of one or more of such persons (such judgment, decree or order being hereinafter called a "domestic relations order"), the Administrator shall promptly notify the Participant and each other payee specified in such domestic relations order of its receipt and of the following procedures. After receipt of a domestic relations order, the Administrator shall determine whether such order constitutes a "qualified domestic relations order" as defined in

paragraph (b) of Section 13.2, and shall notify the Participant and each payee named in such order in writing of the Administrator's determination within a reasonable time after receipt of such order. Such notice shall be written in a manner calculated to be understood by the parties and shall contain an explanation of the review procedure under this Plan. If the Administrator determines that the order is not a "qualified domestic relations order," such notice also shall set forth specific reasons for the Administrator's determination. The Administrator shall advise each party that each party or a duly authorized representative of such party may request a review by the Chief Human Resources Officer (or such other officer designated from time to time by the Chief Human Resources Officer) of the Administrator's determination by filing with such officer within 60 days of receipt of the Administrator's determination a written request for such review. The Administrator shall give every party affected by any such request for review notice of such request. Each party also shall be informed that he or she may have reasonable access to pertinent documents and submit comments in writing to the officer in connection with such request for review. Within 60 days after a request for review, each party shall be given written notice of the officer's final determination, which notice shall be written in a manner calculated to be understood by the parties and shall include specific reasons for such final determination.

D. Computation of Benefits. The benefit formula, factors contained in any Tables or Schedules and the Federal Benefit taken into account in determining the amount of a Participant's Service Annuity (including the amount paid under the applicable form of payment of such Service Annuity) or the amount of any surviving spouse or surviving child annuity payable with respect to any Participant shall be the formula, factors and/or Federal Benefit, as applicable, in effect on the date of the Participant's Termination of Employment.

E. Actuary to Be Employed. The Company or the Investment Fiduciary shall engage an actuary to do such technical and advisory work as the Company or the Investment Fiduciary may request, including analyses of the experience of this Plan from time to time, the preparation of actuarial tables for the making of computations thereunder, and the submission to the Company or the Investment Fiduciary of an annual actuarial report, which report shall contain information showing the financial condition of this Plan, a statement of the contributions to be made by the Employers for the ensuing year, and such other information as may be requested by the Company or the Investment Fiduciary.

F. Funding Policy. The Company shall establish a funding policy and method consistent with the objectives of this Plan and the requirements of Title I of ERISA and shall communicate such policy and method, and any changes in such policy and method, to the Investment Fiduciary.

G. Notices to Participants, Etc. All notices, reports and statements given, made, delivered or transmitted to a Participant or any other person entitled to or claiming benefits under this Plan shall be deemed to have been duly given, made or transmitted when mailed by first class mail with postage prepaid and addressed to the Participant or such other person at the address last appearing on the records of the Administrator.

H. Notices to Employers or Administrator. Written directions, notices and other communications from Participants or any other person entitled to or claiming benefits under this Plan to the Employers or Administrator shall be deemed to have been duly given, made or transmitted either when delivered to such location as shall be specified upon the forms prescribed by the Administrator for the giving of such directions, notices and other communications or

when mailed by first class mail with postage prepaid and addressed to the addressee at the address specified upon such forms.

I. Records. Each of the Administrator, the Investment Fiduciary and the Corporate Investment Committee shall keep a record of all of their respective proceedings, if any, and shall keep or cause to be kept all books of account records and other data as may be necessary or advisable in their respective judgment for the administration of the Plan, the administration of the investments of the Plan or the monitoring of the investment activities of the Plan, as applicable.

J. Responsibility to Advise Administrator of Current Address. Each person entitled to receive a payment under this Plan shall file with the Administrator in writing such person's complete mailing address and each change therein. A check or communication mailed to any person at such person's address on file with the Administrator shall be deemed to have been received by such person for all purposes of this Plan. Although neither the Administrator nor the Trustee shall be obliged to search for or ascertain the location of any person, the Administrator shall make reasonable efforts to locate any missing Participant or Beneficiary entitled to benefits hereunder. If the Administrator is in doubt as to whether payments are being received by the person entitled thereto, it shall, by registered mail addressed to the person concerned at his or her last address known to the Administrator, notify such person that all future payments will be withheld until such person submits to the Administrator evidence of his or her continued life and proper mailing address.

K. Electronic Media. Notwithstanding any provision of the Plan to the contrary and for all purposes of the Plan, to the extent permitted by the Administrator and any

applicable law or Regulation, the use of electronic technologies shall be deemed to satisfy any written notice, consent, delivery, signature, disclosure or recordkeeping requirement under the Plan, the Code or ERISA to the extent permitted by or consistent with applicable law and Regulations. Any transmittal by electronic technology shall be deemed delivered when successfully sent to the recipient, or such other time specified by the Administrator.

L. Correction of Error. If it comes to the attention of the Administrator that an error has been made in the amount of benefits payable, or paid, to any Participant or Beneficiary under the Plan, the Administrator shall be permitted to correct such error by whatever means that the Administrator, in its sole discretion determines, including by offsetting future benefits payable to the Participant or Beneficiary or requiring repayment of benefits to the Plan, except that no adjustment need be made with respect to any Participant or Beneficiary whose benefit has been distributed in full prior to the discovery of such error.

11.

PARTICIPATION BY OTHER EMPLOYERS

A. Adoption of Plan. With the consent of the Company, any entity may become a participating Employer under this Plan with respect to all or a designated group of its employees by taking such action as shall be necessary or desirable to adopt this Plan and executing and delivering such instruments as may be necessary or desirable to put this Plan into effect with respect to such entity.

B. Withdrawal from Participation. Any Employer shall terminate its participation in the Plan at any time, under such circumstances as the Company may provide, by delivering to the Company a duly certified copy of a resolution of its board of directors (or other

governing body) to that effect, or by ceasing to be a member of the same controlled group as the Company (within the meaning of section 1563(a) if the Code).

C. Company and Administrator Agent for Employers. Each corporation which shall become a participating Employer pursuant to Section 11.1 (relating to adoption of the Plan) or Article 12 (relating to continuance by a successor) by so doing shall be deemed to have appointed the Company and the Administrator its agent to exercise on its behalf all of the powers and authorities hereby conferred upon the Company and the Administrator by the terms of this Plan, including, but not by way of limitation, the power to amend and terminate this Plan. The authority of the Company and the Administrator to act as such agent shall continue unless and until the portion of the Service Annuity Fund held for the benefit of Employees of the particular Employer and their Beneficiaries is set aside in a separate trust as provided in Section 15.2 (relating to establishment of separate plan).

12.

CONTINUANCE BY A SUCCESSOR

In the event that any Employer shall be reorganized by way of merger, consolidation, transfer of assets or otherwise, so that a corporation, partnership or person other than an Employer shall succeed to all or substantially all of such Employer's business, such successor may be substituted for such Employer under this Plan by adopting this Plan and, if necessary, becoming a party to the Service Annuity Fund. Contributions by such Employer shall be automatically suspended from the effective date of any such reorganization until the date upon which the substitution of such successor corporation for the Employer under this Plan becomes effective. If, within 90 days following the effective date of any such reorganization, such successor shall not have elected to become a party to this Plan, or if such successor shall adopt a plan of complete liquidation other than in connection with a reorganization, this Plan shall be automatically terminated with respect to employees of such Employer as of the close of business on the 90th day following the effective date of such reorganization or as of the close of business on the date of adoption of such plan of complete liquidation, as the case may be, and the Administrator shall direct the

Trustee to distribute the portion of the Service Annuity Fund applicable to such Employer in the manner provided in Section 15.2 (relating to establishment of separate plan).

13.

MISCELLANEOUS

A. Expenses. The expenses of the Trustee in the administration of the Service Annuity Fund, including compensation, if any, to the Trustee for its services, shall be paid by the Company or the Employers. All costs and expenses incurred in the operation of the Service Annuity Fund, to the extent not described in the preceding sentence, and all costs and expenses incurred in the operation of the Plan, the Service Annuity Fund, the Pooled Fund or the Master Trust, as applicable, including, but not limited to, “direct expenses” incurred in administering the Plan, the Service Annuity Fund, the Pooled Fund and the Master Trust (including compensation paid to any employee of an Employer or an Affiliate who is engaged in the administration of the Plan, the Service Annuity Fund, the Pooled Fund or the Master Trust), the expenses of the Administrator, the Investment Fiduciary and the Corporate Investment Committee, the fees of counsel and any agents for the Trustee, the Administrator, the Investment Fiduciary or the Corporate Investment Committee, and the fees of investment managers that manage assets of the Pooled Fund or the Master Trust, as applicable, shall be paid by the Trustee from the Service Annuity Fund or the Pooled Fund or the Master Trust, as applicable, in such proportion as the Investment Fiduciary, in its sole discretion, shall determine, to the extent such expenses are not paid by the Employers and to the extent permitted under ERISA, Regulations and other applicable laws. Any such expenses that are borne by the Employers shall be paid out of their own funds in such proportions as the Administrator shall determine. In the event that the Company or any other Employer advances money on behalf of the Service Annuity Fund for the payment of any expenses incurred in the operation of the Plan, the Trustee shall reimburse the

Company or such other Employer from the Service Annuity Fund for any amount so advanced, without interest or fees.

B. Non-Assignability. 1. It is a condition of this Plan, and all rights of each Participant, Beneficiary and Retiree shall be subject thereto, that no right or interest of any Participant, Beneficiary or Retiree in this Plan shall be assignable or transferable in whole or in part, either directly or by operation of law or otherwise, including, but not by way of limitation, execution, levy, garnishment, attachment, pledge or bankruptcy, but excluding devolution by death or mental incompetency, and no right or interest of any Participant, Beneficiary or Retiree in this Plan shall be liable for, or subject to, any obligation or liability of such Participant, Beneficiary or Retiree, including claims for alimony or the support of any spouse or child, except as provided in paragraph (b) of this Section 13.2 (relating to exception for qualified domestic relations orders).

2. Exception for Qualified Domestic Relations Orders. Notwithstanding any provision of this Plan to the contrary, if a Participant's Service Annuity under this Plan, or any portion thereof, shall be the subject of one or more qualified domestic relations orders, as defined below, such Service Annuity or portion thereof shall be paid to the person at the time and in the manner specified in any such order. For purposes of this paragraph (b), "qualified domestic relations order" shall mean any "domestic relations order" as defined in Section 10.3 (relating to procedures for domestic relations orders) which creates (or recognizes the existence of) or assigns to a person other than the Participant (an "alternate payee") rights to all or a portion of the Participant's Service Annuity under this Plan, and:

clearly specifies

the name and last known mailing address (if any) of the Participant and each alternate payee covered by such order,

the amount or percentage of the Participant's Service Annuity to be paid by this Plan to each such alternate payee, or the manner in which such amount or percentage is to be determined,

the number of payments to, or period of time for which, such order applies, and

each plan to which such order applies;

does not require

this Plan to provide any type or form of benefit or any option not otherwise provided under this Plan at the time such order is issued,

this Plan to provide increased benefits (determined on the basis of actuarial equivalence), or

the payment of benefits to an alternate payee which at the time such order is issued already are required to be paid to a different alternate payee under a prior qualified domestic relations order; and

does not require the payment of benefits to any alternate payee before the first to occur of (i) the earliest date as of which payment of the Participant's Service Annuity could commence after his or her Termination of Employment, and (ii) the Participant's attainment of age 50,

all as determined by the Company pursuant to the procedures contained in Section 10.3 (relating to procedures for domestic relations orders). Any amounts subject to a domestic relations order prior to determination of its status as a qualified domestic relations order which but for such order would be paid to the Participant shall be segregated in a separate account or an escrow account pending such determination. If, within a reasonable time after receipt of written evidence of such order by the Company, it is determined that a domestic relations order constitutes a qualified domestic relations order, the amount so segregated (plus any interest thereon) shall be paid to the alternate payee in accordance with the terms of the order. If, within a reasonable time after receipt of a domestic relations order by the Company, it is determined that a domestic relations order does not constitute a qualified domestic relations order, then the amount so segregated (plus any interest thereon) shall, as soon as practicable, be paid to the Participant. Any subsequent determination that such order constitutes a qualified domestic relations order shall apply only to payments made on or after the date of such subsequent determination.

C. Employment Non-Contractual. Neither this Plan nor any action taken by the Administrator or the Investment Fiduciary confers any right upon any Employee to continue in employment with any Employer.

D. Limitation of Rights. No Participant, Beneficiary or Retiree shall have any right, title, interest or claim in or to any part of the Service Annuity Fund at any time, but shall

have the right only to distributions from the Service Annuity Fund on the terms and conditions herein provided. Neither this Plan nor any action taken by the Administrator or the Investment Fiduciary shall obligate any Employer to make contributions to the Service Annuity Fund in excess of the contributions authorized by the board of directors of the Company or create any liability on an Employer for the payment of Service Annuities under this Plan.

E. Merger or Consolidation with or Transfer to Another Plan. A merger or consolidation with, or transfer of assets or liabilities to, any other Plan shall not be effected unless the terms of such merger, consolidation or transfer are such that each Participant, Beneficiary, Retiree or other person entitled to receive benefits from this Plan would, if this Plan were to terminate immediately after the merger, consolidation or transfer, receive a benefit equal to or greater than the benefit such person would be entitled to receive if this Plan were to terminate immediately before the merger, consolidation, or transfer.

If an Employee or a group of Employees ceases to be an Employee or Employees of an Employer and becomes an employee or employees of an Affiliate that is not an Employer but that maintains its own pension plan, there shall be transferred from the Service Annuity Fund to the trust fund for the pension plan of such Affiliate assets in an amount equal to the proportion of the amount of the total assets of the Service Annuity Fund, after deducting therefrom the amount actuarially determined to be necessary for the payment in full of Service Annuities theretofore granted to all Retirees and Participants, which the actuarial reserve allocable to such Employee or such group of Employees, as the case may be, bears to the actuarial reserve allocable to all Employees. If, however, any such group of Employees shall include all of the Employees of all Employers, all of the assets of the Service Annuity Fund shall be so transferred.

If and when a separate pension plan and trust fund is created by the Company for supervisory, administrative and management Employees, there shall be transferred from the Service Annuity Fund to such separate trust fund assets in an amount equal to the sum of (a) that proportion of the amount of the total assets of the

Service Annuity Fund, after deducting therefrom the amount actuarially determined to be necessary for the payment in full of Service Annuities theretofore granted to all Retirees and Participants, which the actuarial reserve allocable to such supervisory, administrative and management Employees bears to the actuarial reserve allocable to all Employees, and (b) the amount of assets actuarially determined to be necessary for the payment in full of Service Annuities theretofore granted to Retirees who were supervisory, administrative or management Employees at the time of the granting of such Service Annuities. If and when an Employee shall thereafter be transferred to or from the management payroll, there shall be transferred from the Service Annuity Fund to such separate trust fund or from such separate trust fund to the Service Annuity Fund, as the case may be, assets in an amount determined in the same manner as described in the preceding sentence (and the Employee's Service Annuity or benefits in the nature of a service annuity shall subsequently be paid out of the Service Annuity Fund or such separate trust fund, as the case may be).

If and when an employee or a group of employees of an Affiliate that is not an Employer shall cease to be an employee or employees of such Affiliate and shall become an Employee or Employees of an Employer, the Trustee under the Service Annuity Fund shall accept, upon transfer from the trust fund of the pension plan of such Affiliate, assets in an amount equivalent to that proportion of the amount of the total assets of such trust fund, after deducting therefrom the amount actuarially determined to be necessary for the payment in full of benefits theretofore granted, which the actuarial reserve allocable to such Employee or such groups of Employees, as the case may be, bears to the actuarial reserve allocable to all employees. If, however, any such group of Employees shall include all of the employees of such Affiliate, all of the assets of such trust fund shall be so accepted.

In the case of each transfer of assets made or accepted pursuant to the provisions of this Section 13.5, the amount of the total assets and (if less than all assets are to be transferred) the proportion thereof to be transferred shall be determined as of a date not earlier than December 31 of the preceding calendar year.

All assets accepted, upon transfer, by the Trustee under the Service Annuity Fund, pursuant to the provisions of this Section 13.5, shall be held and applied in accordance with the provisions of the Trust Agreement relating to the Service Annuity Fund.

F. Medical Examination. A Participant or Beneficiary for whom a determination or verification of physical or medical condition is in the opinion of the Administrator relevant to the application of this Plan shall, if and when reasonably requested by the Administrator, submit to medical examination by a physician appointed by the Administrator.

G. Applicable Law. Except to the extent preempted by applicable federal law or otherwise provided under the terms of the Plan, the Plan and all rights hereunder shall be governed by and construed in accordance with the laws of the State of Illinois.

H. Statute of Limitations for Actions under the Plan. Except for actions to which the statute of limitations prescribed by Section 413 of ERISA applies, (a) no legal or equitable action relating to a claim for benefits under Section 502 of ERISA may be commenced later than one year after the claimant receives a final decision from the Chief Human Resources Officer (or such other officer designated from time to time by the Chief Human Resources Officer) in response to the claimant's request for review of the adverse benefit determination and (b) no other legal or equitable action involving the Plan may be commenced later than two years from the time the person bringing an action knew, or had reason to know, of the circumstances giving rise to the action. This provision shall not be interpreted to extend any otherwise applicable statute of limitations, nor to bar the Plan or its fiduciaries from recovering overpayments of benefits or other amounts incorrectly paid to any person under the Plan at any time or bringing any legal or equitable action against any party.

I. Forum for Legal Actions under the Plan. Any legal action involving the Plan that is brought by any Participant, any Beneficiary or any other person shall be litigated in the

federal courts located in the Northern District of Illinois or the Eastern District of Pennsylvania, whichever is most convenient, and no other federal or state court.

J. Legal Fees. Any award of legal fees in connection with an action involving the Plan shall be calculated pursuant to a method that results in the lowest amount of fees being paid, which amount shall be no more than the amount that is reasonable. In no event shall legal fees be awarded for work related to (a) administrative proceedings under the Plan, (b) unsuccessful claims brought by a Participant, Beneficiary or any other person, or (c) actions that are not brought under ERISA. In calculating any award of legal fees, there shall be no enhancement for the risk of contingency, nonpayment or any other risk nor shall there be applied a contingency multiplier or any other multiplier. In any action brought by a Participant, Beneficiary or any other person against the Plan, the Administrator, the Investment Fiduciary, the Corporate Investment Committee, any Plan fiduciary, the Chief Human Resources Officer, any Plan administrator, the Company, its affiliates or their respective officers, directors, employees, or agents (the "Plan Parties"), legal fees of the Plan Parties in connection with such action shall be paid by the Participant, Beneficiary or other person bringing the action, unless the court specifically finds that there was a reasonable basis for the action.

14.

TOP-HEAVY PLAN REQUIREMENTS

A. Top-Heavy Plan Determination. If, as of the determination date (as hereinafter defined) for any Plan Year, the aggregate present value of (a) the accrued Service Annuities under this Plan and the accrued benefits under all other defined benefit plans in the aggregation group (as defined below) and (b) the aggregate account balances under all defined contribution plans in such aggregation group, in each case with respect to all participants in such

plans who are key employees (as defined in Section 416(i) of the Code) for such Plan Year, exceeds 60% of the aggregate of the present value of the Service Annuities, accrued benefits and account balances of all participants in such plans as of the determination date, then this Plan shall be a top-heavy plan for such Plan Year, and the requirements of Section 14.2 (relating to minimum benefit for top-heavy years), Section 14.3 (relating to top-heavy vesting requirements) and Section 14.4 (relating to special rules for applying statutory limitations on benefits) shall be applicable for such Plan Year as of the first day thereof. An employee's compensation, as defined in Section 1.415(c)-2 of the Regulations, from the Company and its Affiliates for a Plan Year shall be used, where applicable, in determining whether such employee is a key employee.

For purposes of the first sentence of the preceding paragraph, for any Plan Year, the Service Annuity accrued in respect of any Employee shall be the amount calculated as of the determination date, and the present value of such amount shall be based on the actuarial assumptions used in the actuarial valuation as of such determination date. The calculation of the present value of the Service Annuity accrued in respect of any Employee shall be subject to adjustments required under Section 416 of the Code.

If this Plan shall be a top-heavy plan for any Plan Year and not be a top-heavy plan for any subsequent Plan Year, the requirements of this Article shall not be applicable for such subsequent Plan Year except to the extent provided in Section 14.3 (relating to top-heavy vesting requirements).

For purposes of this Article, (a) the aggregation group shall consist of (i) if a key employee was a Participant in this Plan during the Plan Year containing the determination date (defined below) or any of the four preceding Plan Years, then this Plan and each other plan of an Employer which is qualified under Section 401(a) of the Code and in which a key employee is a participant during any of such Plan Years, (ii) this Plan and each other plan which enables this Plan to meet the requirements of Section 401(a)(4) or 410(b) of the Code during the Plan Year containing the determination date (defined below) or any of the four preceding Plan Years, and (iii) this Plan and each other plan of an Employer which it shall so designate and which together with this Plan shall satisfy the requirements of Sections 401(a)(4) and 410 of the Code; (b) the determination date for all plans in the aggregation

group shall be the last day of the preceding plan year; and (c) the valuation date applicable to a determination date shall be (i) in the case of a defined benefit plan, the date as of which the most recent actuarial valuation for the plan year including the determination date is prepared, and (ii) in the case of a defined contribution plan, the date as of which account balances are determined which is coincident with or immediately precedes the determination date, except that if any such plan specifies a different determination or valuation date, such different date shall be used with respect to such plan. For the purpose of determining the Service Annuity, accrued benefit or account balance of a participant, any person who received a distribution from a plan in the aggregation group during the one-year period ending on the last day of the preceding plan year shall be treated as a participant in such plan, and any such distribution shall be included in such participant's Service Annuity, accrued benefit or account balance as the case may be, except that in the case of any distribution made for a reason other than separation from service, death or disability, this sentence shall be applied by substituting "five-year period" for the "one-year period" stated herein.

B. Minimum Benefit for Top-Heavy Years. 1. Subject to paragraph (b) of this Section 14.2 and the applicable reductions set forth in Article 5 (relating to Service Annuities) and Article 6 (relating to Service Annuity forms), the annual amount of Service Annuity on a single life basis to which an eligible employee (other than an eligible employee who is a key employee as defined in Section 416(i) of the Code) is entitled at age 65 under Section 5.2 (relating to normal and deferred retirement), Section 5.3 (relating to early retirement), Section 5.4 (relating to disability retirement at or after age 45), Section 5.5 (relating to disability retirement before age 45) or Section 5.7 (relating to deferred vested termination) shall in no event be less than (i) the product of (A) 2% of such eligible employee's average compensation, as described in Section 416(c) of the Code, from the Company and its Affiliates during such eligible employee's five highest-paid consecutive calendar years of service beginning after January 1, 1983 and while the Plan is top-heavy, multiplied by (B) the number of such eligible employee's years of Credited Service (but not in excess of ten) ending after December 31, 1983 while the Plan is top-heavy less (ii) the annual actuarial equivalent of the eligible employee's

vested portion of such eligible employee's account balances attributable to employer contributions and forfeitures, and earnings and losses thereon (including prior distributions thereof) and accrued benefits to which such eligible employee is entitled on Termination of Employment under all other qualified plans maintained by the Company or its Affiliates.

For purposes of this Article 14 (relating to top-heavy plan requirements), "eligible employee" shall mean any employee other than an employee who is included in a unit of employees covered by a collective bargaining agreement between employee representatives and an Employer, if there is evidence that retirement benefits have been the subject of good faith bargaining between such employee representatives and such Employer.

2. The provisions of paragraph (a) shall not apply with respect to an eligible employee if, for each year in which this Plan is top-heavy, (i) the eligible employee's Employer also maintains a defined contribution plan which is included in the aggregation group for such year, and (ii) contributions made on behalf of each eligible employee other than key employees and forfeitures allocated to such eligible employee during such Plan Year are at least 5% of such eligible employee's compensation.

C. Top-Heavy Vesting Requirements. Not-withstanding any provision of this Plan to the contrary, if an eligible employee's Termination of Employment occurs during a Plan Year in which this Plan is top-heavy and after the eligible employee has completed at least two years of Vesting Service but before the eligible employee has completed five years of Vesting Service, or after this Plan has been top-heavy and during the time this Plan was top-heavy such eligible employee has completed three years of Vesting Service, then such eligible employee shall be entitled, subject to Article 6 (relating to Service Annuity forms) and Article 7 (relating to limitation on benefits), to receive, determined in accordance with the following table, the vested percentage of the eligible employee's Service Annuity computed pursuant to Section 5.7 (relating to deferred vested termination):

Years of Vesting Service	Vested Percentage
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 or more	100%

D. Special Rules for Applying Statutory Limitations on Benefits. In any Plan Year for which this Plan is top-heavy, clauses (C)(I) and (D)(I) of the first paragraph of Section 7.1 (relating to maximum annual benefits) shall be applied by substituting "100%" for "125%" appearing therein unless, for such Plan Year (i) the percentage of Service Annuities accrued by Participants who are key employees does not exceed 90% of the Service Annuities accrued by all Participants, and (ii) the minimum accrued benefit of each Participant under all defined benefit plans in the aggregation group is at least 3% of such Participant's average compensation multiplied by each year of such Participant's Credited Service after 1983, not in excess of 10, while such plans are top-heavy.

15.

AMENDMENT AND TERMINATION

A. Amendment. The board of directors of the Company (or a committee thereof) may at any time and from time to time amend or modify this Plan in any manner deemed by the board of directors of the Company to be necessary or desirable, provided, however, that in the case of any amendment or modification that would not result in an aggregate annual cost to the Company of more than $50,000,000, the Plan may be amended or modified by action of the Chief Human Resources Officer (with the consent of the Chief Executive Officer in the case of a discretionary amendment or modification expected to result in an increase in annual expense or liability account balance exceeding $250,000) or another executive officer holding title of

equivalent or greater responsibility and, provided, further, that no amendment shall be made that affects Employees who are represented by IBEW Local Union 15 that is not consistent with that portion of the Company's collective bargaining agreements with IBEW Local Union 15 concerning the Plan. Any such amendment or modification shall become effective on such date as the board of directors of the Company shall determine and may apply to Participants in this Plan at the time thereof as well as to future Participants, provided, however, that no such amendment or modification which reduces the basis for the computation of Service Annuities shall be retroactive as to service prior to the date of such amendment or modification.

In addition, the Administrator may amend or modify subdivision (4) of Section 2.1 (relating to the definition of Basic Compensation) and subdivision (23) of Section 2.1 (relating to the definition of Incentive Pay) by changing such subdivisions as described therein.

B. Establishment of Separate Plan. If an Employer shall withdraw from this Plan under Section 11.2 (relating to withdrawal from participation), the Investment Fiduciary shall determine the portion of the Service Annuity Fund held by the Trustee which is applicable to the Participants and Retirees of such Employer and direct the Trustee to segregate such portion in a separate trust. Such separate trust shall thereafter be held and administered as a part of the separate plan of such Employer.

C. Termination of the Plan by an Employer. The Company may at any time, by resolution adopted by its board of directors, terminate this Plan in its entirety. In addition, any Employer may at any time terminate its participation in this Plan by resolution adopted by its board of directors to that effect. If the Internal Revenue Service shall refuse to issue an initial favorable determination letter that this Plan and the Service Annuity Fund as adopted by the Company meets the requirements of Section 401(a) of the Code and that the Service Annuity

Fund is exempt from tax under Section 501(a) of the Code, any Employer may terminate its participation in this Plan and direct the Trustee to pay and deliver to that Employer the portion of the Service Annuity Fund applicable to its contributions.

D. Distribution upon Termination or Partial Termination. Upon termination or partial termination of this Plan, the Service Annuities accrued as of the date of termination or partial termination, as the case may be, of all affected Participants shall be fully vested. After providing for any expenses of the termination of this Plan, or, in the event of the partial termination of this Plan, any expenses of such partial termination which are to be borne by the portion of the Service Annuity Fund applicable to those Employees affected by the partial termination, the remainder of such portion of the Service Annuity Fund (the "asset value") shall be allocated pursuant to the priority categories set forth in Section 4044 of ERISA and PBGC Regulations. In the event that after the termination of this Plan there is any asset value remaining after such allocation, the assets representing such asset value shall be paid over and applied for the benefit of the Employees of the Employers. The portion of the asset value allocated to provide Service Annuities to any person or group of persons may be applied for the benefit of such person or persons by the distribution of cash, continuance of the Service Annuity Fund, establishment of a new trust fund, purchase of annuities from an insurance company, or otherwise, as determined by the Company in its sole discretion. Notwithstanding the preceding sentences, if the Plan is terminated, the Service Annuity of each highly compensated employee as defined in Section 414(q) of the Code (and any former highly compensated employee) is limited to a Service Annuity that is nondiscriminatory under Section 401(a)(4) of the Code.

E. Trust to Be Applied Exclusively for Participants and Their Beneficiaries. Subject only to the provisions of Section 4.2 (relating to return of contributions), Section 15.3 (relating to

termination of the Plan by an Employer), Section 15.4 (relating to distribution upon termination or partial termination of the Plan) and any other provision of this Plan to the contrary notwithstanding, it shall be impossible for any part of the Service Annuity Fund to be used for or diverted to any purpose not for the exclusive benefit of Participants and their Beneficiaries either by operation or termination of this Plan, power of amendment or other means.

IN WITNESS WHEREOF, Exelon Corporation has caused this instrument to be executed by its duly authorized officer on this ______ day of December, 2010.

EXELON CORPORATION

By ____
Chief Human Resources Officer

Exhibit 1

Items Included as Basic Compensation

Effective on and after April 1, 1995, the payments to Participants which shall be included in “Basic Compensation” for purposes of subdivision (4) of Section 2.1 of the Plan shall be as follows:

1. Regular earnings,
2. Nuclear license bonuses, and
3. Meter reader bonuses.
4. Payroll deductions for any commuter benefit offered to management employees pursuant to Section 132(f)(4) of the Code.

In addition, to the extent they relate to but are not a part of regular earnings for a given period which otherwise have been used in calculating Basic Compensation, the following items shall be included in the determination of “Basic Compensation” for purposes of subdivision (4) of Section 2.1 of the Plan:

1. Payments for disability absences,
2. Back pay included that is not subject to FICA and any other back pay which is awarded to the Participant and pursuant to which award the Participant is required to have such back pay included as Basic Compensation under the Plan,
3. Paid and unpaid absences,
4. Permissible rest period payments,
5. Credit for service by union officials on union business,
6. Payments allowed for military duty and
7. Credits allowed upon return from a military leave of absence.

Exhibit 2

Plans Included for Incentive Pay

Payments under the following plans shall be considered in determining a Participant's Incentive Pay, as defined in subdivision (22) of Section 2.1 of the Plan:

1. the Unicom Corporation 1995 Variable Compensation Award for Management Employees Under the Unicom Corporation Long-Term Incentive Plan,
2. any annual incentive award provided under the Unicom Corporation Long Term Incentive Plan or any other successor or other plan that provides annual incentive awards to Participants; provided, however that awards payable under any such plans with respect to any period beginning on or after January 1, 2001 to a Participant who is a member of IBEW Local Union 15 shall not be Incentive Pay for Plan purposes,
3. the Commonwealth Edison Pension Fund Management Incentive Pay Plan (effective January 1, 1993),
4. the Pension Fund Management Deferred Incentive Pay Plan (effective January 1, 1994),
5. the Commonwealth Edison Company Bulk Power Marketing Incentive Plan (effective April 1, 1994),
6. any variable pay plan negotiated by the Company with respect to its union Employees, and
7. Quarterly Incentive Awards paid to a management Employee pursuant to the Exelon Corporation Quarterly Incentive Award.

Supplement 1

Early Retirement Window for Certain Employees

This Supplement 1 sets forth the early retirement benefits available to each "Eligible Participant" (as defined below) who is at least age 50 and has completed at least 5 years of Credited Service (after taking into account the grant of any "Service Equivalent" under Section II below) and who submits a signed election and waiver and release of claims to the Company no earlier than the date of the Eligible Participant's "Termination Date" (as defined below), or, if later, 45 days after the Participant receives a summary of the benefits provided hereunder, on forms prescribed by the Company, electing one of the Options set forth below and waiving all employment-related claims against the Employers.

I. Definitions. As used in this Supplement 1, the following words and phrases shall have the following respective meanings when capitalized unless the context clearly indicates otherwise:

A. Cause. 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 an Employer; or conviction (including a plea of guilty or *nolo contendere*) of a felony or any crime of fraud, theft, dishonesty or moral turpitude.

B. Eligible Participant. A Participant (i) whose employment with the Employers is terminated other than for Cause as a result of either (A) his or her Employer's restructuring related to the merger or pending merger of Unicom Corporation and PECO Energy or (B) the Participant's rejection of an offer of a Significant Transfer, (ii) who is notified that his or her Termination Date shall occur on or before December 31, 2002 and is eligible for the normal retirement benefits or early retirement benefits set forth in this Supplement 1, (iii) who continues employment with the Employers until the Termination Date set forth in the Participant's notification of eligibility (or until such earlier date permitted by the Employers) and who does not accept before such Termination Date (or, if later, the date the Eligible Employee's waiver of claims becomes effective) another position with any Employer, Exelon Corporation or any of their respective affiliates and (iv) who maintains an acceptable level of performance during the period ending on his or her Termination Date.

C. Service Equivalent. An amount equal to 12 months plus, if applicable, one additional week for each year of an Eligible Participant's Credited Service in excess of 10; provided, however, that only that portion of the Service Equivalent necessary to satisfy the eligibility requirements for an early retirement Service Annuity (granted under Section 5.3 or under the pension enhancement described in Section III B.2.b.) shall be taken into account for purposes of determining the amount of an Eligible Participant's early retirement Service Annuity.

D. Significant Transfer. An offer of a position with Exelon Corporation or a transfer (between or within business units) that, in either case, results in one or more of the following;

1. an increase in the Participant’s one-way commuting distance of more than 50 miles;

2. a substantial change in the Participant’s major position responsibilities and duties (as determined by the head of the Participant’s business unit);

3. a salary band for the Participant that is lower than the salary band for the Participant’s previous position; or

4. a reduction in the Participant’s annual base salary or hourly compensation rate, as applicable.

E. Termination Date. The date on which an Eligible Participant’s Termination of Employment occurs.

F. Week of Base Salary. In the case of an Eligible Participant who is a full-time Employee, a “Week of Base Salary” shall be determined by dividing (i) the Participant’s annual base salary in effect on the his or her Termination Date, excluding any additives, premiums or other adjustments, by (ii) 52. In the case of an Eligible Participant who is a part-time Employee, a “Week of Base Salary” shall equal the product of (i) his or hourly compensation rate in effect on his or her Termination Date multiplied by (ii) the number of hours each week that such Participant is regularly scheduled to work with an Employer.

II. Grant of Service Equivalent. An Eligible Participant shall be granted a Service Equivalent only if, after addition of the Service Equivalent, the Participant would become eligible for an early retirement Service Annuity under Section 5.3 or would be deemed to be age 50 with at least 5 years of Credited Service. The Service Equivalent shall not be granted to a Participant if such Participant, as of his or her Termination Date, is eligible, without the addition of the Service Equivalent, for an early retirement Service Annuity under Section 5.3 or, as of his or her Termination Date, he or she has attained age 50 and has at least 5 years of Credited Service, unless in the latter case, the grant of the Service Equivalent would qualify the Eligible Participant for an early retirement Service Annuity under Section 5.3 pursuant to Section IIIb hereof.

III. Benefits.

A. Eligible Participants who are Age 50 with at Least 10 Years of Credited Service. Notwithstanding anything contained in the Plan to the contrary, if an Eligible Participant, after taking into account the Service Equivalent granted to such Eligible Participant under Section II hereof, is at least age 50 on his or her Termination Date and has at least 10 years of Credit Service as of such date or would be deemed to be age 50 with at least 10 years of Credited Service as of such date, such Eligible Participant shall be entitled to an early retirement Service Annuity under Section 5.3. Payment of the Eligible Participant’s early retirement Service Annuity under Section 5.3 shall commence at the time elected by the Eligible Participant, provided that the Eligible Participant has had a Termination of Employment and has attained at least age 50 (determined, for this purpose, by disregarding any Service Equivalent granted to the Eligible Participant). Payment shall be made in any form provided under the Plan.

B. Eligible Participants who are Age 50 with at Least 5, but Less than 10, Years of Credited Service. Notwithstanding anything contained in the Plan to the contrary, if an Eligible Participant, after taking into account the Service Equivalent granted to such Eligible Participant under Section II hereof, is at least age 50 on his or her Termination Date and has completed at least 5 but less than 10 years of Credited Service as of such date or would be deemed to be age 50 with at least 5 but less than 10 years of Credited Service as of such date, such Eligible Participant shall be entitled to elect one of the following normal or early retirement benefit under the Plan:

1. Option 1 – Unreduced Additional Benefit. An additional benefit equal to 52 weeks of Base Salary. An Eligible Participant may elect to receive the additional benefit in the form of a lump sum distribution (which shall be paid in the same manner and subject to the terms provided under Section 6.7) or in any other form provide under the Plan. An Eligible Participant who elects this Option 1 shall not be eligible for an early retirement Service Annuity under Section 5.3.

2. Option 2 – Reduced Additional Benefit and Pension Enhancement. An Eligible Participant who elects Option 2 shall be entitled to the following two benefits:

    a. Reduced Additional Benefit. An additional benefit equal to 26 Weeks of Base Salary. An Eligible Participant may elect to receive the additional benefit in the form of a lump sum distribution (which shall be paid in the same manner and subject to the terms provided under Section 6.7) or in any other form provided under the Plan.

    b. Pension Enhancement. In lieu of a deferred Service Annuity under Section 5.7, a normal retirement Service Annuity under Section 5.2 or an early retirement Service Annuity under Section 5.3, using the Eligible Participant's age and years of Credited Service (including any Service Equivalent granted to the Eligible Participant under Section II hereof) as of his or her Termination Date (or, if later, the date that the Eligible Participant begins receiving his or her normal retirement Service Annuity under Section 5.2 or early retirement Service Annuity under Section 5.3). Payment of the Eligible Participant's normal retirement or early retirement Service Annuity shall commence at the time elected by the Eligible Participant, provided that the Eligible Participant has had a Termination of Employment and has attained at least age 50 or age 65, as applicable (determined, for this purpose, by disregarding an Service Equivalent granted to the Eligible Participant). Payment shall be made in any form provided under the Plan.

C. Eligible Participants who are not Age 50 or who do not have at Least 5 Years of Credited Service. An Eligible Participant who, (after the addition of any Service Equivalent) as of his or her Termination Date, is not age 50 or does not have at least 5 years of Credited Service shall not be entitled to any benefits under this Supplement 1.

D. Adjustments to Comply with Nondiscrimination Rules. If payment of the benefits described in this Supplement 1 to any Eligible Participant who is a "highly compensated employee," as defined in section 414(q) of the Code would cause the Plan to fail any nondiscrimination requirements of section 401(a) of the Code, the benefits otherwise payable under this Supplement 1 shall be restricted in any manner determined by the Administrator so as to permit the Plan to satisfy such nondiscrimination requirements.

Exhibit A

Table B
Early Retirement Service Factors
Applicable Monthly Payments to Age 65

The following factors shall be applied (a) to determine the reductions applicable to the early retirement Service Annuity of any Participant who is not a member of IBEW Local Union 15, and whose Termination of Employment occurs on or after April 1, 1995, and (b) to determine the reductions applicable to the early retirement Service Annuity of any Participant who is a member of IBEW Local Union 15 and whose Termination of Employment occurred after April 1, 1995 and before October 1, 1999:

AGE	0	1	2	3	4	5	6	7	8	9	10	11
50	.7200	.7225	.7250	.7275	.7300	.7325	.7350	.7375	.7400	.7425	.7450	.7475
51	.7500	.7525	.7550	.7575	.7600	.7625	.7650	.7675	.7700	.7725	.7750	.7775
52	.7800	.7825	.7850	.7875	.7900	.7925	.7950	.7975	.8000	.8025	.8050	.8075
53	.8100	.8125	.8150	.8175	.8200	.8225	.8250	.8275	.8300	.8325	.8350	.8375
54	.8400	.8425	.8450	.8475	.8500	.8525	.8550	.8575	.8600	.8625	.8650	.8675
55	.8700	.8725	.8750	.8775	.8800	.8825	.8850	.8875	.8900	.8925	.8950	.8975
56	.9000	.9025	.9050	.9075	.9100	.9125	.9150	.9175	.9200	.9225	.9250	.9275
57	.9300	.9325	.9350	.9375	.9400	.9425	.9450	.9475	.9500	.9525	.9550	.9575
58	.9600	.9617	.9633	.9650	.9667	.9683	.9700	.9717	.9733	.9750	.9767	.9783
59	.9800	.9817	.9833	.9850	.9867	.9883	.9900	.9917	.9933	.9950	.9967	.9983
60	1.0000											

Exhibit B

Table B1 Early Retirement Service Factors
Applicable Monthly Payments to Age 65

The following factors shall be applied to determine the reductions applicable to the early retirement Service Annuity of any Participant who is a member of IBEW Local Union 15 whose Termination of Employment occurs on or after October 1, 1999:

AGE	0	1	2	3	4	5	6	7	8	9	10	11
50	.7900	.7925	.7950	.7975	.8000	.8025	.8050	.8075	.8100	.8125	.8150	.8175
51	.8200	.8225	.8250	.8275	.8300	.8325	.8350	.8375	.8400	.8425	.8450	.8475
52	.8500	.8525	.8550	.8575	.8600	.8625	.8650	.8675	.8700	.8725	.8750	.8775
53	.8800	.8825	.8850	.8875	.8900	.8925	.8950	.8975	.9000	.9025	.9050	.9075
54	.9100	.9125	.9150	.9175	.9200	.9225	.9250	.9275	.9300	.9325	.9350	.9375
55	.9400	.9425	.9450	.9475	.9500	.9525	.9550	.9575	.9600	.9625	.9650	.9675
56	.9700	.9725	.9750	.9775	.9800	.9825	.9850	.9875	.9900	.9925	.9950	.9975
57	1.0000											

Exhibit C

Table B2 Early Retirement Supplemental Factors
Applicable Monthly Payments to Age 65

The following factors shall be applied (a) to determine supplemental monthly payments to age 65 for any Participant who is not a member of IBEW Local Union 15 and whose Termination of Employment occurs on or after April 1, 1995, and (b) to determine the supplemental monthly payments to age 65 for any participant who is a member of IBEW Local Union 15 whose Termination of Employment occurred after April 1, 1995 and before October 1, 1999:

AGE	0	1	2	3	4	5	6	7	8	9	10	11
50	.4200	.4175	.4150	.4125	.4100	.4075	.4050	.4025	.4000	.3975	.3950	.3925
51	.3900	.3875	.3850	.3825	.3800	.3775	.3750	.3725	.3700	.3675	.3650	.3625
52	.3600	.3575	.3550	.3525	.3500	.3475	.3450	.3425	.3400	.3375	.3350	.3325
53	.3300	.3275	.3260	.3225	.3200	.3175	.3150	.3125	.3100	.3075	.3050	.3025
54	.3000	.2975	.2950	.2925	.2900	.2875	.2850	.2825	.2800	.2775	.2760	.2725
55	.2700	.2675	.2650	.2625	.2600	.2575	.2550	.2525	.2500	.2475	.2450	.2425
56	.2400	.2375	.2350	.2325	.2300	.2275	.2250	.2225	.2200	.2175	.2150	.2125
57	.2100	.2075	.2050	.2025	.2000	.1975	.1950	.1925	.1900	.1875	.1850	.1825
58	.1800	.1775	.1750	.1725	.1700	.1675	.1650	.1625	.1600	.1575	.1550	.1525
59	.1500	.1479	.1458	.1438	.1417	.1396	.1375	.1354	.1333	.1313	.1292	.1271
60	.1250	.1229	.1208	.1188	.1167	.1146	.1125	.1104	.1083	.1063	.1042	.1021
61	.1000	.0979	.0958	.0938	.0917	.0896	.0875	.0854	.0833	.0813	.0792	.0771
62	.0750	.0729	.0708	.0688	.0667	.0646	.0625	.0604	.0583	.0563	.0542	.0521
63	.0500	.0479	.0458	.0438	.0417	.0396	.0375	.0354	.0333	.0313	.0292	.0271
64	.0250	.0229	.0208	.0188	.0167	.0146	.0125	.0104	.0083	.0063	.0042	.0021

Exhibit D

Table B3 Early Retirement Supplemental Factors
Applicable Monthly Payments to Age 65

The following factors shall be applied to determine the supplemental monthly payments to age 65 for any Participant who is a member of IBEW Local Union 15 whose Termination of Employment occurs on or after October 1, 1999:

AGE	0	1	2	3	4	5	6	7	8	9	10	11
50	.4100	.4075	.4050	.4025	.4000	.3975	.3950	.3925	.3900	.3875	.3850	.3825
51	.3800	.3775	.3750	.3725	.3700	.3675	.3650	.3625	.3600	.3575	.3550	.3525
52	.3500	.3475	.3450	.3425	.3400	.3375	.3350	.3325	.3300	.3275	.3250	.3225
53	.3200	.3175	.3150	.3125	.3100	.3075	.3050	.3025	.3000	.2975	.2950	.2925
54	.2900	.2875	.2850	.2825	.2800	.2775	.2750	.2725	.2700	.2675	.2650	.2625
55	.2600	.2575	.2550	.2525	.2500	.2475	.2450	.2425	.2400	.2375	.2350	.2325
56	.2300	.2275	.2250	.2225	.2200	.2175	.2150	.2125	.2100	.2075	.2050	.2025
57	.2000	.1979	.1958	.1938	.1917	.1896	.1875	.1854	.1833	.1803	.1782	.1761
58	.1750	.1729	.1708	.1688	.1667	.1646	.1625	.1604	.1583	.1563	.1542	.1521
59	.1500	.1479	.1458	.1438	.1417	.1396	.1375	.1354	.1333	.1313	.1292	.1271
60	.1250	.1229	.1208	.1188	.1167	.1146	.1125	.1104	.1083	.1063	.1042	.1021
61	.1000	.0979	.0958	.0938	.0917	.0896	.0875	.0854	.0833	.0813	.0792	.0771
62	.0750	.0729	.0708	.0688	.0667	.0646	.0625	.0604	.0583	.0563	.0542	.0521
63	.0500	.0479	.0458	.0438	.0417	.0396	.0375	.0354	.0333	.0313	.0292	.0271
64	.0250	.0229	.0208	.0188	.0167	.0146	.0125	.0104	.0083	.0063	.0042	.0021

APPENDIX B

SERVICE ANNUITY PLAN

OF

PECO ENERGY COMPANY

Under the Exelon Corporation Retirement Program

Amended and Restated Effective January 1, 2010

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SERVICE ANNUITY PLAN

OF

PECO ENERGY COMPANY

As Amended and Restated Effective January 1, 2010

ARTICLE I Definitions.

Whenever used in this Plan:

1.1 "Accrued Benefit" means the amount of pension payable in the form of a Single Life Annuity commencing on a Participant's Normal Retirement Date (or, immediately, if the Participant has passed his Normal Retirement Date) accrued by a Participant under Article III as of the date of reference. Accrued Benefits shall only be payable in accordance with Articles IV and V.

1.2 "Active Participant" means a Participant who is an Eligible Employee.

1.3 "Actuarial Equivalent" means a benefit of equal actuarial value under the assumptions set forth in Appendix A.

1.4 "Administrator" means the Vice President, Compensation & Benefits or such other person appointed pursuant to Section 8.1.

1.5 "Affiliate" means, as of any time of reference: (a) any corporation included with the Company in a controlled group of corporations within the meaning of Section 414(b) of the Code, (b) any trade or business (whether or not incorporated) which is under common control with the Company within the meaning of Section 414(c) of the Code, (c) any member of any affiliated service group of which the Company is a member within the meaning of Section 414(m) of the Code, and (d) any other entity required to be aggregated with the Company pursuant to regulations under Section 414(o) of the Code; provided, however, that for purposes of Section 4.6, when applying Sections 414(b) and (c) of the Code, the phrase "more than 50%" shall be substituted for the phrase "at least 80%" each place it appears in Section 1563(a)(1) of the Code.

1.6 "Age" means age on last birthday, except that an individual attains age 70- 1/2 on the corresponding date in the sixth calendar month following the month in which his seventieth birthday occurs (or the last day of such sixth month if there is no such corresponding date therein). Notwithstanding the preceding sentence, solely for purposes of determining whether a Participant is eligible to elect the Contingent Annuity Option under Section 5.3, "Age" means the Participant's age on his nearest birthday, rounding his actual age up or down as appropriate.

1.7 "Benefit Accrual Computation Period" means the portion of a calendar year that begins on the latest of (a) January 1, (b) the date on which an Employee becomes an

Eligible Employee or (c) the date an Active Participant resumes work after receiving benefits under the Company's Disabilitant Plan (or June 1, 1992, for an Active Participant who is receiving benefits under the Company's Disabilitant Plan on June 1, 1992) and ends on the earliest of (1) December 31, (2) the date an Employee ceases to be an Eligible Employee, (3) the date an Active Participant commences receiving benefits under the Company's Disabilitant Plan (except with respect to Participants described in the proviso to the penultimate sentence of Section 1.9(b)), (4) an Employee's Normal Retirement Date (in the case of an Employee who does not complete an Hour of Service on or after January 1, 1988), or (5) the date of an Employee's death.

1.8 "Benefit Commencement Date" means, for any Participant, the date as of which his first periodic benefit payment or single sum payment is due. "Benefit Commencement Date" also means, with respect to a surviving Spouse or other beneficiary, the date on which the survivor's benefit under Section 5.3 or 5.4 commences to the surviving Spouse or other beneficiary.

1.9 "Benefit Year" means a credit awarded as follows, subject to Article VI:

(a) Each Employee as of December 31, 1975 shall be credited with a number of Benefit Years equal to his years of service under the Plan as of that date;

(b) Each Active Participant shall be credited with one Benefit Year for each 12 month Benefit Accrual Computation Period after December 31, 1975 during which he completes 1,000 or more Hours of Service and $^{1}/_{12}$th of a Benefit Year for each month or part of a month of a Benefit Accrual Computation Period of less than 12 months during which his Hours of Service equal or exceed 83 $^{1}/_{3}$ times the number of full months in the period. Benefit Years are not credited with respect to any period during which an Active Participant is receiving benefits under the Company's Disabilitant Plan; provided, however, that Benefit Years shall be credited to an Active Participant who is receiving benefits under the Company's Disabilitant Plan on June 1, 1992, with respect to any period after May 31, 1992 for which such benefits are received. Effective January 1, 2002, Benefit Years are credited with respect to any period following an Active Participant's Separation from Service or absence on account of a disability for illness or accident during which the Participant is eligible for and receiving benefits under any long-term disability benefit plan sponsored by the Company.

(c) A Power Team Employee shall not receive credit for any Benefit Year that accrues while he is a Power Team Employee. Notwithstanding the foregoing, for the purposes of Section 5.3 only, a Power Team Employee shall be deemed to receive credit for Benefit Years to the extent such Power Team Employee otherwise would have earned such credit but for the provisions of this Section 1.9(c).

(d) An EIS Senior Management Employee shall not receive credit for any Benefit Year, or portion of a Benefit Year, that accrues after October 31, 1999, or the date on which such Participant becomes an EIS Senior Management Employee, if later, and the Benefit Accrual Computation Period for such Participant that would otherwise include such date shall end on such date. Notwithstanding the foregoing, for the purposes

of Section 5.3 only, an EIS Senior Management Employee shall be deemed to receive credit for Benefit Years to the extent such EIS Senior Management Employee otherwise would have earned such credit but for the provisions of this Section 1.9(d).

(e) Notwithstanding the foregoing, for purposes of calculating a Participant's Benefit Years, each period of Qualified Military Service served by a Participant is, upon reemployment by the Company or an Affiliate within the time during which the Participant's right to reemployment is protected by applicable law, deemed to constitute service with the Company for such purposes.

1.10 "Code" means the Internal Revenue Code of 1986, as amended, or any superseding provision of law.

1.11 "Company" means, (i) prior to the Merger Date, PECO Energy Company, a Pennsylvania corporation (known prior to January 1, 1994 as the "Philadelphia Electric Company"), and any Affiliate of PECO Energy Company which adopts this Plan, and (ii) on and after the Merger Date, Exelon Corporation, PECO Energy Company, and any Affiliate of Exelon Corporation which adopts this Plan.

1.12 "Compensation" means:

(a) for service prior to January 1, 1939 – normal full-time wages or salary at the established payroll rates;

(b) for service subsequent to December 31, 1938 wages, salary, and any other remuneration actually paid or credited to the Employee in recompense for his services as an Employee, including such amounts contributed at the direction of the Employee to the PECO Energy Company Employee Savings Plan, the Exelon Corporation Employee Savings Plan, the PECO Energy Company Employees' Section 125 Plan, the Exelon Corporation Benefits Contributions Options, the Exelon Corporation Flexible Benefits Program or, effective January 1, 2002, amounts contributed on a pre-tax basis to a qualified transportation fringe benefit plan under Code Section 132(f)(4);

(c) effective for plan years beginning on or after December 12, 1994, for purposes of subsection (b) above, a Participant's Compensation shall include the Compensation that the Participant would have received during a period of Qualified Military Service (or, if the amount of such Compensation is not reasonably certain, the Participant's average earnings from the Company or an Affiliate for the twelve-month period immediately preceding the Participant's period of Qualified Military Service); provided, however, that the Participant returns to work within the period during which his right to reemployment is protected by law.

The remuneration of an Employee who is absent for the purposes described in one of Sections 1.19(a) through 1.19(e) shall be deemed to continue at his base rate in effect immediately prior to the start of his absence; provided, however, that no Compensation shall be imputed under this sentence for any period prior to June 1, 1992 during which the Employee is receiving benefits under the Company's Disabilitant Plan. Effective January 1, 1990, Compensation shall not

include any lump sum payment of an Employee's vacation pay or sick pay, nor any severance payment made by the Company or an Affiliate or pursuant to any plan maintained by the Company or an Affiliate. Compensation shall include annual incentive award payments under the Exelon Corporation Annual Incentive Award Program and quarterly incentive payments under the Exelon Corporation Quarterly Incentive Award Program payable with respect to years beginning on or after January 1, 2002.

Notwithstanding the foregoing, (i) Compensation for a Power Team Employee shall not include any Compensation earned while such Employee is a Power Team Employee; (ii) for an individual who retires after December 31, 1993 and prior to January 1, 1996, "Compensation" shall include all accrued vacation, accrued sick pay and severance payments for purposes of Section 3.1(a)(2) and 4C.3(a)(1)(A)(II); and (iii) Compensation for an EIS Senior Management Employee shall not include any Compensation earned after October 31, 1999 or the date on which such Participant becomes an EIS Senior Management Employee, if later.

1.13 "Corporate Investment Committee" means the Committee consisting of the executives or other persons designated from time to time in the charter of such Committee.

1.14 "Covered Compensation" means, as of any date of reference, the average of the taxable wage base in effect under the Social Security Act, as amended, in each of the thirty-five (35) consecutive years ending with the year prior to such Plan Year; provided however, that (i) for any Participant who has attained Age 65, "Covered Compensation" will at all times thereafter be "Covered Compensation" for the Plan Year in which the Participant attained Age 65, (ii) for any Participant who retires after December 31, 1993 and on or before January 1, 1995, Covered Compensation will be determined as of the year-end 1993, and (iii) for any Participant who retires after December 31, 1994 and on or before January 1, 1996, Covered Compensation will be determined as of year-end 1994.

1.12A "EIS" means Exelon Infrastructure Services, Inc.

1.12B "EIS Senior Management Employee" means an Employee of PECO Energy Company who is assigned to perform services for EIS on a full-time basis in a position that is eligible to participate in the EIS Long Term Incentive Plan.

1.15 "Eligibility Computation Period" means, with respect to any Employee, the twelve-month period beginning on his Employment Date and all calendar years beginning after his Employment Date.

1.16 "Eligibility Year" means a credit awarded as follows, subject to Article VI:

(a) Each Employee as of December 31, 1975, shall be credited with a number of Eligibility Years equal to the greater of:

(1) one Eligibility Year for each full year of the Employee's service as of that date under the Plan as then in effect; or

(2) one Eligibility Year for each Eligibility Computation Period beginning before January 1, 1976, in which the Employee completed at least 1,000 Hours of Service, disregarding any Eligibility Computation Period that would have been disregarded under Article VI if it had applied at the time in question.

(b) Each Employee shall be credited with one Eligibility Year for each Eligibility Computation Period beginning after December 31, 1975, in which he completes 1,000 or more Hours of Service.

1.17 “Eligible Employee” means an Employee employed by the Company or on leave during a period of Qualified Military Service and, for the time period beginning on the Merger Date, who (a) was an Eligible Employee prior to the Merger Date or (b) first becomes an Employee on or after the Merger Date and is employed initially at a facility owned immediately before the Merger Date by PECO Energy Company or an Affiliate that was an Affiliate of PECO Energy Company immediately before the Merger Date.

Notwithstanding the foregoing, an Eligible Employee shall not include (i) an Employee who is employed by a joint venture in which the Company is a joint venturer, (ii) an Employee whose wages are subject to collective bargaining except to the extent a collective bargaining agreement relating to him so provides, (iii) a probationary Employee, (iv) an Employee who is an Employee solely by reason of being a leased employee within the meaning of Section 414(n) or 414(o) of the Code, (v) an Employee who executes a written waiver of his right to participate in the Plan or (vi) an individual who is an independent contractor or any other person who is not treated by the Company or an Affiliate as an Employee for the purposes of withholding federal employment taxes, regardless of any contrary governmental or judicial determination relating to such employment status or tax withholding.

Notwithstanding the foregoing, an Eligible Employee shall not include any Power Team Employee while he is a Power Team Employee, or any Employee of the Exelon Generation Company, LLC Power Team division who is a participant in the Commonwealth Edison Company Service Annuity System.

Notwithstanding the foregoing, effective October 31, 1999, an Eligible Employee shall not include any EIS Senior Management Employee. EIS Senior Management Employees hired on or after October 1, 1999 shall not be eligible to participate in the Plan.

Notwithstanding anything herein to the contrary, subject to the provisions relating to rehired employees in Section 2.10, no Employee who was not a Participant before January 1, 2001 shall be eligible to participate in the Plan after December 31, 2000.

An Eligible Employee who transfers employment to the Exelon Generation Company, LLC Power Team division during 2003 shall remain an Eligible Employee until December 31, 2003. An individual who has a benefit under this Plan and who transfers employment from the Exelon Generation, LLC Power Team division to a participating employer in this Plan shall not be an Eligible Employee prior to January 1, 2004.

1.18 “Employee” means a person who is employed by the Company or an Affiliate or is absent under circumstances included in his Employment. An individual shall be

deemed to be actively employed by the Company or an Affiliate if such individual is employed directly by the Company or an Affiliate or is a leased employee within the meaning of Section 414(n) or 414(o) of the Code with respect to whose services the Company or Affiliate is the recipient and to whom Section 414(n)(5) of the Code does not apply. An individual who receives a back pay award from the Company or an Affiliate shall be deemed to be an Employee for the period for which back pay is awarded. An Employee shall cease to be such on his retirement, resignation, discharge, or death. Notwithstanding the foregoing, the term "Employee" shall not include independent contractors or any other persons who are not treated by the Employer as employees for purposes of withholding federal employment taxes, regardless of any contrary governmental or judicial determination relating to such employment status or tax withholding.

1.19 "Employment" means active employment by the Company or an Affiliate. In addition, any of the following types of absence shall be counted as Employment (on the same work schedule under which the Employee was employed by the Company or Affiliate immediately prior to the absence) if it immediately follows a period of active employment with the Company or an Affiliate:

(a) absence due to a period of Qualified Military Service, if the Employee resumes work with the Company or an Affiliate, following discharge, within the time specified by then applicable laws.

(b) absence resulting from disability on account of illness or accident during which the Employee is eligible for and receives disability benefits under a disability benefit plan sponsored by the Company or an Affiliate.

(c) absence which the Company or an Affiliate certifies was for good cause.

(d) leave of absence granted by the Company or an Affiliate.

(e) lay-off, if the Employee returns to work within such period as may be specified in the rules of the Company or Affiliate in effect at the time of reference.

(f) absence during which regular remuneration is paid.

1.20 "Employment Date" means the day on which an Employee completes his first Hour of Service.

1.21 "Fund" means the assets accumulated for purposes of the Plan.

1.22 "Highly Compensated Employee" means, effective January 1, 2006, an Employee who performs services for the Company or an Affiliate during the current Plan Year who was:

(a) an Employee who was, at any time during the current Plan Year or in the immediately preceding Plan Year, a 5% owner, as defined in Section 416(i)(1) of the Code; or

(b) an Employee who, during the immediately preceding Plan Year, both (1) received compensation (as defined in Section 415(c)(3) of the Code plus, for Plan Years beginning after December 31, 2000, amounts excluded from income under Section 132(f)(4) of the Code) from the Company or an Affiliate in excess of $80,000, as adjusted by the Secretary of the Treasury in accordance with Section 415(d) of the Code, and (2) was in the group of employees consisting of the top 20% of the employees of the Company and its Affiliates when ranked on the basis of compensation paid during the preceding Plan Year.

1.23 "Hour of Service" means, for each Employee, a credit used to measure his service for various purposes under the Plan. Hours of Service are credited as follows:

(a) Each hour which is not included in a period described in Paragraph (b), below, but for which the Employee is directly or indirectly paid or entitled to payment by the Company or an Affiliate, for the performance of duties or otherwise, including back pay, without regard to mitigation of damages, shall count as one Hour of Service. Notwithstanding the preceding sentence, no Hours of Service shall be credited under this Paragraph (a) to the extent such credit will cause the Employee to be credited with more than 501 Hours of Service (including Hours of Service credited under Paragraph (b)) with respect to any single continuous period during which the Employee performs no duties; provided, however, that this limit shall not apply in the case of an award of back pay to the extent the award so specifies.

(b) Each week of absence for Qualified Military Service from which the Employee returns to the Company or an Affiliate with legally protected reemployment rights shall count as a number of Hours of Service determined under subsection (e) if the Employee was employed in a position designated as full-time immediately before the period of Qualified Military Service or, if subsection (e) does not apply, a number of Hours of Service equal to the number of hours of work in the Employee's customary week of work at the time the absence began.

(c) Hours of Service for the performance of duties shall be credited to the Employee for the computation period or periods in which the services are performed. Hours of Service for non-performance of duties shall be credited to the Employee for the computation period or computation periods in which the non-performance of duties occurs. Hours of Service for back pay shall be credited to the Employee for the computation period or computation periods to which the award or agreement pertains rather than the computation period or periods in which it was made.

(d) Solely for purposes of determining whether a One-Year Break in Service (as defined in Article VI) has occurred in an Eligibility Computation Period or a Vesting Computation Period, an Employee who is absent from work for Maternity/Paternity Leave shall receive credit for the Hours of Service which would otherwise have been credited to such Employee but for such absence, or in any case in which such Hours of Service cannot be determined, eight Hours of Service per day of such absence. An Employee shall be credited with Hours of Service under this Paragraph

(d) in the computation period in which the absence begins if necessary to prevent a Break in Service in that period, or, in all other cases, in the following computation period.

(e) An Employee who is employed by the Company or an Affiliate shall be credited with forty-five (45) Hours of Service for each week during which he is otherwise entitled to be credited with at least one Hour of Service. Paragraphs (a)-(c) notwithstanding, Hours of Service shall be credited at least as liberally as required by Department of Labor Regulation §2530.200b-2(b) and (c).

(f) In the case of an Employee who is such solely by reason of service as a leased employee (within the meaning of Section 414(n) or 414(o) of the Code), Hours of Service shall be credited as if such Employee were employed and paid with respect to such service (or with respect to any related absences or entitlement) by the Company or the Affiliate that is the recipient thereof.

1.24 “Investment Fiduciary” means the Company acting through the Exelon Investment Office.

1.25 “Maternity/Paternity Leave” means, for any Employee, an absence:

(a) by reason of the Employee’s pregnancy;

(b) by reason of the birth of the child of the Employee;

(c) by reason of placement of the child with the Employee in connection with the adoption of such child by the Employee; or

(d) for purposes of caring for such child for a period immediately following such birth or placement.

1.22A “Merger Date” means the effective date of the merger of Unicom Corporation with and into Exelon Corporation.

1.26 “Normal Retirement Date” means, for each Employee, the first day of the calendar month coincident with or next following the date he attains Age 65, except that the Normal Retirement Date of an Employee who becomes an Active Participant in the Plan after attaining Age 60 shall be the first day of the calendar month coincident with or next following the fifth anniversary of the date on which the Employee became an Active Participant.

1.27 “Participant” means (a) an Employee who has become an Active Participant under Article II, and (b) a former Active Participant whose Accrued Benefit and Benefit Years have not been canceled under Section 6.2 or have been restored under Section 6.5.

1.28 “Plan” means the Service Annuity Plan set forth herein, provided that, on and after January 1, 1994, the Plan shall be known as the “Service Annuity Plan of PECO Energy Company” and on and after January 1, 2003, the Plan shall be known as the “Service Annuity Plan of PECO Energy Company under the Exelon Corporation Retirement Program.”

1.29 “Plan Year” means a calendar year after 1975. The Plan Year shall be the limitation year for purposes of computing limitations on contributions, benefits and allocations.

1.26A “Power Team Employee” means an Employee who is employed by the Exelon Generation Company, LLC Power Team division or its successor, and (i) who was not eligible to participate in the Plan before January 1, 2001, or (ii) who was eligible to participate in the Plan before January 1, 2001 but is eligible to participate in the performance share award program for Power Team employees under the Exelon Corporation Long Term Incentive Plan or any predecessor or successor incentive compensation program applicable to employees of the Power Team division. An Employee who is described in clause (ii) of the preceding sentence will be a Power Team Employee only during the period in which he satisfies clause (ii).

1.30 “Qualified Joint and Survivor Annuity” means the form of pension benefit described in this Section. Under a Qualified Joint and Survivor Annuity payments begin on the date provided in Article IV and continue until the first day of the month following the month in which the Participant’s death occurs. On the first day of the second month following the month of the Participant’s death, payments in an amount equal to 50% of the amount payable to the Participant begin to his surviving Spouse, but only if the Spouse was married to the Participant on the Participant’s Benefit Commencement Date. Such payments to the Spouse shall end on the first day of the month following the month in which the Spouse’s death occurs. The anticipated payments under a Qualified Joint and Survivor Annuity shall be the Actuarial Equivalent of a pension in the form of a Single Life Annuity in the amount set forth in Article IV.

1.27A “Qualified Military Service” means any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) where the Participant’s right to reemployment is protected by law.

1.31 “Required Beginning Date” means April 1 of the calendar year following the later of (a) the calendar year in which the Participant attains Age 70-1/2; or (b) in the case of a Participant who is not a 5% owner (within the meaning of Section 416(i) of the Code), the calendar year in which the Participant’s Separation from Service occurs. Notwithstanding the foregoing, a Participant who is not a 5% owner (as defined above), reached age 70-1/2 in 1999 or 2000, and has not incurred a Separation from Service may elect April 1, 2000 or April 1, 2001, respectively, as his Required Beginning Date.

1.32 “Separation from Service” means the termination of an Employee’s status as an Employee or any absence of an Employee in Employment which is not described in Section 1.19.

1.33 “Single Life Annuity” means a form of pension benefit under which payments begin on the date provided in Article IV and end on the first day of the month following the month in which the Participant’s death occurs.

1.34 “Social Security Retirement Age” means (a) for any individual born before January 1, 1938, Age 65, (b) for any individual born after December 31, 1937, but before January 1, 1955, Age 66, or (c) for any individual born after December 31, 1954, Age 67.

1.35 “Spouse” means the individual who is a husband or wife of a Participant as the result of a legal union between one man and one woman, within the meaning of the Defense of Marriage Act.

1.36 “TXU Participant” means a Participant who participated in the TXU Pension Plan immediately prior to the closing date of the acquisition of TXU by the company and whose benefit under the TXU Pension Plan was determined using the final average pay formula (and not the cash balance plan formula).

1.37 “Vesting Computation Period” means a calendar year.

1.38 “Vesting Year” means a credit awarded as follows, subject to Article VI:

(a) Each Employee as of December 31, 1975, shall be credited with a number of Vesting Years equal to his years of service (with fractions rounded to the next full year) under the Plan as in effect on that date.

(b) Each Employee shall be credited with one Vesting Year for each Vesting Computation Period after 1975 in which he completes 1,000 or more Hours of Service.

(c) If an Employee is credited with an Eligibility Year for an Eligibility Computation Period that overlaps two Vesting Computation Periods, but he is not credited with a Vesting Year for either of those Vesting Computation Periods, the Employee shall be credited with one Vesting Year. An Employee may have only one Vesting Year to his credit under this Paragraph at any time.

(d) An Employee shall be deemed to have completed a Vesting Year when he completes his one-thousandth Hour of Service in the relevant Vesting Computation Period.

1.39 The masculine gender shall include the feminine.

ARTICLE II Participation.

2.1 Each Eligible Employee who is covered by the Plan as of December 31, 1975 shall be an Active Participant as of January 1, 1976.

2.2 Each other Eligible Employee shall become an Active Participant on the later of January 1, 1976 or January 1 of the first Eligibility Computation Period in which he completes 1,000 Hours of Service.

2.3 If a former Eligible Employee is not an Eligible Employee on the date on which he would otherwise become an Active Participant under Section 2.2, he shall not then become an Active Participant but shall become an Active Participant on the first day thereafter on which he is an Eligible Employee, provided that if he has a Separation from Service before becoming an Active Participant, Section 6.4 shall apply.

2.4 Participation Freeze for Power Team Employees. Notwithstanding the foregoing, all participation in the Plan by Power Team Employees shall be frozen as of the date the Employee becomes a Power Team Employee.

2.5 Participation Freeze for EIS Senior Management Employees. Notwithstanding the foregoing, all participation in the Plan by EIS Senior Management Employees shall be frozen as of October 31, 1999, or the date such Participant becomes an EIS Senior Management Employee, if later, and no Employee who is an EIS Senior Management Employee shall be eligible to become a Participant in the Plan after October 31, 1999.

2.6 Participation Freeze for all Employees after December 31, 2000. Notwithstanding anything herein to the contrary, but subject to the provisions of Section 2.10 or 2.11, no Employee who is not a Participant on December 31, 2000 shall be eligible to participate in the Plan after December 31, 2000.

2.7 Transfer of Employment to or Reemployment in Positions Eligible for Participation in the Plan or the Commonwealth Edison Company Service Annuity System by Certain Individuals Who Were Participants in Such a Plan on December 31, 2000. If a Participant who was a Participant on December 31, 2000 transfers employment to or is reemployed by the Company or an Affiliate in a job classification with respect to which similarly situated employees of the Company or Affiliate are not eligible to participate in the Plan but are instead eligible to participate in the Commonwealth Edison Company Service Annuity System (or would be so eligible but for their election to participate in the Exelon Corporation Cash Balance Pension Plan), then such individual shall upon such transfer or reemployment remain a Participant in the Plan and shall not participate in the Commonwealth Edison Company Service Annuity System. If a participant in the Commonwealth Edison Company Service Annuity System who was a participant in such plan on December 31, 2000 transfers employment to or is reemployed by the Company or an Affiliate in a management job classification with respect to which similarly situated employees of the Company or Affiliate are eligible to participate in the Plan (or would be so eligible but for their election to participate in the Exelon Corporation Cash Balance Pension Plan), then such individual shall upon such transfer or reemployment remain a participant in the Commonwealth Edison Company Service Annuity System and shall not participate in the Plan.

2.8 Pension Choice Election.

(a) In General. Each Participant who is, as of January 1, 2002, an Eligible Employee shall be permitted to elect, in the time and manner prescribed by the Administrator, to either (i) continue participating in the Plan on and after January 1, 2002 or (ii) cease participating in the Plan as of December 31, 2001 and begin participating in the Exelon Corporation Cash Balance Pension Plan as of January 1, 2002. Each Eligible Employee who elects to continue participating in the Plan or who is offered and fails to make any such election shall continue to be a Participant as of January 1, 2002. Each Eligible Employee who elects to participate in the Exelon Corporation Cash Balance Pension Plan in lieu of participation in this Plan shall cease participation in the Plan as of December 31, 2001 and shall not be entitled to any benefit under the Plan, unless such Participant receives a notification (the “Notice”) from the Company that his employment

with the Company and the Affiliates will be terminated on or before December 31, 2002 and that such Participant is eligible for benefits under Article IVE of the Plan or any severance plan maintained by the Company or an Affiliate. An Eligible Employee who receives a Notice shall continue to be a Participant in the Plan until his Separation from Service, notwithstanding such Eligible Employee's election to participate in the Exelon Corporation Cash Balance Pension Plan. An Eligible Employee (i) who receives a Notice, but whose employment does not terminate on or before December 31, 2002, or (ii) whose employment terminates before December 31, 2002 without the Employee receiving a Notice, shall cease participation in the Plan as of December 31, 2001 if such Employee elects, in the time and manner prescribed by the Administrator, to participate in the Exelon Corporation Cash Balance Pension Plan.

Effective as of January 1, 2004, each Eligible Employee who (i) was eligible to participate in the Plan as of December 31, 2000, (ii) ceases to be a Power Team Employee as of January 1, 2004 because such Eligible Employee is no longer eligible to participate in the performance share award program for Power Team employees under the Exelon Corporation Long Term Incentive Plan and (iii) did not previously make a valid election pursuant to the preceding paragraph shall be permitted to elect, in the time and manner prescribed by the Committee, to either (i) participate in the Exelon Corporation Cash Balance Pension Plan in lieu of this Plan as of January 1, 2004 or (ii) continue or resume participation in the Plan as of January 1, 2004. Each such Eligible Employee who affirmatively elects to continue or resume participation in this Plan in lieu of participation in the Exelon Corporation Cash Balance Pension Plan shall continue or resume participation in this Plan as of January 1, 2004.

(b) Transfer of Benefits and Assets to Cash Balance Pension Plan. If an Eligible Employee described in paragraph (a) above elects to participate in the Exelon Corporation Cash Balance Pension Plan in lieu of participating in the Plan, the Employee's pension, determined as of December 31, 2001, or December 31, 2003, as the case may be, based on the Employee's Benefit Years, Compensation and average annual base salary as of such date, shall be transferred to the Exelon Corporation Cash Balance Pension Plan, and such Employee shall not accrue any additional benefit under the Plan. An amount of assets that is equal to the present value of the Participant's pension described in the preceding sentence, determined using the methods and assumptions prescribed by Section 4044 of ERISA, shall also be transferred to the Exelon Corporation Cash Balance Pension Plan. Such transfer of benefits and assets related thereto shall occur as soon as administratively practicable after the Eligible Employee makes the election described in paragraph (a) above. In the event that an Eligible Employee whose pension and related assets are transferred to the Exelon Corporation Cash Balance Pension Plan receives a Notice and has a Separation from Service on or before December 31, 2002, the pension and related assets that were transferred to the Exelon Corporation Cash Balance Pension Plan shall be transferred back to the Plan and the amount of the pension benefit accrued by such Employee during 2002 (if any) shall be determined under the terms of this Plan rather than the Exelon Corporation Cash Balance Pension Plan. Such transfer shall occur as soon as administratively practicable.

2.9 Cessation of Participation. An individual's participation in the Plan shall cease upon the first to occur of (i) the date the individual is no longer eligible to receive a benefit from this Plan or (ii) the individual's Separation from Service if the individual has not completed at least five Vesting Years upon the date of his Separation from Service.

2.10 Rehire of Employees. The following rules shall apply to an Eligible Employee who is rehired by the Company after a Separation from Service and prior to commencing his pension or any benefits under the Exelon Corporation Cash Balance Pension Plan, as applicable:

(a) Rehire Date Before Absence of 5 Consecutive One-Year Breaks in Service. If an Employee terminates employment and is later rehired by the Company before having an absence from employment with the Company and the Affiliates of five consecutive One-Year Breaks in Service, then either: (1) if such Employee was a Participant on the date his employment terminated, such Employee shall be a Participant in the Plan as of his rehire date if he is then an Eligible Employee, or (2) if such Employee was not a Participant on the date his employment terminated, such Employee shall not be an Eligible Employee and shall not become a Participant. Notwithstanding clause (1) of the preceding sentence, if an Eligible Employee described in the preceding sentence was not at any time permitted to make the election described in Section 2.8(a) or was permitted to make such election and elected to participate in the Exelon Corporation Cash Balance Pension Plan but such election was not given effect as a result of such Employee's Separation from Service, such Eligible Employee shall be permitted to elect, in the time and manner prescribed by the Administrator, to either (1) participate in the Plan as of his rehire date or (2) participate in the Exelon Corporation Cash Balance Pension Plan at the time prescribed therein and have his pension and related assets transferred to such plan in the manner described in Section 2.8(b).

(b) Rehire Date After Absence of at Least 5 Consecutive One-Year Breaks in Service. If an Employee terminates employment with the Company and the Affiliates and the Employee was not a Participant or was a Participant who did not have a vested pension as of the date his employment terminated, and such Employee is rehired by the Company after having an absence from employment with the Company and the Affiliates of at least five consecutive One-Year Breaks in Service, such Employee shall not be an Eligible Employee and shall not become a Participant upon such rehire. If a Participant with a vested pension terminates employment with the Company and the Affiliates and the Participant is rehired after having an absence from employment with the Company and the Affiliates of at least five consecutive One-Year Breaks in Service, such Participant shall remain a Participant upon his rehire. Notwithstanding the preceding sentence if a Participant described in the preceding sentence was not at any time permitted to make the election described in Section 2.8(a), or was permitted to make such election and elected to participate in the Exelon Corporation Cash Balance Pension Plan but such election was not given effect as a result of such Employee's Separation from Service, such Eligible Employee shall be permitted to elect, in the time and manner prescribed by the Administrator, to either (1) participate in the Plan as of his rehire date or (2) participate in the Exelon Corporation Cash Balance Pension Plan at the time prescribed therein and have his pension and related assets transferred to such plan in the manner described in Section 2.8(b).

(c) Circumstances Permitting Commencement of Pension. Notwithstanding anything contained herein to the contrary, if a Participant terminates employment and is reemployed as an Employee under circumstances that satisfy the

applicable conditions for continuation of payment of retirement benefits set forth in the Company's policy regarding the rehiring or retirees, such Participant may elect to commence his pension during such period of reemployment if he is otherwise eligible to commence such pension.

2.11 Change in Employment Status or Transfer to Affiliate. Except as otherwise provided herein, if an Employee who was a Participant transfers employment to or is reemployed by an Employer or an Affiliate in a job classification with respect to which similarly situated employees of such Employer or Affiliate are not eligible to participate in the Plan but are instead either eligible to participate in another plan maintained by such Employer or Affiliate or are not eligible to participate in any plan, then such individual shall upon such transfer or reemployment participate in the plan, if any, determined pursuant to rules established by the Company, which rules may be set forth in a Supplement hereto.

ARTICLE III Accrual of Benefits.

3.1 Accrued Benefit. Except as otherwise provided in this Article or in Article VI, each Participant shall have an Accrued Benefit equal to one-twelfth of the greater of:

(a) The sum of (1) 2% of his average annual Compensation during the period of his service, if any, between January 1, 1930 and December 31, 1938, inclusive, multiplied by his Benefit Years before January 1, 1939, and (2) 2% of his aggregate Compensation for employment as an Eligible Employee after December 31, 1938, or

(b) The sum of (1) a percentage of his average annual base salary plus, after December 31, 2001, amounts earned (whether paid in the current or subsequent period) under the Exelon Corporation Annual Incentive Award Program for Management Employees, and the Exelon Corporation Quarterly Incentive Award Program (but excluding amounts earned under any other business or group incentive or bonus programs) during his 60 consecutive months of employment with the Company that yield the highest twelve month average equal to 5% plus 1.2% for each of his first forty Benefit Years, and (2) 0.35% of such highest average in excess of Covered Compensation as of the date of reference, multiplied by his Benefit Years (up to a maximum of 14%). (For the purposes of this Paragraph (b), (A) employment during the most recent 5 years shall include absences which are included in Employment, except an absence prior to June 1, 1992 during which an Employee receives benefits under the Company's Disabilitant Plan, and the average annual base salary of an Employee on an included absence shall be calculated as if his base salary continued during any period of such absence for which he did not receive compensation, such salary to be that in effect when such period began, adjusted for increases applicable to his job classification which occur prior to the end of such period, (B) with respect to a Participant who is employed by the Company for less than 60-consecutive months, the Participant's average annual base salary shall be determined by averaging the Participant's annual base salary for each calendar year in which the Participant was at any time an Employee, determined as if the Participant had remained an Employee for the entire year, provided, that, if there are more than 5 such calendar years, the 5 years which result in the highest average will be used, (C) for purposes of determining consecutive months of employment, months in which the

Participant performs no services, other than months for which salary is imputed under (A) above, shall be disregarded, (D) annual base salary shall be determined prior to reduction by amounts contributed at the direction of the Employee to the PECO Energy Company Employee Savings Plan, the Exelon Corporation Employee Savings Plan, the PECO Energy Company Employees' Section 125 Plan, the Exelon Corporation Benefits Contributions Options, the Exelon Corporation Flexible Benefits Program, or for Plan Years beginning after December 31, 2001, amounts contributed to a qualified transportation fringe benefit plan under Section 132(f)(4) of the Code, (E) effective January 1, 1990, a Participant's annual base salary shall not include any lump sum payment of his accrued vacation pay or sick pay, nor any severance payment made by the Company or an Affiliate or pursuant to any plan maintained by the Company or any Affiliate), (F) effective January 1, 1996 for purposes of calculating average annual base salary, any raise received during the month shall be deemed to have been received on the first of such month and (G) amounts earned under the Exelon Corporation Annual Incentive Award Program for Management Employees and the Exelon Corporation Quarterly Incentive Award Program shall be credited for the period such amounts are earned, regardless of when such amounts are actually paid).

A Participant's Accrued Benefit, however, shall not be less than the largest early retirement benefit that he could at any time elect to receive under the Plan. For purposes of the preceding sentence, the early retirement benefit that a Participant may elect to receive at any time of reference is the monthly annuity which, assuming he had a Separation from Service on the date of reference, would be payable to him in the form of a Single Life Annuity beginning as of the later of the day ten years prior to his Normal Retirement Date or the first day of the month following the date of reference.

Notwithstanding the foregoing, the Accrued Benefit of a Power Team Employee shall be frozen as of the date the Employee becomes a Power Team Employee and no Power Team Employee shall earn any additional Accrued Benefit under the Plan while the Employee is a Power Team Employee. The calculation of the benefit of a Power Team Employee under subsection (a) and (b) shall be made without regard to any Compensation, annual base salary or earnings attributable to any period while the Employee is a Power Team Employee.

Notwithstanding the foregoing, an EIS Senior Management Employee's Accrued Benefit shall be frozen as of October 31, 1999, or the date such Participant becomes an EIS Senior Management Employee, if later, and no EIS Senior Management Employee shall earn any additional Accrued Benefit under the Plan after such date. The calculation of an EIS Senior Management Employee's benefit under subsection (a) and (b) shall be made without regard to any Compensation, annual base salary or earnings attributable to any period after October 31, 1999, or the date such Participant becomes an EIS Senior Management Employee, if later.

Notwithstanding the foregoing provisions of this Section 3.1, the Accrued Benefit for a TXU Participant shall be equal to the greater of (1) such Participant's accrued benefit under the TXU Pension Plan immediately prior to the closing date of the acquisition of TXU by the Company, and (2) such Participant's Accrued Benefit determined under subsection (b) above, calculated by including compensation earned by the Participant while he was employed by TXU to the extent such compensation would have been included under subsection (b) if TXU had been part of the

Company during the relevant time period and by including the years of service that were credited to the Participant under the TXU Pension Plan immediately prior to the closing date of the acquisition of TXU by the Company.

3.2 Minimum Accrued Benefit. Except as provided in Section 6.5:

(a) as a result of the imposition of the $200,000 cap on compensation under Section 401(a)(17) of the Code effective January 1, 1989 pursuant to Section 3.3, the Accrued Benefit of a Section 401(a)(17) Employee determined as of any date on or after January 1, 1989 and prior to January 1, 1994 shall not be less than the sum of:

(1) his Accrued Benefit determined as of December 31, 1988 under the provisions of the Plan as in effect through December 31, 1988; plus

(2) the Participant's Accrued Benefit determined under Section 3.1 based on the Participant's Benefit Years earned on and after January 1, 1989 and before January 1, 1994;

(b) as a result of the reduction of the $200,000 cap on compensation under Section 401(a)(17) of the Code to $150,000 effective January 1, 1994 pursuant to Section 3.3, the Accrued Benefit of a Section 401(a)(17) Employee determined as of any date on or after January 1, 1994 shall not be less than the sum of:

(1) his Accrued Benefit under Section 3.1 as of December 31, 1993 or, to the extent applicable, his Accrued Benefit under Section 3.2(a) as of December 31, 1993, if greater, determined in each case under the provisions of the Plan as in effect through December 31, 1993; provided, however, that, notwithstanding any provision of the Plan to the contrary, base salary for any determination period (as defined in Section 3.3) that is taken into account in determining an Employee's average annual base salary as of December 31, 1993 shall be subject to the Section 401(a)(17) Compensation Limit (as defined in Section 3.3) in effect for 1993; plus

(2) the Participant's Accrued Benefit determined under Section 3.1 based on the Participant's Benefit Years earned on and after January 1, 1994.

For purposes of Section 3.2(a), a 'Section 401(a)(17) Employee' means an Eligible Employee who completes an Hour of Service on or after January 1, 1989 and whose Accrued Benefit as of a date on or after January 1, 1989 and prior to January 1, 1994 is based on annual Compensation or base salary for a determination period (as defined in Section 3.3) beginning prior to January 1, 1989 that exceeds $200,000. For purposes of Section 3.2(b), a 'Section 401(a)(17) Employee' means an Eligible Employee who completes an Hour of Service on or after January 1, 1994 and whose Accrued Benefit as of a date on or after January 1, 1994 is based on annual Compensation or base salary for a determination period (as defined in Section 3.3) beginning prior to January 1, 1994 that exceeds $150,000.

3.3 Application of Section 401(a)(17) Compensation Limit. Annual Compensation taken into account for purposes of Section 3.1(a) (and Articles IVA, IVB and

IVC) and annual base salary taken into account for purposes of Section 3.1(b) (and Articles IVA, IVB and IVC) shall not exceed $200,000 ($150,000, effective January 1, 1994), or such other amount as may be applicable under Code Section 401(a)(17) (the 'Section 401(a)(17) Compensation Limit'). Except as provided below, the Section 401(a)(17) Compensation Limit in effect for a calendar year applies to any period, not exceeding 12 months, over which Compensation or base salary is determined ('determination period') and which begins in such calendar year. Annual base salary for any determination period beginning prior to 1989 that is taken into account in determining an Employee's average annual base salary for purposes of determining the Employee's Accrued Benefit as of a date on or after January 1, 1989 but prior to January 1, 1994 shall be subject to the Section 401(a)(17) Compensation Limit in effect for 1989. Annual base salary for any determination period beginning prior to 1994 that is taken into account in determining an Employee's average annual base salary for purposes of determining the Employee's Accrued Benefit as of a date on or after January 1, 1994 shall be subject to the Section 401(a)(17) Compensation Limit in effect for 1994.

If a determination period consists of fewer than 12 months, the Section 401(a)(17) Compensation Limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12. For Plan Years beginning before January 1, 1997, the family aggregation rules of Sections 401(a)(17)(A) of the Code, as in effect on December 31, 1996, shall apply.

3.4 Transferred Employees. The Accrued Benefit of a Participant who has ceased to be an Eligible Employee but who is still an Employee shall be calculated on the basis of his Compensation, average annual base salary, Benefit Years, and the formula in effect under this Article III as of the last date on which he is an Eligible Employee.

3.5 Rehired Employees. A Participant who is reemployed as an Employee and who continues, or commences, his pension payments during the period of his reemployment shall, as required to continue pension payments in accordance with the Company's policy regarding the rehiring of retirees, waive participation in, or additional benefits and accruals under the Plan and accordingly, shall not be entitled to accrue any additional benefits under the Plan during his period of reemployment.

ARTICLE IV. Benefits.

4.1 Normal Retirement. If an Active Participant has not already become vested pursuant to Section 4.4, he shall become fully vested in his Accrued Benefit when he attains Age 65, or, if later, upon the fifth anniversary of the date upon which he first became an Active Participant and may retire on his Normal Retirement Date. Upon retiring, the Participant shall be entitled to a monthly annuity that begins as of the first day of the month following the month in which his Normal Retirement Date occurs and is equal to his Accrued Benefit.

4.2 Postponed Retirement.

(a) An employee may continue in service after his Normal Retirement Date. Except as provided in Section 4.11, an Active Participant who continues in service

after his Normal Retirement Date shall receive an annuity commencing as of the first day of the month following actual retirement, or as of his Required Beginning Date, if earlier. Such annuity shall be based upon service, Compensation, average annual base salary and Covered Compensation measured as of the date he retires or his Required Beginning Date, whichever applies, and the benefit formula under Section 3.1 in effect as of such date. Effective as of January 1, 2000, the annuity for an Employee whose Retirement Beginning Date is April 1 of the calendar year following the year in which he incurs a Separation from Service shall include an Actuarial Equivalent adjustment to reflect commencement of payments after April 1 following the calendar year in which he attained age 70 1/2. The Actuarial Equivalent adjustment described in the preceding sentence shall be made to Participant's Accrued Benefit as of each December 31 following his Required Beginning Date and preceding his Separation from Service, with the last such adjustment made as of his Separation from Service, and for each such year or portion of a year, shall reduce (but not below zero) any increase in the Participant's Accrued Benefit for the year or portion of a year attributable to Benefit Years, Compensation, annual base salary, or changes in Covered Compensation for that year or portion of a year.

(b) Notwithstanding Paragraph (a), effective January 1, 1994, an executive shall continue as an Employee after his Normal Retirement Date only with the consent of the Company or an Affiliate. For purposes of this Paragraph (b), an "executive" means a Participant who:

(1) Is (A) bona fide executive as defined in Title 29 Code of Federal Regulations §§541.1 and 1625.12 or (B) employed in a high policy making position in the Company or an Affiliate within the meaning of Title 29 Code of Federal Regulations §1625.12;

(2) Has attained Age 65;

(3) Has been in a position described in Paragraph (1) for the two-year period immediately prior to his retirement; and

(4) Is entitled to an immediate vested annual retirement pension, commencing at Age 65 (or retirement, if later), from all employee pension, profit sharing, savings and deferred compensation plans sponsored by the Company and all Affiliates which equals, in the aggregate, at least $44,000 (or such other amount as may be prescribed pursuant to Title 29 Code of Federal Regulations §541.1 from time to time). In calculating the annual retirement pension, (A) all benefits shall be adjusted in accordance with regulations prescribed by the Equal Employment Opportunity Commission so that the benefit is the equivalent of a Single Life Annuity (with no ancillary benefits) under a plan to which employees do not contribute and under which no rollover contributions have been made and (B) there shall be excluded from the calculation of the retirement pension amounts attributable to Social Security, employee contributions, contributions of prior employers, rollover contributions, and contributions described in Code §402(e)(3).

(a) If a Participant’s Benefit Commencement Date precedes his actual retirement, the pension payable to the Participant shall be determined as of the December 31 preceding his Benefit Commencement Date and adjusted as of January 1 in each calendar year following his Benefit Commencement Date, with the final adjustment to be made as of the date of his actual retirement. Such annual adjustment shall include any increase (but not any decrease) in the Participant’s Accrued Benefit, determined in accordance with Article III, as a result of additional Benefit Years and Compensation and changes to average annual base salary, since the Participant’s Benefit Commencement Date or the last such annual adjustment, whichever applies.

4.3 Early Retirement.

(a) Effective August 1, 2000, an Active Participant who terminates after he has attained Age 50 and has to his credit at least 10 Vesting Years may retire and shall upon so retiring be entitled to a monthly annuity that begins, at his election, as of the first day of the month following his retirement or as of the first day of any subsequent month, but not after the first month following his Normal Retirement Date. Such election may be made no earlier than 90 days prior to the Benefit Commencement Date elected by the Participant and in no event earlier than the date on which the Participant receives the notice described in Section 5.5(a). The amount of the annuity under this Subsection 4.3(a) shall be equal to the Participant’s Accrued Benefit determined as of his Benefit Commencement Date reduced as follows:

Attained Age at Benefit Commencement Date	Reduction Factor
64–60	1.00
59	0.98
58	0.96
57	0.93
56	0.90
55	0.87
54	0.84
53	0.81
52	0.78
51	0.75
50	0.72

Notwithstanding the foregoing provisions of this subsection (a), effective January 1, 2002, there shall be no reduction to the Accrued Benefit of an Active Participant who is an hourly, nonexempt Eligible Employee and who has attained age 59 at the time of his Benefit Commencement Date.

(b) Notwithstanding any other provision of the Plan to the contrary, a Participant who has ceased to be an Active Participant because he is an EIS Senior Management Employee, or because he has ceased to be an Employee of the Company and has thereupon become an Employee of EIS, shall continue to be treated as an Active

Participant for purposes of this Section 4.3 and, effective January 1, 2002, Section 5.3, but not for any other provision of the Plan, so long as (i) he continuously remains an Employee of EIS or a wholly owned subsidiary of EIS and (ii) EIS continuously remains an Affiliate.

(c) Notwithstanding any other provision of the Plan to the contrary, a Participant who has ceased to be an Eligible Employee and Active Participant because he is a Power Team Employee, shall continue to be treated as an Active Participant for purposes of this Section 4.3 and, effective December 31, 1996, Section 5.3, but not for any other provision of the Plan, so long as he continuously remains a Power Team Employee.

4.4 Deferred Annuity. Effective as of August 1, 2000, any Participant who has a Separation from Service prior to satisfying the requirements for retirement under Sections 4.1-4.3 but at a time when he has to his credit at least five Vesting Years shall upon his Separation from Service be entitled to receive a monthly annuity that begins as of the first day of the month following his Normal Retirement Date and is equal to his Accrued Benefit determined as of his Separation from Service. Alternatively, a Participant described in the preceding sentence may, at his election, receive a monthly annuity that begins as of the first day of the month following his fiftieth birthday or, at his option, on the first day of any month thereafter but not after the first month following his Normal Retirement Date that is equal to the Actuarial Equivalent of the Participant's Accrued Benefit determined as of his Separation from Service. Any election of a Benefit Commencement Date prior to Normal Retirement Date made under this Section may be made no earlier than 90 days prior to the Benefit Commencement Date elected by the Participant and in no event earlier than the date on which the Participant receives the notice described in Section 5.5(a).

4.5 Disabled Eligible Employees. A Participant who has become disabled within the meaning of the Company's Disabilitant benefit plans while an Eligible Employee shall continue to be credited with Benefit Years and Vesting Years during his period of Disabilitant to the extent set forth in Sections 1.7 (relating to Benefit Accrual Computation Period), 1.9 (relating to Benefit Year), 1.19 (relating to Employment) and 1.37 (relating to Vesting Service). If a disabled Participant has met the requirements to receive a pension under any Section of this Article IV (determined as if his Separation from Service had occurred on the date of reference), such Participant may elect as his Benefit Commencement Date any date as may be provided under the applicable Section. If a disabled Participant continues to be credited with Benefit Years after his Benefit Commencement Date, the amount of annuity payable to the Participant shall be determined as of his Benefit Commencement Date and shall be adjusted annually as of January 1 in each calendar year following his Benefit Commencement Date, up to and including the January 1 next following the date the disabled Participant ceases to be credited with Benefit Years. Such annual adjustment shall include any increase (but not any decrease) in the Participant's Accrued Benefit, determined in accordance with Article III, as a result of additional Benefit Years and Compensation and changes to average annual base salary, since the Participant's Benefit Commencement Date or the last such annual adjustment, whichever applies. In addition, such annual adjustment shall be reduced (but not below zero) by the Actuarial Equivalent of any benefit paid to the Participant since his Benefit Commencement Date during any period (a) prior to Normal Retirement Date or (b) after Normal Retirement Date

that would have constituted "Section 202(a)(3)(B) Service" under Title 29 Code of Federal Regulations §2530.203-3(c)(1), to the extent not previously taken into account under this Section; provided, however, that the amount, if any, of the benefits paid to the Participant which exceeds the amount the Participant would have received if distribution had been made in the normal form of benefits described in Section 5.1 or 5.2(a), whichever applies to the Participant, shall be disregarded in determining the Actuarial Equivalent of such benefits for purposes of the reduction described in this sentence.

4.6 Maximum Annuity. Notwithstanding any other provision of the Plan to the contrary, the amount of the Participant's annual benefit (as defined below) accrued, distributed or payable at any time under the Plan shall be limited to an amount such that such annual benefit and the aggregate annual benefit of the Participant under all other defined benefit plans maintained by the Employer or any other Affiliate does not exceed the lesser of:

(i) $160,000 (as increased to reflect the cost of living adjustments provided under Section 415(d) of the Code), multiplied by a fraction (not exceeding 1 and not less than 1/10th), the numerator of which is the Participant's years of participation (within the meaning of Treas. Reg. § 1.415(b)-1(g)(1)(ii)) and the denominator of which is 10; or.

(ii) an amount equal to 100% of the Participant's average compensation for the 3 consecutive calendar years in which his compensation was the highest (as determined in accordance with Treas. Reg. § 1.415(b)-1(a)(5)) and which are included in his years of service (within the meaning of Treas. Reg. § 1.415(b)-1(g)(2)(ii)) with the Employers multiplied by a fraction (not exceeding 1 and not less than 1/10th), the numerator of which is the Participant's years of service with the Employers and the denominator of which is 10.

The dollar amount set forth in clause (i) of the preceding paragraph shall be actuarially reduced in accordance with Treas. Reg. § 1.415(b)-1(d) if pension benefits commence prior to the Participant's attainment of age 62. If a Participant's pension benefit payments commence after the Participant's attainment of age 65, such dollar amount shall be actuarially increased in accordance with Treas. Reg. § 1.415(b)-1(e).

A Participant's "annual benefit" shall mean the Participant's accrued benefit payable annually in the form of a straight life annuity, as determined in, and accordance with, Treas. Reg. § 1.415(b)-1(b). If the annual benefit is payable in a form other than a single life annuity, the annual benefit shall be adjusted to the Actuarial Equivalent of a single life annuity using the assumptions of the following sentences; provided, however, that no adjustment shall be required for survivor benefits payable to a surviving Spouse under a Qualified Joint and Survivor Annuity (as described in Section 5.2) to the extent such benefits would not be payable if the Participant's annual benefit were paid in another form.

Effective for Plan Years beginning January 1, 2004 and January 1, 2005, for any form of benefit subject to Section 417(e)(3) of the Code, a Participant's annual benefit shall be the greater of (i) the amount computed using the interest rate and mortality table used to determine actuarial equivalence under the Plan and (ii) the amount computed using an interest rate assumption of 5.5% and the applicable mortality table under Treas. Reg. § 1.417(e)-1(d)(2) (the "Applicable Mortality Table"). Effective for Plan Years beginning on or after January 1, 2006, for any form of benefit subject to Section 417(e)(3) of the Code, a Participant's annual benefit shall be the greatest of (i) the amount computed using the interest rate and mortality table used to determine actuarial equivalence under the Plan, (ii) the amount computed using an interest rate assumption of 5.5% and the Applicable Mortality Table and (iii) the amount computed using the applicable interest rate under Treas. Reg. § 1.417(e)-1(d)(3) and the Applicable Mortality Table, divided by 1.05. Effective for Plan Years beginning on or after January 1,

2006, for any form of benefit not subject to Section 417(e)(3) of the Code, a Participant's annual benefit shall be determined in accordance with Treas. Reg. § 1.415(b)-1(c). An individual's "annual benefit" under any other defined benefit plan maintained by the Employer and Affiliate shall be as determined pursuant to the provisions of Section 415 of the Code and the regulations issued thereunder the terms of such plan.

Notwithstanding the foregoing provisions of this Section, the limitation provided by this Section shall not apply to a Participant who has not at any time participated in a defined contribution plan maintained by any Employer and whose annual benefit under the Plan does not exceed $10,000 multiplied by a fraction (not exceeding 1 and not less than 1/10th) the numerator of which is the Participant's years of service (within the meaning of Treas. Reg. § 1.415(b)-1(g)(2)(ii)) and the denominator of which is 10.

For purposes of this Section, the term "compensation" shall have the meaning set forth in Section 415(c)(3) of the Code and the applicable Regulations, the term "defined contribution plan" shall have the meaning set forth in Treas. Reg. § 1.415(c)-1(a)(2), the term "defined benefit plan" shall have the meaning set forth in Treas. Reg. § 1.415(b)-1(a)(2) and the term "Employer" shall include the Employers and all corporations and entities required to be aggregated with any of the Employers pursuant to Section 414(b) and (c) of the Code as modified by Section 415(h) of the Code.

4.7 Benefit Commencement Date. Unless the Participant elects otherwise, the pension to which he is entitled under this Article IV or Articles IVA or IVB shall begin within sixty days of the close of the Plan Year in which falls the later of his Normal Retirement Date or his Separation from Service. The failure of the Participant to apply for his benefit pursuant to Section 5.9 by the date prescribed in the preceding sentence shall be deemed an election to defer payment to a later date. Notwithstanding the above, payment of such pension shall begin no later than a Participant's Required Beginning Date, or the first day of the month following the date the Participant first becomes entitled to such pension, if later.

4.8 Post-Retirement Adjustment.

(a) Commencing with installments due September 1, 1978, benefit payments to Participants who retired under Sections 4.1, 4.2 or 4.3, or corresponding prior Sections, prior to January 1, 1978 and their Contingent Annuity Option beneficiaries are increased by 2% for each calendar year of retirement to a maximum of 4%.

(b) Commencing with installments due September 1, 1980, benefit payments to Participants who retired under the foregoing provisions of the Plan prior to January 1, 1980 and their Contingent Annuity Option beneficiaries are increased by 3% for each calendar year of retirement to a maximum of 6%.

(c) Commencing with installments due September 1, 1982, benefit payments to Participants who retired under the foregoing provisions of the Plan prior to January 1, 1982 and their Contingent Annuity Option beneficiaries are increased by 3% for each calendar year of retirement to a maximum of 6%.

(d) Commencing with installments due September 1, 1984, benefit payments to Participants who retired under the foregoing provisions of the Plan prior to

January 1, 1984, and their Contingent Annuity Option beneficiaries are increased by 2% for each calendar year of retirement to a maximum of 4%.

(e) Commencing with installments due September 1, 1986, benefit payments to Participants who retired under the foregoing provisions of the Plan prior to January 1, 1986, and their Contingent Annuity Option beneficiaries are increased by 2% for each calendar year of retirement to a maximum of 4%.

(f) Commencing with installments due February 1, 1991, benefit payments to:

(1) Participants who retired under Section 4.1, 4.2 or 4.3 of the Plan (or corresponding prior Sections) prior to January 1, 1990;

(2) Contingent Annuity Option beneficiaries of deceased Participants who died or retired under the foregoing provisions prior to January 1, 1990;

(3) Qualified Joint and Survivor Annuity beneficiaries of deceased Participants who retired under the foregoing provisions prior to January 1, 1990; and

(4) surviving Spouses receiving benefits under Section 5.4 due to the death of a Participant while an Active Participant prior to January 1, 1990, are increased by a factor of 3/4 of 1% multiplied by the difference obtained by subtracting the Participant's year of retirement or death, as appropriate, from 1990. A Participant or beneficiary described in this Paragraph (f) may irrevocably elect to waive this increase in benefit payments by written notice to the Company made no later than 60 days after the Participant or beneficiary is first notified of the increase by the Company.

(g) Commencing with installments due February 1, 1997, benefit payments to Participants who retired under the foregoing provisions of the Plan prior to January 1, 1994, and Contingent Annuity Option beneficiaries of deceased Participants who died or retired under the foregoing provisions of the Plan prior to January 1, 1994, are increased by fifty dollars ($50) per month.

(h) Commencing with installments due January 1, 2000, benefit payments to Participants who retired under the foregoing provisions of the Plan prior to January 1, 1994, and Contingent Annuity Option beneficiaries of deceased Participants who died or retired under the foregoing provisions of the Plan prior to January 1, 1994, are increased by fifty dollars ($50) per month.

4.9 Special Early Retirement Benefit. The annuity (and any Contingent Annuity Option benefit) of a Participant who retires under the early retirement provisions of Section 4.3 between February 1, 1978 and June 1, 1978, inclusive, shall be computed without the 4% per year reduction described in the last sentence of Section 4.3. In addition, the monthly benefit paid to such a Participant (but not the benefit to any Contingent Annuity Option beneficiary) shall be supplemented by a monthly payment equal to the Social Security old age insurance benefit to which the Participant would be entitled at Age 65 based on earnings

received as an Employee of the Company, assuming he has no wages for Social Security purposes after his retirement and there is no change in the Social Security law or rates subsequent to his retirement. The supplemental benefit described in the preceding sentence shall end with the payment on the first day of the month preceding the month in which the Participant first receives (or could have received if he had applied) Social Security old age insurance benefits unreduced on account of age, or with the payment last preceding the Participant's death, if earlier. The special benefits described in this Section shall also be paid with respect to a Participant who elects early retirement during the period February 1, 1978 through June 1, 1978, inclusive, but whose actual retirement is postponed at the request of the Company in order to provide for personnel replacement and training.

4.10 Minimum Annuity. The annuity of a Participant who retires or has retired under Sections 4.1, 4.2 or 4.3, or corresponding prior Sections regardless of the form of his benefit under Article V, and who is not at any time a Highly Compensated Employee, shall not be less than $150 per month.

4.11 Suspension of Benefits. With respect to any Participant whose employment by the Company or an Affiliate continues past his Normal Retirement Date, or who is receiving benefits under the Plan and again becomes an Employee, the following rules shall apply:

(a) If the reemployed Participant has not reached his Normal Retirement Date, his pension shall be suspended and recomputed under the Plan upon his subsequent Separation from Service.

(b) If the Participant has reached his Normal Retirement Date, for each calendar month or for each four or five week payroll period ending in a calendar month during which the Participant either completes forty or more Hours of Service (counting each day of Employment as five Hours of Service), or receives payment for any such Hours of Service performed on each of eight or more days or separate work shifts in such month or payroll period, (referred to herein as "Suspension Service") no pension payment shall be made, and no adjustment to the Participant's pension shall be made on account of such non-payment. No payment shall be withheld pursuant to this Paragraph (b) until the Employee is notified by personal delivery or first class mail during the first calendar month or payroll period in which payments are suspended that his benefits are suspended. Such notification shall contain a description of the specific reasons why benefit payments are being suspended, a general description of the Plan provisions relating to the suspension of payments and a copy of such provisions (or a reference to the relevant pages of the summary plan description providing such information), and a statement to the effect that applicable Department of Labor Regulations may be found in Section 2530.203-3 of the Code of Federal Regulations. In addition, the suspension notification shall inform the Employee of the Plan's procedure for affording a review of the suspension of benefits.

(c) The pension of a reemployed Participant whose benefits were suspended under this Section 4.11 shall begin again no later than the earlier of (1) the first day of the third month following the month in which the Participant first fails to

satisfy the service requirements described in Paragraph (b) or has a Separation from Service or (2) his Required Beginning Date. The resumed pension shall be recalculated to reflect Compensation, average annual base salary and Benefit Years earned under the Plan as in effect during such period of reemployment and shall be reduced by the Actuarial Equivalent of any payment received by the Employee under the Plan prior to his Normal Retirement Date; provided, however, that in no event shall the Participant's monthly pension payable in the form of a single life annuity when reemployment ends be less than the monthly pension that was payable to the Participant in the form of a single life annuity prior to his period of reemployment. The full amount of the resumed pension shall be paid in the form determined pursuant to Article V at the time payments are resumed, without regard to the form of payment in effect for the Participant prior to his reemployment. The pension of any Participant whose employment continued past his Normal Retirement Date (and whose benefits are not suspended because of employment as described in Paragraph (b)) shall be paid pursuant to Section 4.2.

(d) Notwithstanding the foregoing provisions of this Section 4.11, a Participant who received a pension while the Participant worked for Linden Chapel Corporation (formerly known as VSI Group, Inc., a Maryland corporation) before the assets of Linden Chapel Corporation (formerly known as VSI Group, Inc., a Maryland corporation) were acquired by EIS or its Affiliate, shall not have his pension suspended under this Section 4.11 solely as a result of the acquisition of the assets of Linden Chapel Corporation (formerly known as VSI Group, Inc., a Maryland corporation) by EIS or its Affiliate, so long as the Participant remains continuously employed thereafter by the Company or an Affiliate. Notwithstanding the foregoing provisions of this Section 4.11, this Section 4.11 shall not apply to a Participant who is reemployed by an Affiliated Company that does not maintain a defined benefit pension plan.

(e) Notwithstanding the foregoing provisions of this Section 4.11, a reemployed Participant who is employed under circumstances that satisfy the applicable conditions for continuation of payment of retirement benefits set forth in the Company's policy regarding the rehiring of retirees shall not have his pension suspended under this Section 4.11 nor shall such reemployed Participant be prohibited from commencing his pension if he is otherwise eligible to commence such pension.

Section 4.12. Benefit Restrictions as a Result of Funding. (a) Notwithstanding any provision of the Plan to the contrary, the following benefit restrictions shall apply if the Plan's "Adjusted Funding Target Attainment Percentage" (the "AFTAP"), as defined in Section 436(j) of the Code, is at or below the following levels.

(i) If the Plan's AFTAP is 60% or greater but less than 80% for a Plan Year, the Plan shall not pay any prohibited payment (as defined in Section 4.12(a)(iv)) after the valuation date for the Plan Year to the extent the amount of the payment exceeds the lesser of (x) 50% of the amount of the payment which could be made without regard to the restrictions under this subsection 4.13 and (y) the present value (determined pursuant to guidance prescribed by the Pension Benefit Guaranty Corporation, using the interest and mortality assumptions under Section 417(e) of the Code) of the maximum guarantee with respect to the Participant under Section 4022 of ERISA. Notwithstanding the preceding sentence, only one such prohibited payment may be made with respect to any Participant during any period of consecutive Plan Years to which the

limitations under either clause (x) or (y) of the preceding sentence apply. For purposes of this Section 4.12(a)(i), a Participant, his beneficiary and any alternate payee (as defined in Section 414(p)(8) of the Code) shall be deemed a single "Participant."

(ii) If the Plan's AFTAP is less than 60% for a Plan Year, the Plan shall not pay any prohibited payment after the valuation date for the Plan Year.

(iii) During any period in which the Company is a debtor in a case under Title 11, United States Code (or similar federal or state law), the Plan shall not make any prohibited payment. The preceding sentence shall not apply on or after the date on which the Plan's enrolled actuary certifies that the AFTAP is not less than 100%.

(iv) For purposes of this Section 4.12(a), the term "prohibited payment" means (x) any payment, in excess of the monthly amount paid under a single life annuity (plus any social security supplements described in the last sentence of Section 411(a)(9) of the Code) to a Participant or beneficiary whose annuity starting date (as defined in Section 417(f)(2) of the Code and any regulations promulgated thereunder) occurs during any period a limitation under Section 4.12(a)(ii) or (iii) is in effect, (y) any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or (z) any other payment specified by the Secretary of the Treasury by regulations.

(b) In any Plan Year in which the Plan's AFTAP for such Plan Year is less than 60%, benefit accruals under the Plan shall cease as of the valuation date for the Plan Year. This restriction shall cease to apply with respect to any Plan Year, effective as of the first day of the Plan Year, upon payment by the Company of a contribution (in addition to any minimum required contribution under Section 430 of the Code) equal to the amount sufficient to result in an AFTAP of 60%.

(c) No amendment which has the effect of increasing Plan liabilities by reason of increases in benefits, establishment of new benefits, changing the rate of benefit accruals or the rate at which benefits become nonforfeitable shall take effect during any Plan Year if the Plan's AFTAP for such Plan Year is less than 80% or would be less than 80% after taking into account such amendment; provided, however, that the preceding restriction shall not apply to an amendment which provides for an increase in benefits under a formula which is not based on a Participant's compensation if the rate of such increase is not in excess of the contemporaneous rate of increase in average wages of Participants covered by the amendment; and provided, further, that such restriction shall cease to apply with respect to any Plan Year, effective as of the first day of the Plan Year (or if later, the effective date of the amendment), upon payment by the Company of a contribution as described in Section 436(c)(2) of the Code.

(d) The Plan shall not provide an unpredictable contingent event benefit payable with respect to any event occurring during any Plan Year if the AFTAP for such Plan Year is less than 60% or would be less than 60% after taking into account such occurrence; provided, however, such restriction shall cease to apply with respect to any Plan Year, effective as of the first day of the Plan Year, upon payment by the Company of a contribution as described in Section 436(b)(2) of the Code. For purposes of this Section 4.12(d), the term "unpredictable contingent event benefit" means any benefit payable solely by reason of a plant shutdown (or similar event, as determined by the Secretary of the Treasury), or any event other than the attainment of any age, performance of any service, receipt or derivation of any compensation, or occurrence of death or disability.

(e) To avoid benefit restrictions, the Company may take any action permitted by Section 436 of the Code and the regulations promulgated thereunder.

(f) The provisions of this Section 4.12 are intended to comply with Section 436 of the Code and any regulations promulgated thereunder, and shall be construed to comply therewith.

4.13. Participant's Death During Qualified Military Service. Effective January 1, 2007, in the case of a Participant who dies while performing Qualified Military Service, the Beneficiaries of such Participant

shall be entitled to any additional benefits, if any (other than benefit accruals relating to the period of Qualified Military Service), provided under the Plan had the Participant resumed employment with an Employer and then terminated such employment on account of such Participant's death.

ARTICLE IVA. Special Limited Duration Early Retirement Benefit.

4A.1 Eligibility.

(a) The special limited duration early retirement benefit described in Section 4A.3 shall be available to any Active Participant who:

(1) as of December 31, 1990, has attained Age 50 and has to his credit at least five Benefit Years; and

(2) makes a Special Early Retirement Election in accordance with the provisions of Section 4A.2 and does not withdraw such Election on or before September 15, 1990 as provided in Section 4A.2(b).

(b) The Accrued Benefit of an Active Participant who satisfies the requirements of Paragraph (a)(1) above and who dies after July 14, 1990, but before September 16, 1990, shall be calculated under Section 4A.3 as of the date of his death for purposes of determining any death benefit payable on behalf of the Participant pursuant to Section 5.3 or 5.4, notwithstanding his failure to satisfy the requirement of Paragraph (a)(2) above.

4A.2 Special Early Retirement Election.

(a) for the purposes of this Article, a "Special Early Retirement Election" is a written election that:

(1) is submitted to the Plan Administrator on or after July 15, 1990 and on or before September 15, 1990; and

(2) that indicates the Active Participant's intent to retire from employment with the Company:

(A) if the Active Participant elects to participate in the Company's Service Completion Plan, on his "Service Completion Date" (as defined in Section 4A.4(c)(2) below); or

(B) if the Active Participant does not elect to participate in the Company's Service Completion Plan, on August 1, 1990, September 1, 1990, or October 1, 1990;

provided, however, that the election described in Section 4A.2(a)(2)(A) shall not be available to an Active Participant described in Section 4A.4(c)(1)(B).

(b) An Active Participant's Special Early Retirement Election shall become irrevocable as of September 15, 1990 if it has not been withdrawn by the Active Participant on or before such date.

4A.3 Benefits. Notwithstanding anything to the contrary contained in the Plan, each Active Participant who satisfies the requirements of Section 4A.1 shall be entitled to retire on the following terms:

(a) (1) Notwithstanding the provisions of Section 3.1, each Active Participant who satisfies the requirements of Section 4A.1 shall have an Accrued Benefit equal to one-twelfth of the greater of:

(A) the sum of (i) 2% of his average annual Compensation during the period of his service, if any, between January 1, 1930 and December 31, 1938, inclusive, multiplied by his Benefit Years before January 1, 1939, and (ii) 2% of his aggregate Compensation for employment after December 31, 1938, or

(B) the sum of (i) a percentage of his average annual base salary during his 60 consecutive months of employment with the Company that yield the highest twelve month average equal to 5%, plus 1.2% multiplied by the sum of five plus his number of Benefit Years determined as of his Separation from Service (to a maximum of 45), and (ii) 0.35% of such highest average annual base salary in excess of Covered Compensation as of the date of reference, multiplied by his Benefit Years (up to a maximum of 14%);

(2) Notwithstanding the above, the Accrued Benefit of an Active Participant who satisfies the requirements of Section 4A.1 shall not exceed the maximum amount permissible under Sections 401(l) and 415 of the Code when such limitations are applied as follows:

(A) The limitations of Sections 401(l) and 415 shall be applied in the following order of priority: (I) prior to August 3, 1992, the ten-year phase-in limitation applicable to changes in the benefit structure under Section 415(b)(1)(5)(D) of the Code; (II) the limitations on the maximum excess allowance applicable when unreduced benefits are payable prior to social security retirement age as described under Section 401(l)(5)(F)(i) of the Code; and (III) the limitation described in Section 415(b)(1) of the Code;

(B) The ten-year phase-in limitation described in Subsection (A)(I) above shall apply to changes in benefits resulting from the crediting of five additional Benefit Years under Section 4A.3(a)(1)(B)(I); provided, however, that such limitation shall cease to apply on and after August 3, 1992;

(C) The limitations on the maximum excess allowance described in Subsection (A)(II) above shall apply only to such Participants who are Highly Compensated Employees at any time after 1989 and prior to Separation from Service; and

(D) For purposes of the limitations described in Subsections (A)(I) and (A)(III) above, the following actuarial assumptions shall be used to determine adjusted limitations for Participants whose benefit payments commence prior to Age 55: (I) 5% interest; and (II) the 1971 Forecast Mortality Table with a one-year age rating.

(3) For the purposes of Section 4A.3(a)(1)(B) above:

(A) employment during the most recent five years shall include absences which are included in Employment, except an absence during which an Employee receives benefits under the Company's Disabilitant Plan, and the average annual base salary of an Employee on an included absence shall be calculated as if his base salary continued during any period of such absence for which he did not receive Compensation, such salary to be that in effect when such period began, adjusted for increases applicable to his job classification which occur prior to the end of such period;

(B) for any 12-consecutive-month period taken into account in determining a Participant's average annual base salary, a Participant's annual base salary shall not exceed $200,000 (or such other amount as may apply under Section 401(a)(17) of the Code for the calendar year in which the last of such 12-consecutive-month periods ends.) In determining annual base salary, the family aggregation rules of Section 401(a)(17)(A) of the Code, as in effect prior to January 1, 1997, shall apply.

(C) a Participant's annual base salary shall not include any lump sum payment of accrued vacation or sick pay, nor any severance payment made by the Company or an Affiliate or pursuant to any plan maintained by the Company or an Affiliate.

(b) for the purposes of determining the date as of which the Active Participant may commence receiving his pension pursuant to Article IV, and his ability to elect a Contingent Annuity Option pursuant to Section 5.3, the Active Participant:

(1) shall be credited with his actual number of Vesting Years as of his Separation from Service, plus five Vesting Years; and

(2) shall be deemed to be his actual Age as of the later of his Separation from Service or December 31, 1990, plus five years; provided, however, that the Actuarial Equivalent of his Accrued Benefit shall be calculated based on his actual Age as of his Benefit Commencement Date.

(c) If the Participant's annuity (including any Contingent Annuity Option benefit) is paid pursuant to Section 4.3, such annuity shall be computed without regard to the 4% per year reduction described in the last sentence of such Section.

4A.4 Special Rules. Notwithstanding anything to the contrary contained in the Plan:

(a) The minimum pension payable to an Active Participant who makes a Special Early Retirement Election shall be equal to the pension otherwise payable to him under the Plan, determined without regard to the provisions of this Article IVA (other than the limitations described in Section 4A.3(a)(2)), multiplied by one hundred five percent (105%).

(b) If, at the time of making a Special Early Retirement Election under Section 4A.2, an Active Participant elects any Contingent Annuity Option, the election of such option shall become effective immediately.

(c) The following additional definitions shall apply for purposes of this Article IVA:

(1) An "Active Participant" shall mean an Active Participant as defined in Section 1.2, including (A) a Participant who is an Eligible Employee at least one day on or after July 15, 1990 and on or before September 15, 1990 and (B) a Participant not described in (A) who is absent from Employment by reason of his Disabilitant on account of illness or accident.

(2) An Active Participant's "Service Completion Date" shall be the date specified by the Company as the date as of which his services will no longer be required by the Company. In no event, however, will any Active Participant's Service Completion Date be later than December 1, 1992. Each Active Participant who makes a Special Early Retirement Election shall receive written notification from the Company on or before December 1, 1990 specifying the calendar quarter in which or the date on which his services will no longer be required by the Company.

ARTICLE IVB. Nuclear Voluntary Retirement Incentive Plan.

4B.1 Eligibility.

(a) The voluntary retirement incentive plan benefit described in Section 4B.3 shall be available to any Participant who:

(1) as of December 1, 1992 is on the Nuclear Group payroll;

(2) as of March 31, 1993, will have attained Age 50 and have to his credit at least 5 Benefit Years; and

(3) makes a Voluntary Early Retirement Election in accordance with the provisions of Section 4B.2 and does not withdraw such Election as provided in Section 4B.2(b).

(b) The Accrued Benefit of a Participant who satisfies the requirements of Paragraphs (a)(1) and (2) above and who dies after December 9, 1992, but before January 26, 1993, shall be calculated under Section 4B.3 as of the date of his death for purposes of determining any death benefit payable on behalf of the Participant

pursuant to Section 5.3 or 5.4, notwithstanding his failure to satisfy the requirement of Paragraph (a)(3) above.

4B.2 Voluntary Early Retirement Election.

(a) For the purposes of this Article, a “Voluntary Early Retirement Election” is a written election that:

(1) is submitted to the Plan Administrator on or after December 10, 1992 and on or before January 25, 1993, together with a signed full waiver and release of claims form; and

(2) indicates the Participant’s intent to retire from employment with the Company on March 1, 1993, May 1, 1993 or July 1, 1993, as prescribed for the Participant in the personal election form provided to the Participant by the Company.

(b) A Participant’s Voluntary Early Retirement Election shall become irrevocable if it is not withdrawn by the Participant, in writing in a form acceptable to the Plan Administrator, within seven (7) days following the date such Voluntary Early Retirement Election is submitted to the Administrator by the Participant.

4B.3 Benefits. Notwithstanding anything to the contrary contained in the Plan, each Participant who satisfies the requirements of Section 4B.1 shall be entitled to retire on the following terms:

(a) (1) Notwithstanding the provisions of Section 3.1 (other than the last sentence of Section 3.1(b)), each Participant who satisfies the requirements of Section 4B.1 shall have an Accrued Benefit equal to one-twelfth of the greater of:

(A) the sum of (I) 2% of his average annual Compensation during the period of his service, if any, between January 1, 1930 and December 31, 1938, inclusive, multiplied by his Benefit Years before January 1, 1939, and (II) 2% of his aggregate Compensation for employment after December 31, 1938, or

(B) the sum of (I) a percentage of his average annual base salary during his 60 consecutive months of employment with the Company that yield the highest twelve month average equal to 5%, plus 1.2% multiplied by the sum of five plus his number of Benefit Years determined as of his Separation from Service (to a maximum of 45 Benefit Years), and (II) 0.35% of such highest average annual base salary in excess of Covered Compensation as of the date of reference, multiplied by his Benefit Years (up to a maximum of 14%);

(2) Notwithstanding the above, the Accrued Benefit of a Participant who satisfies the requirements of Section 4B.1 shall not exceed the maximum amount permissible under Sections 401(l) and 415 of the Code when such limitations are applied as follows:

(A) The limitations of Sections 401(l) and 415 shall be applied in the following order of priority: (I) the limitations on the maximum excess allowance applicable when unreduced benefits are payable prior to social security retirement age as described under Section 401(l)(5)(F)(i) of the Code; and (II) the limitation described in Section 415(b)(1) of the Code;

(B) The limitations on the maximum excess allowance described in Subparagraph (A)(I) above shall apply only to such Participants who are Highly Compensated Employees at any time after 1991 and prior to Separation from Service; and

(C) For purposes of the limitation described in Subparagraph (A)(II) above, the following actuarial assumptions shall be used to determine the adjusted limitation for Participants whose benefit payments commence prior to Age 62: (I) 5% interest; and (II) the 1971 Forecast Mortality Table with a one-year age rating.

(3) For purposes of Section 4B.3(a)(1) above, for any 12-consecutive-month period taken into account in determining a Participant's average annual base salary, a Participant's annual base salary shall not exceed $200,000 (or such other amount as may apply under Section 401(a)(17) of the Code for the calendar year in which the last of such 12-consecutive-month periods ends). In determining annual base salary, the family aggregation rules of Section 401(a)(17)(A) of the Code, as in effect prior to January 1, 1997, shall apply.

(b) For the purposes of determining the date as of which the Participant may commence receiving his pension pursuant to Article IV, and his ability to elect a Contingent Annuity Option pursuant to Section 5.3, the Participant:

(1) shall be credited with his actual number of Vesting Years as of his Separation from Service, plus 5 Vesting Years; and

(2) shall be deemed to be his actual Age as of the later of his Separation from Service or March 31, 1993, plus 5 years; provided, however, that the Actuarial Equivalent of his Accrued Benefit shall be calculated based on his actual Age as of his Benefit Commencement Date.

(c) If the Participant's annuity (including any Contingent Annuity Option benefit) is paid pursuant to Section 4.3, such annuity shall be computed without regard to the 4% per year reduction described in the last sentence of such Section.

4B.4 Special Rules. Notwithstanding anything to the contrary contained in the Plan, if, at the time of making a Voluntary Early Retirement Election under Section 4B.2, a Participant elects any Contingent Annuity Option, the election of such option shall become effective immediately.

ARTICLE IVC. Voluntary Retirement Incentive Program.

4C.1 Eligibility.

(a) The voluntary retirement incentive program benefit described in Section 4C.3 shall be available to any Participant who:

(1) is an Eligible Employee employed on a regular, part-time or intermittent basis, whether actively employed or absent under circumstances included in Employment, during the period beginning on July 5, 1994 and ending on September 16, 1994, other than an Eligible Employee who is laid off due to loss of employment qualifications and whose recall period ends prior to the date described for the Eligible Employee in Section 4C.2(a)(2);

(2) was born before January 1, 1946, became an Eligible Employee before January 1, 1991, and, as of December 31, 1995, will have to his credit at least 5 Benefit Years;

(3) makes a Voluntary Early Retirement Election in accordance with the provisions of Section 4C.2 and does not withdraw such Election as provided in Section 4C.2(b); and

(4) continues in employment with the Company in the same position (unless transferred at the direction of the Company) until, but not beyond, the date described in Section 4C.2(a)(2); provided, however, that this requirement shall not apply in the event the Participant ceases active employment with the Company (which shall apply to both direct and indirect employment (e.g., a leased employee)) earlier (A) due to a Disabilitant on account of illness or accident during which the Participant is eligible for and receives Disabilitant benefits under a Disabilitant benefit plan sponsored by the Company; (B) because the Company declares the Participant excess before the date described for the Participant in Section 4C.2(a)(2); or (C) because the Company has discharged the Participant for any reason, other than for willful misconduct, on or after July 5, 1994.

(b) (1) The Accrued Benefit of a Participant who satisfies the requirements of Paragraphs (a)(1) and (a)(2) above and who dies after July 4, 1994, but before September 17, 1994, shall be calculated under Section 4C.3 as of the date of his death for purposes of determining any death benefit payable on behalf of the Participant pursuant to Section 5.3 (but not Section 5.4), notwithstanding his failure to satisfy the requirements of Paragraph (a)(3) and/or (a)(4) above.

(2) The Accrued Benefit of a Participant who satisfies the requirements of Paragraphs (a)(1), (a)(2) and (a)(3) above and who dies after July 4, 1994, but before the date described for the Participant in Section 4C.2(a)(2), shall be calculated under Section 4C.3 as of the date of his death for purposes of determining any death benefit payable on behalf of the Participant pursuant to Section 5.3 or 5.4, notwithstanding his failure to satisfy the requirements of Paragraph (a)(4) above.

4C.2 Voluntary Early Retirement Election.

(a) For the purposes of this Article, a “Voluntary Early Retirement Election” is a written election that:

(1) is submitted to and accepted by the Plan Administrator on or after July 5, 1994 and on or before September 16, 1994, together with a signed full waiver and release of claims form; and

(2) indicates the Participant’s intent to retire from employment with the Company (including both direct and indirect employment (e.g., as a leased employee)) on the first of the month following the later of (A) the Participant’s release date determined from the table below or (B) the date the Participant attains Age 50.

STRATEGIC BUSINESS UNIT	RELEASE DATE
CONSUMER ENERGY SERVICE GROUP	
• Majority (except below	• 12/31/94
• Gas Utilization Job Family	• 3/31/95
NUCLEAR	
• Majority (except below)	• 12/31/94
• Limerick (other than below)	• 12/31/94
• Operations	6/30/95
• Mtce/I&C	6/30/95
• Station Support (other than below)	• 12/31/94
• Mtce/I&C	6/30/95
• Peach Bottom (other than below	• 12/31/94
• Operations	12/31/95
• Mtce/I&C	12/31/95
POWER GENERATION GROUP	
• Majority (except below)	• 12/31/94
• Operations – Cromby Station	• 6/30/95
CENTRAL	
• Information Systems	• 10/31/94
• Human Resources- Benefits Division	• 12/31/94 6/30/95
• Corp. & Public Affairs	• 12/31/94
• Quality Management	• 12/31/94
• Finance	• 12/31/94
• Legal	• 12/31/94

STRATEGIC BUSINESS UNIT	RELEASE DATE
• Support Services	• 12/31/94
• Gas “Meter Shop”	• 12/31/94
• Gas	• 6/30/95
• Bulk	• 6/30/95

(b) A Participant’s Voluntary Early Retirement Election shall become irrevocable if it is not withdrawn by the Participant, in writing in a form acceptable to the Plan Administrator:

(1) within seven (7) days following the date such Voluntary Early Retirement Election is submitted to the Administrator by the Participant, in the case of Elections submitted to the Administrator before September 2, 1994; or

(2) within seven (7) days following the date such Voluntary Early Retirement Election is accepted by the Administrator, in the case of Elections submitted to the Administrator on or after September 2, 1994.

4C.3 Benefits. Notwithstanding anything to the contrary contained in the Plan, each Participant who satisfies the requirements of Section 4C.1 shall be entitled to retire on the following terms:

(a) (1) Notwithstanding the provisions of Section 3.1 (other than the last sentence of Section 3.1(b)), each Participant who satisfies the requirements of Section 4C.1 shall have an Accrued Benefit equal to one-twelfth of the greater of:

(A) the sum of (I) 2% of his average annual Compensation during the period of his service, if any, between January 1, 1930 and December 31, 1938, inclusive, multiplied by his Benefit Years before January 1, 1939, and (II) 2% of his aggregate Compensation for employment after December 31, 1938, or

(B) the sum of (I) a percentage of his average annual base salary during his 60 consecutive months of employment with the Company that yield the highest twelve month average equal to 5%, plus 1.2% multiplied by the sum of three plus his number of Benefit Years determined as of his Separation from Service (to a maximum of 43 Benefit Years), and (II) 0.35% of such highest average annual base salary in excess of Covered Compensation as of the date of reference, multiplied by his Benefit Years (up to a maximum of 14%);

(2) Notwithstanding the above:

(A) the Accrued Benefit of a Participant who satisfies the requirements of Section 4C.1 shall not exceed the maximum amount permissible under Section 415 of the Code. For purposes of this limitation, the following actuarial assumptions shall be used to determine the adjusted limitation under Section 415(b)(1) of

the Code for Participants whose benefit payments commence prior to Age 62: (I) 5% interest; and (II) the 1971 Forecast Mortality Table with a one-year age rating.

(B) Plan benefits provided under this Article IVC for Participants described in Section 4C.1 who are Highly Compensated Employees at any time after 1993 shall be limited to the extent necessary to satisfy the nondiscriminatory amount requirements of Section 401(a)(4) of the Code applying the general test described in Treas. Reg. §1.401(a)(4)-3(c) to the portion of the Plan covering Participants described in Section 4C.1.

(3) The Section 401(a)(17) Compensation Limit described in Section 3.3 of the Plan shall apply for purposes of determining benefits under Section 4C.3(a)(1) above; provided, however, that a Participant's Accrued Benefit shall in no event be less than the amount described in Section 3.2(b).

(b) For purposes of determining the date as of which the Participant may commence receiving his pension pursuant to Article IV, and his ability to elect a Contingent Annuity Option pursuant to Section 5.3, the Participant:

(1) shall be deemed to have completed 10 Vesting Years for purposes of Article IV and shall be deemed to have completed 14 Benefit Years for purposes of Section 5.3; and

(2) shall be deemed to be his actual Age as of his Separation from Service plus 5 years.

(c) If the Participant's annuity (including any Contingent Annuity Option benefit) is paid pursuant to Section 4.3, such annuity shall be computed without regard to the 4% per year reduction described in the last sentence of such Section.

4C.4 Special Rules. Notwithstanding anything to the contrary contained in the Plan, if, at the time of making a Voluntary Early Retirement Election under Section 4C.2, a Participant elects any Contingent Annuity Option, the election of such option shall become effective immediately.

ARTICLE IVD. 1998 Workforce Reduction Program.

4D.1 Purpose. This Article IVD is intended to provide certain Active Participants with additional benefits in recognition of the Company's need to reduce its workforce to address the competitive business conditions facing the Company and the Affiliates. In general, this Article IVD provides additional retirement benefits to Active Participants whose Employment with the Company terminates between June 1, 1998 and June 30, 2000, inclusive, because they have been declared "excess" by the Company.

4D.2 Definitions. The following capitalized terms, when used in this Article IVD, shall have the following meanings, notwithstanding any different definitions of such terms elsewhere in the Plan.

(a) “CTAC Employee” means an Active Participant employed by the Company in a craft, technical, administrative or clerical position.

(b) “Disabled Employee” means an Active Participant who is receiving benefits pursuant to the Company’s Disabilitant Plan or Long Term Disabilitant Plan during the period from August 1, 1998, through June 30, 2000, inclusive.

(c) “Election Period” means the 14-day period beginning on the date an Eligible Participant receives a Program enrollment package.

(d) “Eligible Participant” means each PSM Employee, CTAC Employee or Disabled Employee who satisfies the following applicable requirements:

(1) In the case of a Disabled Employee, he is described in Schedule 1 to the Plan and terminates Employment on his Qualified Retirement Date or Qualified Separation Date, whichever is applicable, pursuant to his irrevocable written election to participate in the Program, which election shall be made in the form and manner provided by the Company and during the applicable Election Period.

(2) In the case of a PSM Employee or a CTAC Employee, he continues in Employment with the Company (or an Affiliate) in the same position (unless transferred at the direction of the Company) until, but not beyond, his Qualified Retirement Date or Qualified Separation Date, if any, whichever applies; provided, however, that this requirement shall not apply in the event the PSM Employee or CTAC Employee ceases active employment with the Company (or an Affiliate) earlier due to a Disabilitant on account of illness or accident for which such Employee is eligible for and receives Disabilitant benefits under a Disabilitant benefit plan sponsored by the Company.

(3) In the case of a PSM Employee, he satisfies both (A) and (B), below:

(A) He is declared “excess” by the Company based on the following criteria:

(i) his 1997 job performance; or

(ii) the elimination of his position or a position in his job classification; or

(iii) failure to be selected for an available position.

(B) He does not reject an offer from the Company or an Affiliate to work in a position that is within two salary grades of his current position.

A description of the PSM Employees who are declared “excess” by the Company in accordance with the foregoing criteria is set forth on Schedule 1 to the Plan.

(4) In the case of a CTAC Employee, he satisfies both (A) and (B), below:

(A) He is declared “excess” by the Company based on the following criteria:

(i) his 1997 job performance; or

(ii) the elimination of one or more positions in his job classification, and

(I) if there are multiple positions that are identified as excess in his job classification and the number of such CTAC Employees who elect to participate in the Program exceeds the number identified as excess, his seniority; or

(II) if there are multiple positions that are identified as excess in his job classification and the number of such CTAC Employees who elect to participate in the Program is less than the number identified as excess, the criteria described in the Company’s suspended Reduction in Force Policy.

A description of the CTAC Employees who are declared “excess” by the Company in accordance with the foregoing criteria is set forth on Schedule 1 to the Plan.

(B) In the case of a CTAC Employee described in subclause (iv)(A)(ii) above, either:

(i) he elects in writing, in the form and manner provided by the Company and during the applicable Election Period, to participate in the Program and does not revoke such election within the time period prescribed by the Company; or

(ii) he irrevocably elects in writing not to participate in the Program and the Company subsequently terminates his Employment because he is declared “excess” in accordance with the criteria set forth in paragraph (4)(A) above;

(5) His Employment, if any, is not terminated prior to his Qualified Retirement Date or Qualified Separation Date, if any, because of unsatisfactory job performance or one or more violations of the Company’s Disciplinary Guidelines or Code of Conduct.

(6) He executes a written release and waiver of claims in favor of the Company and the Affiliates in a form provided by the Company and within the time period required by the Company. Such release and waiver of claims shall become irrevocable if it is not withdrawn, in writing in a form acceptable to the Plan

Administrator, within seven (7) calendar days following its submission to the Plan Administrator.

(7) His Employment, or his Employer's status as an Affiliate, is not terminated as a result of a sale of assets or stock, a merger or any other business transaction which provides him an opportunity to be employed by an employer that is not the Company or an Affiliate.

(e) "Program" refers to the enhanced benefits provided pursuant to this Article IVD.

(f) "PSM Employee" means an Active Participant employed by the Company in a professional, supervisory or managerial position.

(g) "Qualified Retirement Date" means the date between June 1, 1998 and June 30, 2000, inclusive, as set forth on Schedule 1 of the Plan, that a Retirement-Eligible Participant may retire from the Company and receive Retirement Benefits.

(h) "Qualified Separation Date" means the date between June 1, 1998 and June 30, 2000, inclusive, as set forth on Schedule 1 of the Plan, that a Separation-Eligible Participant may terminate his Employment and receive Separation Benefits.

(i) "Retirement Benefits" means the benefits described in Section 4D.4.

(j) "Retirement-Eligible Participant" means an Eligible Participant who, as of December 31, 1999:

(1) is Age 50 or older; and

(2) is credited with at least five (5) Vesting Years.

For purposes of this paragraph (j), the Age of an Eligible Participant shall be his actual Age (without regard to the provisions of Section 4D.4).

(k) "SEP Annuity" means an annuity that is the Actuarial Equivalent of the SEP Lump Sum, determined on the basis of the actuarial assumptions applicable under Section 5.6 of the Plan.

(l) "SEP Lump Sum" means a fixed dollar amount equal to the following:

(1) in the case of a Separation-Eligible Participant who has not received payment for the 90-day search period under the Company's Reduction in Force Policy prior to the suspension of that policy, a lump sum equal to the total amount such Separation-Eligible Participant would have received during the 90-day search period under the Company's suspended Reduction in Force Policy if such policy had remained in effect; and

(2) (A) for a Separation-Eligible Participant who has fewer than ten (10) Benefit Years, two (2) multiplied by the number of full or partial Benefit Years as of his Separation from Service, multiplied by his Weekly Base Pay; or

(B) for a Separation-Eligible Participant who has ten (10) or more Benefit Years, three (3) multiplied by the number of full or partial Benefit Years as of his Separation from Service multiplied by his Weekly Base Pay.

Notwithstanding the foregoing, no Separation-Eligible Participant shall be entitled to receive a SEP Lump Sum under clause (2) (A) above that is less than eight (8) multiplied by his Weekly Base Pay.

(m) "Separation Benefits" means the benefits described in Section 4D.5.

(n) "Separation-Eligible Participant" means an Eligible Participant who:

(1) is not a Retirement-Eligible Participant; or

(2) is a Retirement-Eligible Participant who, in accordance with Section 4D.3, elects to receive Separation Benefits.

(o) "Weekly Base Pay" means:

(1) in the case of an Eligible Participant who was compensated on a salaried basis as of May 26, 1998, the Eligible Participant's weekly base salary as of May 26, 1998, adjusted for any subsequent merit increases (or for a pro rata portion of such merit increases if such increases are based on a greater regularly scheduled workweek than the Eligible Participant's regularly scheduled workweek as of May 26, 1998);

(2) in the case of an Eligible Participant who was compensated on a non-salaried basis as of May 26, 1998, the number of hours per week such Eligible Participant was regularly scheduled to work as of May 26, 1998 multiplied by his regular hourly rate in effect on the day

4D.3 Elections of the Retirement and Separation Benefits. Any Retirement-Eligible Participant shall be entitled to elect to receive Retirement Benefits or Separation Benefits, but not both. A Retirement-Eligible Participant must submit to the Company's Human Resources Department a completed and signed election form, in such form and manner and at such time as may be required by the Administrator.

4D.4 Computation of Retirement Benefits Under the Program.

(a) Each Retirement-Eligible Participant who has not elected Separation Benefits in accordance with Section 4D.3 shall be entitled to early retirement benefits determined under Section 4.3 of the Plan, regardless of the number of Vesting

Years with which he has been credited; provided, however, that for the purpose of determining any applicable reduction in the amount received upon early retirement, such Participant's Age on his Benefit Commencement Date shall be deemed to be his actual Age on such date plus 60 additional months.

(b) The Accrued Benefit of a Retirement-Eligible Participant who satisfies the requirements of an Eligible Participant, other than paragraphs 4D.2(d)(2) and 4D.2(d)(6), and who dies before his Qualified Retirement Date, shall be calculated by applying paragraph 4D.4(a) as of the date of his death for purposes of determining any death benefit payable on behalf of such Participant pursuant to Sections 5.3 or 5.4, notwithstanding his failure to satisfy paragraphs 4D.2(d)(2) and/or 4D.2(d)(6).

4D.5 Computation, Payment and Form of Separation Benefits Under the Program.

(a) Each Separation-Eligible Participant shall be entitled to receive a SEP Annuity in addition to his Accrued Benefit.

(b) A Separation-Eligible Participant shall receive payment of his SEP Annuity in accordance with the following:

(1) A Separation-Eligible Participant shall receive the sum of (I) the Actuarial Equivalent of his SEP Annuity in the form of a Single Life Annuity commencing on his Normal Retirement Date (determined on the basis of the actuarial assumptions applicable under Appendix A of the Plan) and (II) his Accrued Benefit, with such sum payable at such time, in such form and subject to such adjustments as may otherwise be applicable under Articles IV and V of the Plan. In lieu of receiving such Actuarial Equivalent of his SEP Annuity at such time and in such form as he receives his Accrued Benefit, a Separation-Eligible Participant may instead elect to receive immediate payment of his SEP Annuity in accordance with paragraph (2) below or an immediate distribution of his SEP Lump Sum in accordance with paragraph (3) below.

(2) A Separation-Eligible Participant may elect, in accordance with the procedure described in Section 4.3, to receive his SEP Annuity immediately, with payment to begin as of his Qualified Separation Date in the following form:

(A) The SEP Annuity of a Separation-Eligible Participant who is unmarried on his Benefit Commencement Date shall be paid in the form of a Single Life Annuity.

(B) The SEP Annuity of a Separation-Eligible Participant who is married on his Benefit Commencement Date shall be paid in the form of a Qualified Joint and Survivor Annuity.

(3) In lieu of his SEP Annuity, a Separation-Eligible Participant may elect to receive an immediate payment of his SEP Lump Sum, with payment to be made as of his Qualified Separation Date in a single sum. Any such election by a Separation-Eligible Participant who is married on his Benefit

Commencement Date shall be subject to the spousal consent requirements described in Section 5.7, shall be made in writing in a manner prescribed by the Company and may be made or revoked at any time within the 90-day period preceding the Benefit Commencement Date but in no event earlier than the date on which the Participant receives the notice described in Section 5.5(a).

(c) In the case of a Separation-Eligible Participant who satisfies the requirements of an Eligible Participant, other than paragraphs 4D.2(d)(ii) and 4D.2(d)(vi), and who dies before his Qualified Separation Date, the Actuarial Equivalent of such Participant's SEP Annuity in the form of a Single Life Annuity commencing on his Normal Retirement Date (determined on the basis of the actuarial assumptions applicable under Appendix A of the Plan) shall be added to his Accrued Benefit for the purpose of determining any death benefit payable on behalf of such Participant pursuant to Sections 5.3 or 5.4, notwithstanding his failure to satisfy paragraphs 4D.2(d)(ii) and/or 4D.2(d)(vi).

ARTICLE IVE. Merger Separation Program

4E.1 Purpose. This Article IVE is intended to provide certain Participants with additional benefits in recognition of the Company's need to reduce its workforce in connection with the merger of the Company and Unicom Corporation. In general, this Article IVE provides additional retirement benefits to certain Participants whose Employment with the Company terminates between 60 days after the Merger Date and December 31, 2002, inclusive.

4E.2 Definitions. The following capitalized terms, when used in this Article IVE, shall have the following meanings, notwithstanding any different definitions of such terms elsewhere in the Plan.

(a) "Annuity" means an annuity that is the Actuarial Equivalent of the Lump Sum, determined on the basis of the actuarial assumptions applicable under Section 5.6 of the Plan.

(b) "Disabled Employee" means an Active Participant who is receiving benefits pursuant to the Company's Disabilitant Plan or Long Term Disabilitant Plan at any time during the Merger Separation Period.

(c) "Election Period" means the 45-day period beginning on the date an Eligible Participant receives a Program enrollment package.

(d) "Eligible Participant" means each Participant, other than an intermittent employee, who satisfies the following applicable requirements:

(1) In the case of a Disabled Employee, he terminates Employment on his Qualified Retirement Date or Qualified Separation Date, whichever applies, pursuant to his irrevocable written election to participate in the Program, which election shall be made in the form and manner provided by the Company and during the applicable Election Period.

(2) In the case of a Participant other than a Disabled Employee or a Participant described in (3) below, he satisfies (A) or (B), and each of(C) and (D), below:

(A) His current position is eliminated as part of the restructuring program related to the merger between the Company and Unicom Corporation; or

(B) He is offered a position or a transfer (either between or within business units) as part of the merger between the Company and Unicom Corporation that results in one or more of the following:

(i) an increase in one-way commuting distance of more than 50 miles;

(ii) a substantial change in major position responsibilities and duties, as determined by the Company acting as employer and not as a fiduciary;

(iii) a lower job band; or

(iv) a lower annual base salary.

(C) His position is identified by the Company for elimination, transfer or change, whichever applies, he is notified of such elimination, transfer or change no later than sixty days before December 31, 2002 and, in the case of a transfer described in paragraph (2)(B) above, he elects in writing, in the form and manner provided by the Company and during the Election Period, to participate in the Program.

(D) He continues in Employment with the Company or an Affiliate in the same position (unless transferred at the direction of the Company) until, but not beyond, his Qualified Retirement Date or Qualified Separation Date, if any, whichever applies; provided, however, that this requirement shall not apply in the event the Participant ceases active employment with the Company or an Affiliate earlier due to a disability on account of illness or accident which such Employee is eligible and receives disability benefits under a disability benefit plan sponsored by the Company.

(3) In the case of an Active Participant who is a nonexempt, hourly craft employee, one or more positions in his job classification are eliminated as part of the restructuring program related to the merger between the Company and Unicom Corporation, and

(A) if there are multiple such positions that are eliminated in his job classification and the number of such Active Participants who elect to participate in the Program exceeds the number of positions eliminated, Eligible Participants will be identified based on seniority; or

(B) if there are multiple such positions that arc eliminated in his job classification and the number of such Active Participants who elect to participate in the Program is less than the number of positions eliminated, Eligible Participants will be identified based on the criteria described in the Company's suspended Reduction in Force Policy.

(4) His Employment, if any, is not terminated prior to his Qualified Retirement Date or Qualified Separation Date, whichever applies, for any reason not related to the merger between the Company and Unicom Corporation.

(5) He executes a written release and waiver of claims in favor of the Company and the Affiliates in a form provided by the Company and within the time period required by the Company. Such release and waiver of claims shall become irrevocable if it is not withdrawn, in writing in a form acceptable to the Plan Administrator, within seven (7) calendar days following its submission to the Plan Administrator.

(e) "Enhanced Age" means:

(1) in the case of a Retirement-Eligible Participant, his actual Age plus twelve (12) additional months; and

(2) in the case of a Separation-Eligible Participant, his actual Age plus the number of months included in his Special Payment Period.

(f) "Enhanced Benefit Years" means:

(1) in the case of a Retirement-Eligible Participant, his actual Benefit Years (up to a maximum of 40) plus twelve (12) additional months; and

(2) in the case of a Separation-Eligible Participant, his actual Benefit Years (up to a maximum of 40) plus the number of months equal to one-fourth of the number of weeks included in Section 4E.2(r)(2) (up to a maximum of twenty-four (24) weeks), rounded to the nearest whole number of months (with remainders of one-half(l/2) rounded to the next higher whole number).

(g) "Enhanced Vesting Years" means:

(1) in the case of a Retirement-Eligible Participant, his actual Vesting Years plus twelve (12) additional months; and

(2) in the case of a Separation-Eligible Participant, his actual Vesting Years plus the number of months equal to one-fourth of the number of weeks included in Section 4E.2(r)(2) (up to a maximum of twenty-four (24) weeks), rounded to the nearest whole number of months (with remainders of one-half (1/2) rounded to the next higher whole number).

(h) "Lump Sum" means a fixed dollar amount equal to the following:

(1) in the case of a Retirement-Eligible Participant, 26 multiplied by his Weekly Base Pay; and

(2) in the case of a Separation-Eligible Participant, the sum of (A) and (B) below:

(A) 52 multiplied by his Weekly Base Pay; and

(B) the number of full Vesting Years as of his Qualified Separation Date that are in excess often (10) but not in excess of thirty-six (36), if any, multiplied by his Weekly Base Pay.

(i) “Merger Separation Period” means the time period beginning sixty (60) days before the Merger Date and ending on December 31, 2002, inclusive.

(j) “Program” refers to the enhanced benefits provided pursuant to this Article IVE.

(k) “Qualified Retirement Date” means the date during the Merger Separation Period. as determined by the Company, that a Retirement-Eligible Participant may retire from the Company and receive Retirement Benefits.

(l) “Qualified Separation Date” means the date during the Merger Separation Period, as determined by the Company, that a Separation-Eligible Participant may terminate his Employment and receive Separation Benefits.

(m) “Retirement Benefits” means the benefits described in Section 4E.4.

(n) “Retirement-Eligible Participant” means an Eligible Participant who:

(1) is at least Age 50 with five (5) or more Vesting Years as of his Qualified Retirement Date; or

(2) satisfies the requirements of paragraph (1) above after taking into account his Enhanced Age and/or his Enhanced Vesting Years.

(o) “Separation Benefits” means the benefits described in Section 4E.5.

(p) “Separation-Eligible Participant” means an Eligible Participant who:

(1) is not a Retirement-Eligible Participant; or

(2) is a Retirement-Eligible Participant who, in accordance with Section 4E.3, elects to receive Separation Benefits.

(q) “Special Payment Period” means, for a Separation-Eligible Participant, the sum of (1) and (2) below:

(1) twelve (12) months; and

(2) one (1) week for each full Vesting Year as of his Qualified Separation Date in excess often (10) but not in excess of thirty-six (36), if any.

(r) “Weekly Base Pay” means:

(1) in the case of an Eligible Participant who was compensated on a salaried basis as of the later of his Employment Date or August 1, 2000, the Eligible Participant’s weekly base salary as of such date, adjusted for any subsequent merit increases (or for a pro rata portion of such merit increases if such increases are based on a greater regularly scheduled workweek than the Eligible Participant’s regularly scheduled workweek as of the later of his Employment Date or August 1, 2000);

(2) in the case of an Eligible Participant who was compensated on a non-salaried basis as of the later of his Employment Date or August 1, 2000, the number of hours per week such Eligible Participant was regularly scheduled to work as of such date multiplied by his regular hourly rate in effect on the day before his Separation from Service, and

(3) in the case of a Disabled Participant, the amount calculated in accordance with (1) or (2) above, whichever applies, determined as of the last day the Participant performed services for the Company immediately prior to the occurrence of his disability.

4E.3 Elections of the Retirement and Separation Benefits. Any Retirement-Eligible Participant shall be entitled to elect to receive Retirement Benefits or Separation Benefits, but not both. A Retirement-Eligible Participant must submit to the Company’s Human Resources Department a completed and signed election form, in such form and manner and at such time as may be required by the Administrator.

4E.4 Computation of Retirement Benefits Under the Program.

(a) Each Retirement-Eligible Participant who has not elected Separation Benefits in accordance with Section 4E.3 shall be entitled to early retirement benefits regardless of the number of Vesting Years with which he has been credited. Such early retirement benefits shall be determined under Section 4.3; provided, however, that for purposes of calculating such Retirement-Eligible Participant’s Accrued Benefit and determining any applicable reduction in the amount received upon early retirement: (1) such Participant’s Age on his Benefit Commencement Date shall be deemed to be his Enhanced Age, (2) such Participant’s Benefit Years on his Benefit Commencement Date shall he deemed to he his Enhanced Benefit Years for purposes of Section 3.1(b), (3) such Participant’s aggregate Compensation for purposes of Section 3.1(a)(2) shall he deemed to include an additional amount equal to his annual Compensation for the calendar year ending on or immediately preceding his Qualified Retirement Date, and (4)

such Participant's early retirement benefits shall be determined using the early retirement reduction factors set forth on Schedule A. The Benefit Commencement Date of a Retirement-Eligible Participant shall not be earlier than the date he attains Age 50, determined without regard to his Enhanced Age.

(b) The Accrued Benefit of a Retirement-Eligible Participant who has not elected Separation Benefits, who satisfies the requirements of an Eligible Participant, other than paragraphs 4E.2(d)(2)(D) and 4E.2(d)(5), and who dies before his Qualified Retirement Date shall be calculated by applying paragraph 4E.4(a) as of the date of his death for purposes of determining any death benefit payable on behalf of such Participant pursuant to Sections 5.3 or 5.4, notwithstanding his failure to satisfy paragraphs 4E.2(d)(2)(D) and/or 4E.2(d)(5).

(c) Each Retirement-Eligible Participant who has not elected Separation Benefits and who is not employed by the Company under a change in control agreement shall be entitled to receive an Annuity in addition to his Accrued Benefit, which Annuity shall be paid in accordance with Section 4E.6.

4E.5 Computation of Separation Benefits Under the Program

(a) Each Separation-Eligible Participant shall be entitled to pension benefits determined in accordance with the terms of the Plan; provided, however, that for purposes of calculating such Separation-Eligible Participant's Accrued Benefit: (1) such Participant's Age on his Benefit Commencement Date shall be deemed to be his Enhanced Age, (2) such Participant's Benefit Years on his Benefit Commencement Date shall be deemed to be his Enhanced Benefit Years for purposes of Section 3.1(b), and (3) such Participant's aggregate Compensation for purposes of Section 3.1(a)(2) shall be deemed to include an additional amount equal to the product of (i) one-twelfth (1/12) of his annual Compensation for the calendar year ending on or immediately preceding his Qualified Separation Date and (ii) the difference between the number of months included in his Enhanced Benefit Years and the number of months included in his actual Benefit Years (up to a maximum of 480).

For purposes of determining any reduction in the amount received by a Separation-Eligible Participant, if the Separation-Eligible Participant's Enhanced Age as of his Qualified Separation Date is at least 45, he is credited with at least ten (10) Enhanced Vesting Years as of his Qualified Separation Date and his Benefit Commencement Date occurs on or after the date he attains Age 50, determined without regard to his Enhanced Age, such Participant's pension benefits shall be determined using the enhanced vested pension factors set forth on Schedule B.

(b) The Accrued Benefit of a Separation-Eligible Participant who satisfies the requirements of an Eligible Participant, other than paragraphs 4E.2(d)(2)(D) and 4E.2(d)(5), and who dies before his Qualified Separation Date shall be calculated by applying paragraph 4E.5(a) as of the date of his death for purposes of determining any death benefit payable on behalf of such Participant pursuant to Sections

5.3 or 5.4, notwithstanding his failure to satisfy paragraphs 4E.2(d)(2)(D) and/or 4E.2(d)(5).

(c) Each Separation-Eligible Participant who is not employed by the Company under a change in control agreement shall be entitled to receive an Annuity in addition to his Accrued Benefit, which Annuity shall be paid in accordance with Section 4E.6.

4E.6 Payment and Form of Annuities Under the Program.

(a) Each Eligible Participant described in Sections 4E.4(c) and 4E.5(c) shall receive the sum of (l) the Actuarial Equivalent of his Annuity in the form of a Single Life Annuity commencing on his Normal Retirement Date (determined on the basis of the actuarial assumptions applicable under Appendix A of the Plan) and (2) his Accrued Benefit, with such sum payable at such time, in such form and subject to such adjustments as may otherwise be applicable under Articles IV, IVE and V of the Plan. In. lieu of receiving such Actuarial Equivalent of his Annuity at such time and in such form as he receives his Accrued Benefits, such Eligible Participant may instead elect to receive immediate payment of his Annuity in accordance with paragraph (b) below or an immediate distribution of his Lump Sum in accordance with paragraph (c) below.

(b) An Eligible Participant may elect) in accordance with the procedure described in Section 4.3, to receive his Annuity immediately, with payment to begin as of his Qualified Retirement Date or his Qualified Separation Date, whichever applies, in the following form:

(1) The Annuity of an Eligible Participant who is unmarried on his Benefit Commencement Date shall be paid in the form of a Single Life Annuity.

(2) The Annuity of an Eligible Participant who is married on his Benefit Commencement Date shall be paid in the form of a Qualified Joint and Survivor Annuity.

(3) In lieu of payment in the form described in (1) above, an Eligible Participant who is unmarried on his Benefit Commencement Date may elect to receive an immediate payment of his Annuity in the form of a contingent annuity, with 50% of the annuity payable upon his death to a contingent beneficiary designated by him. The annuity described in the preceding sentence will be actuarially reduced using the factors described in Appendix A to reflect the payments which may become payable to the beneficiary.

(4) In lieu of payment in the form described in (2) above, an Eligible Participant who is married on his Benefit Commencement Date may elect to receive an immediate payment of his Annuity in the form of a Single Life Annuity.

(c) In lieu of his Annuity, an Eligible Participant may elect to receive an immediate payment of his Lump Sum, with payment to be made as of his Qualified Separation Date or Qualified Retirement Date, whichever applies, in a single sum.

(d) Any election pursuant to paragraph (b)(3),(b)(4) or (c) above by an Eligible Participant shall be made in writing in a manner prescribed by the Company and may be made or revoked at any time within the 90-day period preceding the Benefit Commencement Date but in no event earlier than the date on which the Participant receives the notice described in Section 5.5(a) and, in the case of an Eligible Participant who is married on his Benefit Commencement Date, shall be subject to the spousal consent requirements described in Section 5.7.

(e) In the case of an individual who satisfies the requirements of an Eligible Participant, other than paragraphs 4E.2(d)(2)(D) and 4E.2(d)(5), and who dies before his Qualified Separation Date or Qualified Retirement Date, whichever applies, the Actuarial Equivalent of such Participant's Annuity in the form of a Single Life Annuity commencing on his Normal Retirement Date (determined on the basis of the actuarial assumptions applicable under Appendix A of the Plan) shall be added to his Accrued Benefit for the purpose of determining any death benefit payable on behalf of such Participant pursuant to Sections 5.3 and 5.4, notwithstanding his failure to satisfy paragraphs 4E.2(d)(2)(D) and/or 4E.2(d)(5).

ARTICLE V. Form of Pensions.

5.1 Unmarried Participants. The monthly annuity of a Participant who is unmarried on his Benefit Commencement Date shall be paid as a Single Life Annuity unless he elects an optional form of benefit under Section 5.3 or receives a lump sum distribution under Section 5.6.

5.2 Married Participants.

(a) The monthly annuity of a Participant who is married on his Benefit Commencement Date, shall be paid as a Qualified Joint and Survivor Annuity, unless he elects an optional form of benefit under Paragraph (b) or Section 5.3 or receives a lump sum distribution under Section 5.6.

(b) A Participant described in Paragraph (a) may elect to waive the Qualified Joint and Survivor Annuity and receive his annuity in the form of a Single Life Annuity. Any such election shall be subject to the spousal consent requirements described in Section 5.7, shall be made in writing in a manner prescribed by the Company and may be made or revoked at any time within the 90 day period preceding the Benefit Commencement Date elected by the Participant but in no event earlier than the date on which the Participant receives the notice described in Section 5.5(a).

5.3 Contingent Annuity Option.

(a) An Active Participant (including a Participant who is treated as an Active Participant for purposes of Section 4.3 and this Section 5.3, but not for any other provision of the Plan) who has at least 14 Benefit Years, or who has attained Age 65 and has at least 5 Benefit Years, or a Participant (including a Participant who continues to be treated as an Active Participant for purposes of Section 4.3 and Section 5.3, but not for any other provision of the Plan) who had a Separation from Service after becoming

eligible for early retirement under Section 4.3 (hereinafter referred to as an "Eligible Participant"), may elect, in writing on a form prescribed by the Administrator, a Contingent Annuity Option under which he may designate a percentage of his annuity to be paid upon his death to a contingent beneficiary designated by him. The percentage so designated shall be 25%, 50%, 75% or 100%, as the Participant elects, and may be changed by an Eligible Participant at any time prior to the later of the Participant's Normal Retirement Date or Separation from Service. The annuity otherwise payable to a Participant electing a Contingent Annuity Option or to his contingent beneficiary will be actuarially reduced using the factors described in Appendix A to reflect the payments which may become payable to the beneficiary. Notwithstanding the above, if the Eligible Participant's Spouse is designated as contingent beneficiary, the actuarial reduction will not reflect the cost of a joint and survivor annuity option providing a survivor annuity to the Participant's Spouse of (1) 50% of the amount payable to the Participant, if a 50%, 75% or 100% contingent annuity option is elected, or (2) 25% of the amount payable to the Participant, if a 25% contingent annuity option is elected; provided, however, that the subsidy described in this sentence shall not apply to a former spouse who is to be treated as a Participant's spouse pursuant to a qualified domestic relations order, unless the qualified domestic relations order specifically provides that such subsidy applies to the former spouse. If the contingent beneficiary is other than the Spouse, the percentage payable to the contingent beneficiary after the Participant's death may not exceed the applicable percentage from Appendix B. The Contingent Annuity Option of an electing Participant who has a Separation from Service and is not eligible for early retirement under Section 4.3 shall be canceled.

(b) (1) An Eligible Participant's election or change in election under Paragraph (a) shall become effective on the first of the month next following the date such election or change is properly filed with the Administrator.

(2) An Eligible Participant's election under Paragraph (a) shall not be valid upon a Participant's Benefit Commencement Date if such election is not confirmed in writing by such Participant, with spousal consent as described in Section 5.7, within the 90 day period preceding the Benefit Commencement Date, and in no event earlier than the date on which the Participant receives the notice described in Section 5.5(a). If an Eligible Participant has made no election under Paragraph (a), or has made an invalid election, as of his Benefit Commencement Date, such Participant's pension shall be paid as described in Section 5.1 or 5.2, whichever applies.

(3) (A) The election under Paragraph (a) in effect for an Eligible Participant who is married on the date of his death shall not be valid upon the Participant's death unless (i) the spousal consent requirements of Section 5.7 are satisfied; (ii) if the Participant's death occurs after the first day of the Plan Year in which the Participant attains Age 35, the Participant's election was made or confirmed in writing (with the applicable spousal consent) on or after the first day of such Plan Year, and (iii) in the event that the election in effect under Paragraph (a) does not provide for a survivor benefit to the Participant's surviving Spouse, the Participant has made no change to his election under Paragraph (a)

that has not yet taken effect which would result in a survivor benefit payable to his Spouse. If an Eligible Participant who is married at the time of his death has made no election, or has made an invalid election, the Participant's surviving Spouse shall receive the benefit described in Section 5.4. With respect to an Eligible Participant described in the preceding sentence, no additional benefit shall be payable to any other contingent beneficiary or to the Participant's estate.

(B) If an Eligible Participant (1) is unmarried at the time of his death, (2) is survived by one or more children, (3) has not begun receiving any benefits hereunder, and (4) either has failed to make a valid election under Paragraph (A) or is not survived by a designated contingent beneficiary, a benefit equal to the amount that would be payable assuming that the Participant made a valid election under Paragraph (a) and designated a percentage of 100% shall be paid to the Participant's surviving children, if any, in equal shares. For all purposes of the Plan, where applicable, the person to whom benefits are payable pursuant to this Paragraph (b) shall be treated as the Participant's contingent beneficiary.

(c) Except as provided in Paragraph (b):

(1) If an electing Participant who has had a Separation from Service whose Contingent Annuity Option has not been canceled dies on or after the effective date of the option, his contingent beneficiary, if surviving, will receive an annuity for life beginning as of the first day of the second month following his death and based upon the designated percentage of the annuity which the Participant was receiving or to which he would have been entitled; provided, however, that, if the contingent beneficiary is the Participant's surviving Spouse and the designated percentage is at least 50%, payment to the Spouse shall not begin prior to what would have been the Participant's Normal Retirement Date without the Spouse's written consent made within the 90-day period preceding the Benefit Commencement Date.

(2) If an electing Active Participant dies on or after the effective date of the option, his contingent beneficiary, if living, shall receive an annuity, for life, beginning as of the first day of the second month following the month in which the Participant's death occurs, based upon the designated percentage of the benefit to which the Participant would have been immediately entitled if he had retired on the date of his death; provided, however, that, if the contingent beneficiary is the Participant's surviving Spouse, the designated percentage shall be deemed to be 100%, and payment to such Spouse shall not begin prior to what would have been the Participant's Normal Retirement Date without the Spouse's written consent made within the 90-day period preceding the Benefit Commencement Date. For purposes of this Subparagraph only, the annuity to which a Participant would have been entitled shall be his Accrued Benefit reduced in accordance with Section 4.3 and, if applicable, reduced further by 4% per year (to the nearest one-twelfth year) for any period by which his age at the time of his death is less than 50.

(d) (1) If the contingent beneficiary dies after the effective date of the option and after the later of the Participant's Normal Retirement Date or his Separation from Service, the reduced annuity payable to the Participant will remain in effect.

(2) If the contingent beneficiary dies after the effective date of the option, but prior to the later of the Participant's Normal Retirement Date or his Separation from Service, the option shall be canceled upon receipt of proof of death. If the Participant has not then reached his Normal Retirement Date or has not had a Separation from Service, the Participant may elect a subsequent Contingent Annuity Option effective immediately upon notice to the Company, subject to the conditions stated herein. If he has reached his Normal Retirement Date and has had a Separation from Service, the Participant may not make any further elections.

(e) Subject to the conditions of Paragraph (a), an Eligible Participant may make or change his election and designate or change a beneficiary and/or designate a revised benefit percentage at any time prior to the later of the Participant's Normal Retirement Date or Separation from Service. An Eligible Participant may, regardless of whether he has previously made a different election under this Section 5.3, elect in writing to receive his annuity in the form provided in Section 5.1 or 5.2, whichever applies, or in such other form as is permitted under Paragraph (a), subject to the provisions of Section 5.7. The Participant may make such an election at any time before the Benefit Commencement Date but such an election may not be revoked after the Benefit Commencement Date, except as provided in Paragraph (d)(2). Notwithstanding the foregoing, effective July 15, 1990, a Participant who has not reached his Normal Retirement Date and who elects a form of benefit under this Section 5.3 may waive any right to change his election in the future and irrevocably elect a specific Contingent Annuity Option as of his Benefit Commencement Date.

(f) Commencing with payments due September 1, 1986, the minimum monthly annuity to which a designated beneficiary under a Contingent Annuity Option described in this Section 5.3 shall be entitled is $150.

5.4 Death Benefits for Other Vested Participants.

(a) Eligibility. A death benefit shall be payable under this Section 5.4 with respect to a Participant who dies prior to his Benefit Commencement Date if on the date of his death he is married and:

(1) he does not meet the requirements for the Contingent Annuity Option described in Section 5.3, and

(A) he is an Employee who has met the requirements for early or normal retirement under the Plan; or

(B) he is a former Employee who has had a Separation from Service after meeting the requirements of Section 4.3; or

(C) he has been married for at least one year to the same Spouse and has at least five Vesting Years to his credit, or

(2) he does meet the requirements described in Section 5.3 but has made no election, or has made an invalid election, under that Section.

(b) Amount of Benefit. Upon the death of a Participant described in Section 5.4(a), the Participant's surviving Spouse, if living on the date set forth in Subparagraph (1)-(4) of this Section, whichever shall apply, shall receive a pension in accordance with the following rules:

(1) If the Participant is an Employee who has met the requirements for retirement under Sections 4.1-4.3, the pension to the surviving Spouse shall begin, as elected in writing by the Spouse not more than 90 days prior to the Spouse's Benefit Commencement Date, on the first day of the month following the month in which the Participant's death occurs or the first day of any month thereafter, shall end with the payment on the first day of the month in which the Spouse's death occurs, and shall be in a monthly amount equal to the amount the Spouse would have received if the Participant had a Separation from Service on the date of his death, had survived and retired on the Benefit Commencement Date elected by the Spouse and had elected an immediate pension in the form of a 100% Contingent Annuity Option; provided, however, that (A) the Spouse's Benefit Commencement Date shall not be later than the later of (i) the Participant's Normal Retirement Date or (ii) the first day of the month following the month in which the Participant's death occurs and (B) the benefit payable to the Spouse of a Participant described in Section 5.4(a)(2) shall be determined without regard to any otherwise applicable actuarial reduction reflecting the cost of the 100% Contingent Annuity Option.

(2) If the Participant is an Employee who has not met the requirements for retirement under Sections 4.1-4.3, the pension to the surviving Spouse shall begin, as elected in writing by the Spouse not more than 90 days prior to the Spouse's Benefit Commencement Date, on the first day of the month following the month in which the Participant would have first been eligible to receive his pension under Section 4.4 if he had a Separation from Service on the date of his death and had not died, or the first day of any month thereafter, shall end with the payment on the first day of the month in which the Spouse's death occurs, and shall be in a monthly amount equal to the amount the Spouse would have received if the Participant's Separation from Service had occurred on the day of his death and he had survived and elected to begin receiving his pension in the form of a 100% Contingent Annuity Option on the Benefit Commencement Date elected by the Spouse; provided, however, that (A) the Spouse's Benefit Commencement Date shall not be later than what would have been the Participant's Normal Retirement Date and (B) the benefit payable to the Spouse of a Participant described in Section 5.4(a)(2) shall be determined without regard to any otherwise applicable actuarial reduction reflecting the cost of the 100% Contingent Annuity Option.

(3) If the Participant is a former Employee who retired under Sections 4.1-4.3, the pension to the surviving Spouse shall begin, as elected in writing by the Spouse not more than 90 days prior to the Spouse's Benefit Commencement Date, on the first day of the month following the month in which the Participant's death occurs or the first day of any month thereafter, shall end with the payment on the first day of the month in which the Spouse's death occurs, and shall be in a monthly amount equal to the amount the Spouse would have received if the Participant had elected to begin receiving his pension in the form of a 100% Contingent Annuity Option on the Benefit Commencement Date elected by the Spouse; provided, however, that (A) the Spouse's Benefit Commencement Date shall not be later than the later of (i) the Participant's Normal Retirement Date or (ii) the first day of the month following the month in which the Participant's death occurs and (B) the benefit payable to the Spouse of a Participant described in Section 5.4(a)(2) shall be determined without regard to any otherwise applicable actuarial reduction reflecting the cost of the 100% Contingent Annuity Option.

(4) If the Participant is a former Employee who did not meet the requirements for retirement under Sections 4.1-4.3, the pension to the surviving Spouse shall begin, as elected in writing by the Spouse not more than 90 days prior to the Spouse's Benefit Commencement Date, on the first day of the month following the month in which the Participant would have first been eligible to receive his pension under Section 4.4 if he had not died or the first day of any month thereafter, shall end with the payment on the first day of the month in which the Spouse's death occurs, and shall be in a monthly amount equal to the amount the Spouse would have received if the Participant elected to begin receiving his actual pension in the form of a 100% Contingent Annuity Option on the Benefit Commencement Date elected by the Spouse; provided, however, that the Spouse's Benefit Commencement Date shall not be later than what would have been the Participant's Normal Retirement Date.

5.5 Notice to Participants.

(a) Each Participant shall receive in written nontechnical language a general description or explanation of (1) the forms of payment described in Sections 5.1, 5.2 and 5.3, including information explaining the relative values of each form of payment, (2) the Participant's right to waive the form of payment described in Section 5.1 or 5.2(a), whichever applies, and elect an optional form of payment and the financial effect of such an election on his pension, (3) the rights of the Participant's Spouse, if any, with respect to the waiver and election, (4) the Participant's right to revoke an election to receive an optional form of payment and the effect of such revocation, (5) if the Participant has not reached his Normal Retirement Date, the Participant's right to defer commencement of his pension until his Normal Retirement Date and the financial effect of such deferment, and (6) a description of the relative value of the optional forms of benefit as compared to the Qualified Joint and Survivor Annuity. Such information shall be furnished to the Participant not less than 30 days and not more than 90 days prior to the Participant's Benefit Commencement Date, and the time for an election under this Section shall begin no earlier than the date such information is furnished.

Notwithstanding the foregoing, effective for Plan Years beginning on or after January 1, 1997, the Participant's Benefit Commencement Date may be fewer than 30 days after the explanation described in this Section is provided if:

(1) the Participant is given notice of his right to a 30-day period in which to consider whether to (i) waive the normal form of benefit and elect an optional form and (ii) to the extent applicable, consent to the distribution;

(2) the Participant affirmatively elects a distribution and a form of benefit and the Spouse, if necessary, consents to the form of the benefit elected;

(3) the Participant is permitted to revoke his affirmative election at any time prior to his Benefit Commencement Date, or if later, the expiration of a 7-day period beginning on the day after the explanation described in this Section is provided to the Participant;

(4) the Benefit Commencement Date is after the date the Administrator receives written notice of the Participant's intent to begin receiving benefits; and

(5) distribution to the Participant does not commence before the expiration of the 7-day period described in paragraph (3) above.

Notwithstanding the foregoing, effective for Plan Years beginning on or after January 1, 2004, the Participant's Benefit Commencement Date may precede the explanation described in this Section, if the Participant so elects, provided that the following conditions are satisfied:

(1) the date the on which the first payment to be received by the Participant is made (the "initial payment date") shall be no earlier than thirty (30) days following the date that the notice is furnished to the Participant, except that the initial payment date may be as early as the seventh day after such notice is provided if (i) such notice clearly indicates that the Participant has a right to a period of thirty (30) days after receiving the notice to consider to waive the basic forms of distribution provided under the Plan and to elect (with spousal consent) an optional form of benefit, (ii) the Participant affirmatively elects a form of distribution with the consent of his Spouse (if required) to commence as of the initial payment date, and (iii) the Participant is permitted to revoke such election until the initial payment date;

(2) the notice shall be provided to the Participant no more than ninety (90) days before the initial payment date, however, the Plan will not fail to satisfy the ninety (90)- day requirement if the delay in providing the distribution is due solely to an administrative delay;

(3) the Participant is not permitted to elect an Benefit Commencement Date that precedes the date upon which the Participant could have otherwise started receiving benefits under the terms of the Plan as in effect on the Benefit Commencement Date;

(4) to the extent that a Participant has not received any payments for the period from the Benefit Commencement Date to the initial payment date, the Participant shall receive a one-time payment to reflect any such missed payments (a "make-up payment"). Such make-up payment shall be adjusted for interest from the period beginning on the Benefit Commencement Date and ending on the initial payment date, which shall be calculated with respect to such payments that would have been received prior to the initial payment date. The interest rate used to compute the adjustment described in the preceding sentence shall equal the 30 Year Treasury rate for December of the preceding Plan Year. Notwithstanding the foregoing, with respect to any Annuity Starting Date on or after January 1, 2008, the interest rate used to compute the adjustment described in the sentence above shall be the interest rate as specified or prescribed by the Commissioner of the Internal Revenue Service for purposes of Section 417(e)(3) of the Code, in revenue rulings, notices or other guidance for November of the preceding Plan Year. For purposes of Section 4.6 of the Plan, the limitations set forth therein shall comply with the adjustments required thereto pursuant to Treasury Regulation 1.417(e)-1 with respect to any Benefit Commencement Date described in this paragraph which is a "retroactive annuity starting date" as defined for purposes of such Regulation; and

(5) if a Participant who is married elects to commence the Participant's benefit as of the initial payment date pursuant to this paragraph, then the Participant's Spouse (including an alternate payee who is treated as the Participant's spouse under a qualified domestic relations order), determined as of the initial payment date, must consent to such election if the survivor benefits payable as of the Benefit Commencement Date are less than the survivor benefits payable under the benefit described in Section 5.2(a) of the Plan as of the initial payment date.

(b) Each Eligible Participant described in Section 5.3(a) shall receive a written explanation of (1) the terms and conditions of the pre-retirement survivor annuity described in Section 5.4, (2) the Participant's right to waive such survivor annuity in favor of the death benefit under a Contingent Annuity Option and the effect of such waiver, (3) the rights of the Participant's Spouse with respect to such waiver, and (4) the Participant's right to revoke such waiver and the effect of such revocation. Such explanation shall be provided when the Participant first becomes an Eligible Participant described in Section 5.3(a) and, if the Eligible Participant has not attained Age 32 at the time of the first notice, again within the three-year period that begins on the first day of the Plan Year in which the Participant attains Age 32.

5.6 Cash-Outs. Effective on such date as shall be determined by the Company, if the Actuarial Equivalent single-sum value, determined as of the date of distribution, of the vested Accrued Benefit of a Participant who has had a Separation from Service, or of the benefit payable to a Spouse or other beneficiary under Section 5.3 or 5.4 by reason of the Participant's death prior to his Benefit Commencement Date, is $5,000 or less, or, for distributions occurring on or after March 28, 2005, $1,000 or less, the benefit shall be paid, as soon as administratively practicable following the later of (a) the Participant's Separation from Service or death, or (b) the effective date of this Section 5.6, as a single-sum in settlement of all

liabilities of the Plan in connection with the Participant; provided, however, that no such payment shall be made after such benefit has commenced in any other form.

5.7 Spousal Consent. No Participant's election:

(a) to waive the Qualified Joint and Survivor Annuity in favor of a form of payment other than a Contingent Annuity Option providing for payment of at least 50% of the Participant's annuity to his surviving Spouse, or

(b) to waive the death benefit described in Section 5.4 in favor of the death benefit payable under a form of payment other than a Contingent Annuity Option described in Paragraph (a), above,

shall be effective with respect to a Participant who is married unless the Participant's Spouse (as of the Benefit Commencement Date or date of death, whichever applies) consents thereto in writing, and such consent (1) acknowledges the effect of the election, (2) specifies the designated beneficiary or consents to such designation and consents prospectively to any subsequent designation of beneficiary made by the Participant, acknowledging the Spouse's right to limit consent to a specific alternate beneficiary, (3) specifies the optional form of payment or consents to such election and consents prospectively to any subsequent choice of optional form made by the Participant, acknowledging the Spouse's right to limit consent to a specific optional form, and (4) is witnessed by a Plan representative or by a notary public, or the Administrator finds that the Spouse cannot be located.

5.8 Minimum Distribution Requirements. Notwithstanding anything in the Plan to the contrary, the form and timing of all distributions under the Plan to any Participant, including a Participant whose Separation from Service occurred prior to January 1, 1989, shall be in accordance with Section 401(a)(9) of the Code and regulations issued thereunder, including the incidental death benefit requirements of Section 401(a)(9)(G) of the Code and Treas. Reg. §1.401(a)(9)-2.

5.9 Application for Benefits. Except as provided in Section 5.6 or in Section 5.3(c) for a non-Spouse contingent beneficiary, benefit payments shall commence when properly written application for same is received by the Administrator. In the event that a Participant, or the Spouse of a deceased Participant entitled to benefits under the Plan fails to apply to the Administrator by the earlier of (a) the Participant's Normal Retirement Date or the date of the Participant's Separation from service, if later, or (b) the end of the calendar year in which the Participant attains age 70-1/2, the Administrator shall make diligent efforts to locate such Participant or Spouse and obtain such application. In the event the Participant or Spouse fails to make application by the Participant's Required Beginning Date, subject to Section 10.6, the Administrator shall commence distribution as of the Required Beginning Date without such application. No payments shall be made for the period in which benefits would have been payable if the Participant or Spouse had made timely application therefor; provided, however, that, if the Participant's Benefit Commencement Date or, if the Participant has died, his Spouse's Benefit Commencement Date, has been delayed until after the Participant's Normal Retirement Date solely by reason of failure to make application, and not by reason of Suspension Service as described in Section 4.11(b), the benefit payable (i) to the Participant on and after his Benefit

Commencement Date, or (ii) to the Participant's Spouse on and after the Spouse's Benefit Commencement Date, shall be equal to the Actuarial Equivalent of the benefit the Participant or the Spouse would have received had benefits commenced on the Participant's Normal Retirement Date, as determined to reflect the deferral of benefit commencement.

5.10 Direct Rollovers. In the event any payment or payments under the Plan to be made to a "eligible distributee" would constitute an "eligible rollover distribution," such eligible distributee may request that, in lieu of payment to the eligible distributee, all or part of such payment or payments be rolled over directly from the Trustee to the trustee of an "eligible retirement plan." Any such request shall be made at the time and in the manner prescribed by the Administrator or its delegate, subject to such requirements and restrictions as may be prescribed by applicable Treasury regulations. For purposes of this Section 5.10:

(a) "eligible distributee" shall include the Participant, his Spouse or his alternate payee under a qualified domestic relations order within the meaning of Section 414(p) of the Code or, effective January 1, 2008, the Participant's beneficiary who is not the Participant's Spouse;

(b) "eligible rollover distribution" shall mean a distribution from the Plan, excluding (i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) over the life (or life expectancy) of the eligible distributee, the joint lives (or joint life expectancies) of the eligible distributee and eligible distributee's designated beneficiary, or a specified period of ten (10) or more years, and (ii) any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and

(c) "eligible retirement plan" shall mean (i) an individual retirement account described in Section 408(a) of the Code, (ii) an individual retirement annuity described in Section 408(b) of the Code, (iii) an annuity plan described in Section 403(a) of the Code, (iv) a qualified plan the terms of which permit the acceptance of rollover distributions, (v) an eligible deferred compensation plan described in Section 457(b) of the Code that is maintained by an eligible employer described in Section 457(e)(i)(A) of the Code that shall separately account for the distribution, (vi) an annuity contract described in Section 403(b) of the Code or (vii) an individual retirement plan described in Section 408A(b) of the Code; provided, however, that (x) with respect to a plan described in clause (vii), for transfers occurring before January 1, 2010, the eligible distributee meets the requirements of Section 408A(c)(3)(B) of the Code and (y) with respect to a distribution (or portion of a distribution) to a person who is not the Participant or the surviving Spouse of the Participant, "eligible retirement plan" shall mean only a plan described in clause (i) or (ii) or, effective January 1, 2010, clause (vii), that, in either case, is established for the purpose of receiving such distribution on behalf of such person.

ARTICLE VI. Breaks in Service.

6.1 Whenever used in this Article:

(a) “One-Year Break in Service” means a calendar year in which an Employee completes 500 or fewer Hours of Service.

(b) “Reemployment Date” means the first day on which an Employee who has had a Separation from Service completes an Hour of Service in a calendar year that is not a One-Year Break in Service.

(c) “Reemployment Eligibility Computation Period” means an Eligibility Computation Period determined as if the Employee’s Employment Date were his Reemployment Date.

6.2 If an Employee has a Separation from Service before he has met the requirements for retirement under Sections 4.1-4.3 or for a deferred annuity under Section 4.4, he shall be deemed to have received a distribution of his entire nonforfeitable Accrued Benefit of zero dollars upon such Separation from Service and his Eligibility Years, Accrued Benefit, Benefit Years, and Vesting Years shall be canceled.

6.3 If an Employee completes at least 1000 Hours of Service in a Reemployment Eligibility Computation Period he shall be credited with an Eligibility Year.

6.4 (a) The Eligibility Years of an Employee whose Eligibility Years have been canceled shall be restored if:

(1) he is credited with an Eligibility Year with respect to a Reemployment Eligibility Computation Period that begins on or after his Reemployment Date; and

(2) he again becomes an Employee at a time when the number of consecutive One-Year Breaks in Service he has incurred is less than the greater of five or the number of Eligibility Years the Employee had to his credit on account of his employment prior to the first One-Year Break in Service.

(b) If a former Employee whose Eligibility Years were not canceled under Section 6.2 or are restored under this Section becomes an Eligible Employee, he shall become an Active Participant as of the later of the day he so becomes an Eligible Employee or the day he would have become an Active Participant under Article II if he had been an Eligible Employee at all times since his prior Separation from Service. If a former Employee whose Eligibility Years were canceled under Section 6.2 and are not restored under this Section becomes an Eligible Employee, he shall become an Active Participant as provided in Article II, except that his Reemployment Date shall be treated as his Employment Date.

6.5 The Benefit Years and Accrued Benefit of an Employee whose Benefit Years have been canceled shall be restored upon his reemployment if his Eligibility Years are restored under Section 6.4. If a Participant’s Benefit Years and Accrued Benefit were not canceled pursuant to Section 6.2 upon his prior Separation from Service, his Benefit Years earned prior to his Separation from Service shall be aggregated with his Benefit Years earned

after his Reemployment Date for purposes of determining the Participant's Accrued Benefit; provided, however, that:

(a) if the Participant previously received a single-sum distribution under Section 5.6 on or before the close of the second Plan Year following the Plan Year in which the Participant's Separation from Service occurred, the Participant's Benefit Years earned prior to his Separation from Service shall be disregarded upon his reemployment; or

(b) if the Participant received a single-sum distribution under Section 5.6 on a date later than that described in Paragraph (a), the Participant's Accrued Benefit determined on and after his reemployment shall be reduced by the Actuarial Equivalent of the distribution received by the Participant under Section 5.6 upon his prior Separation from Service.

6.6 The Vesting Years of an Employee whose Vesting Years have been canceled shall be restored if:

(a) he is credited with a Vesting Year after his Reemployment Date; and

(b) he again becomes an Employee at a time when the number of consecutive One-Year Breaks in Service he has incurred is less than the greater of five or the number of Vesting Years the Employee had to his credit on account of his employment prior to the first One-Year Break in Service.

6.7 Notwithstanding any provision in the Plan to the contrary, effective January 1, 1996, an Employee who was transferred to COPCO and whose benefits were transferred from the Plan in connection with the sale of COPCO shall receive, upon such Employee's Reemployment Date, credit for years of service with the Company prior to such transfer for purposes of calculating Eligibility Years and Vesting Years (but not Benefit Years).

ARTICLE VII. Contributions.

7.1 Contributions by the Company. The Company shall contribute each year an amount actuarially determined to be sufficient to provide the benefits under the Plan. All Company contributions to the Plan are conditioned upon their deductibility for Federal income tax purposes. The Company reserves the right, however, to reduce, suspend or discontinue its contributions under the Plan for any reason at any time. Except as provided in this Section or Section 9.2, it shall be impossible for any part of the Company's contributions to revert to the Company, or to be used for, or diverted to, any purpose other than for the exclusive benefit of Participants, annuitants and their beneficiaries. In the case of a contribution (a) made by the Company as a mistake of fact, or (b) for which a tax deduction is disallowed, in whole or in part, by the Internal Revenue Service, the Company shall receive a refund of said contribution within one year after payment of a contribution as a mistake of fact, or within one year after disallowance of a tax deduction, to the extent of such disallowance, as the case may be.

7.2 Source of Benefits. All benefits under the Plan shall be paid exclusively from the Fund, and the Company shall have no duty to contribute thereto except as provided in this Article.

ARTICLE VIII. Administration.

8.1 The Administrator. (a) In General. The Company's Vice President, Compensation & Benefits, or such other person or committee appointed by the Chief Human Resources Officer from time to time (such vice president or other person or committee, the "Administrator"), shall be the "administrator" of the Plan, within the meaning of such term as used in ERISA. In addition, the Administrator shall be the "named fiduciary" of the Plan, within the meaning of such term as used in ERISA, solely with respect to administrative matters involving the Plan and not with respect to any investment of the Plan's assets. The Administrator shall have the following duties, responsibilities and rights:

(i) The Administrator shall have the duty and discretionary authority to interpret and construe this Plan in regard to all questions of eligibility, the status and rights of Participants, Retirees, Beneficiaries and other persons under this Plan, and the manner, time, and amount of payment of any distributions under this Plan. The determination of the Administrator with respect to an Employee's years of Credited Service, the amount of the Employee's Earnings, Highest Average Annual Pay, Federal Benefit and any other matter affecting payments under the Plan shall be final and binding. Benefits under the Plan shall be paid to a Participant or Beneficiary only if the Administrator, in his discretion, determines that such person is entitled to benefits.

(ii) Each Employer shall, from time to time, upon request of the Administrator, furnish to the Administrator such data and information as the Administrator shall require in the performance of his duties.

(iii) The Administrator shall direct the Trustee to make payments of amounts to be distributed from the Trust under Article 6 (relating to Service Annuity forms). In addition, it shall be the duty of the Administrator to certify to the Trustee the names and addresses of all Retirees, the amounts of all Service Annuities, the dates of death of Retirees and all proceedings and acts of the Administrator necessary or desirable for the Trustee to be fully informed as to the Service Annuities to be paid out of the Trust.

(iv) The Administrator shall have all powers and responsibilities necessary to administer the Plan, except those powers that are specifically vested in the Investment Fiduciary, the Corporate Investment Committee or the Trustee.

(v) The Administrator may require a Participant or Beneficiary to complete and file certain applications or forms approved by the Administrator and to furnish such information requested by the Administrator. The Administrator and the Plan may rely upon all such information so furnished to the Administrator.

(vi) The Administrator shall be the Plan's agent for service of legal process and forward all necessary communications to the Trustee.

(b) Removal of Administrator. The Chief Human Resources Officer shall have the right at any time, with or without cause, to remove the Administrator (including any member of a committee that constitutes the Administrator). The Administrator may resign and the resignation shall be effective upon delivery of the written resignation to the Chief Human Resources Officer. Upon the resignation, removal or failure or inability for any reason of the Administrator to act hereunder, the Chief Human Resources Officer shall appoint a successor. Any successor Administrator shall have all the rights, privileges and duties of the predecessor, but shall not be held accountable for the acts of the predecessor. None of the Company, any member of the board of directors of the Company who is not the Chief Human Resources Officer, nor any other person shall have any responsibility regarding the retention or removal of the Administrator.

8.2 The Investment Fiduciary. The Company, acting through the Exelon Investment Office, shall be the Investment Fiduciary and the "named fiduciary" of the Plan, within the meaning of such term as used in ERISA, solely with respect to matters involving the investment of assets of the Plan and, any contrary provision of the Plan notwithstanding, in all events subject to the limitations contained in Section 404(a)(2) of ERISA and all other applicable limitations. In addition to the duties, responsibilities and rights of the Investment Fiduciary set forth in Article 8, the Investment Fiduciary shall have the following duties, responsibilities and rights:

(i) The Investment Fiduciary shall be the "named fiduciary" for purposes of directing the Trustee as to the investment of amounts held in the Fund and for purposes of appointing one or more investment managers as described in ERISA.

(ii) The Investment Fiduciary shall submit to the Corporate Investment Committee annual manager review results and such other reports and documents as may be necessary for the Corporate Investment Committee to monitor the activities and performance of the Investment Fiduciary.

(iii) Each Employer shall, from time to time, upon request of the Investment Fiduciary, furnish to the Investment Fiduciary such data and information as the Investment Fiduciary shall require in the performance of its duties.

8.3 The Corporate Investment Committee. The Corporate Investment Committee shall be responsible for overall monitoring of the performance of the Investment Fiduciary. The Corporate Investment Committee shall have the following duties, responsibilities and rights:

(i) The Corporate Investment Committee shall monitor the activities and performance of the Investment Fiduciary and shall review annual manager

review results and any other reports and documents submitted by the Investment Fiduciary.

(ii) The Corporate Investment Committee shall have authority to approve asset allocation recommendations of the Investment Fiduciary, and approve the retention or firing of any investment consultant (but not any investment manager), custodian or trustee, as recommended by the Investment Fiduciary.

(iii) The Corporate Investment Committee shall have the right at any time, with or without cause, to remove one or more employees of the Exelon Investment Office or to appoint another person or committee to act as Investment Fiduciary. Any successor Investment Fiduciary shall have all the rights, privileges and duties of the predecessor, but shall not be held accountable for the acts of the predecessor.

The power and authority of the Corporate Investment Committee with respect to the Plan shall be limited solely to the monitoring and removal of the Investment Fiduciary and approval of the recommendations specified in clause (ii) above. The Corporate Investment Committee shall have no responsibility for making investment decisions, appointing or firing investment managers or for any other duties or responsibilities with respect to the Plan, other than those specifically listed herein.

8.4 Status of Administrator, the Investment Fiduciary and the Corporate Investment Committee. The Administrator, any person acting as, or on behalf of, the Investment Fiduciary, and any member of the Corporate Investment Committee may, but need not, be an Employee, trustee or officer of an Employer and such status shall not disqualify such person from taking any action hereunder or render such person accountable for any distribution or other material advantage received by him under this Plan, provided that no Administrator, person acting as, or on behalf of, the Investment Fiduciary, or any member of the Corporate Investment Committee who is a Participant shall take part in any action of the Administrator or the Investment Fiduciary on any matter involving solely his rights under this Plan.

8.5 Notice to Trustee of Members. The Trustee shall be notified as to the names of the Administrator and the person or persons authorized to act on behalf of the Investment Fiduciary.

8.6 Allocation of Responsibilities. Each of the Administrator, the Investment Fiduciary and the Corporate Investment Committee may allocate their respective responsibilities and may designate any person, persons, partnership or corporation to carry out any of such responsibilities with respect to the Plan. Any such allocation or designation shall be reduced to writing and such writing shall be kept with the records of the Plan.

8.7 General Governance. Each of the Administrator, the Investment Fiduciary and the Corporate Investment Committee may act at a meeting or by written consent approved by a majority of its respective members, as applicable. The Corporate Investment Committee shall elect one of its members as chairman and appoint a secretary, who may or may not be a

member of such Committee. The secretary of the Corporate Investment Committee shall keep a record of all meetings and forward all necessary communications to the Employers or the Trustee. All decisions of the Corporate Investment Committee shall be made by the majority, including actions taken by written consent. The Administrator, the Investment Fiduciary and the Corporate Investment Committee may adopt such rules and procedures as it deems desirable for the conduct of its affairs, provided that any such rules and procedures shall be consistent with the provisions of the Plan.

8.8 Indemnification. The Employers hereby jointly and severally indemnify the Administrator, the persons employed in the Exelon Investment Office, the members of the Corporate Investment Committee, the Chief Human Resources Officer, and the directors, officers and employees of the Employers and each of them, from the effects and consequences of their acts, omissions and conduct in their official capacity with respect to the Plan (including but not limited to judgments, attorney fees and costs with respect to any and all related claims, subject to the Company's notice of and right to direct any litigation, select any counsel or advisor, and approve any settlement), except to the extent that such effects and consequences result from their own willful misconduct. The foregoing indemnification shall be in addition to (and secondary to) such other rights such persons may enjoy as a matter of law or by reason of insurance coverage of any kind.

8.9 No Compensation. None of the Administrator, any person employed in the Exelon Investment Office nor any member of the Corporate Investment Committee may receive any compensation or fee from the Plan for services as the Administrator, Investment Fiduciary or a member of the Corporate Investment Committee; provided, however that nothing contained herein shall preclude the Plan from reimbursing the Company or any Affiliate for compensation paid to any such person if such compensation constitutes "direct expenses" for purposes of ERISA. The Employers shall reimburse the Administrator, the persons employed in the Exelon Investment Office and the members of the Corporate Investment Committee for any reasonable expenditures incurred in the discharge of their duties hereunder.

8.10 Employ of Counsel and Agents. The Administrator, the Investment Fiduciary and the Corporate Investment Committee may employ such counsel (who may be counsel for an Employer) and agents and may arrange for such clerical and other services as each may require in carrying out its respective duties under the Plan.

8.11 Claims Procedures. Any Participant or distributee who believes he is entitled to benefits in an amount greater than those which he is receiving or has received may file a claim with the Administrator (or its delegate). Such a claim shall be in writing and state the nature of the claim, the facts supporting the claim, the amount claimed, and the address of the claimant. The Administrator (or its delegate) shall review the claim and, unless special circumstances require an extension of time, within 90 days after receipt of the claim, give notice to the claimant, either in writing by registered or certified mail or in an electronic notification, of the decision with respect to the claim. Any electronic notice delivered to the claimant shall comply with the standards imposed by applicable regulations. If it is determined that special circumstances require an extension of time for processing the claim, the claimant shall be so advised in writing within the initial 90-day period and in no event shall such an extension exceed 90 days. The extension notice shall indicate the special circumstances requiring an extension of

time and the date by which it is expected that the benefit determination will be rendered. The notice of the decision with respect to the claim shall be written in a manner calculated to be understood by the claimant and, if the claim is wholly or partially denied, shall notify the claimant of the adverse benefit determination and shall set forth the specific reasons for the adverse determination, the references to the specific Plan provisions on which the determination is based, a description of any additional material or information necessary for the claimant to perfect the claim, an explanation of why such material or information is necessary, and a description of the claim review procedure under the Plan and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502 of ERISA following an adverse benefit determination on review. The notice shall also advise the claimant that the claimant or the claimant's duly authorized representative may request a review by the Administrator (or its delegate) of the adverse benefit determination by filing, within 60 days after receipt of a notification of an adverse benefit determination, a written request for such review. The claimant shall be informed that, within the same 60-day period, he (a) may be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits and (b) may submit written comments, documents, records and other information relating to the claim for benefits. If a request is so filed, review of the adverse benefit determination shall be made by the Administrator (or its delegate) within, unless special circumstances require an extension of time, 60 days after receipt of such request, and the claimant shall be given written notice of the final decision. If it is determined that special circumstances require an extension of time for processing the claim, the claimant shall be so advised in writing within the initial 60-day period and in no event shall such an extension exceed 60 days. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the determination on review is expected to be rendered. The review shall take into account all comments, documents, records and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The notice of the final decision shall include specific reasons for the determination and references to the specific Plan provisions on which the determination is based and shall be written in a manner calculated to be understood by the claimant.

8.12 Actuary to Be Employed. The Company or the Investment Fiduciary shall engage an actuary to do such technical and advisory work as the Company or the Investment Fiduciary may request, including analyses of the experience of this Plan from time to time, the preparation of actuarial tables for the making of computations thereunder, and the submission to the Company or the Investment Fiduciary of an annual actuarial report, which report shall contain information showing the financial condition of this Plan, a statement of the contributions to be made by the Employers for the ensuing year, and such other information as may be requested by the Company or the Investment Fiduciary.

8.13 Funding Policy. The board of directors of the Company shall establish a funding policy and method consistent with the objectives of this Plan and the requirements of Title I of ERISA and shall communicate such policy and method, and any changes in such policy and method, to the Investment Fiduciary.

8.14 Notices to Participants, Etc. All notices, reports and statements given, made, delivered or transmitted to a Participant or any other person entitled to or claiming

benefits under this Plan shall be deemed to have been duly given, made or transmitted when mailed by first class mail with postage prepaid and addressed to the Participant or such other person at the address last appearing on the records of the Administrator.

8.15 Notices to Employers or Administrator. Written directions, notices and other communications from Participants or any other person entitled to or claiming benefits under this Plan to the Employers or Administrator shall be deemed to have been duly given, made or transmitted either when delivered to such location as shall be specified upon the forms prescribed by the Administrator for the giving of such directions, notices and other communications or when mailed by first class mail with postage prepaid and addressed to the addressee at the address specified upon such forms.

8.16 Records. Each of the Administrator, the Investment Fiduciary and the Corporate Investment Committee shall keep a record of all of their respective proceedings, if any, and shall keep or cause to be kept all books of account records and other data as may be necessary or advisable in their respective judgment for the administration of the Plan, the administration of the investments of the Plan or the monitoring of the investment activities of the Plan, as applicable.

8.17 Responsibility to Advise Administrator of Current Address. Each person entitled to receive a payment under this Plan shall file with the Administrator in writing such person’s complete mailing address and each change therein. A check or communication mailed to any person at such person’s address on file with the Administrator shall be deemed to have been received by such person for all purposes of this Plan. Although neither the Administrator nor the Trustee shall be obliged to search for or ascertain the location of any person, the Administrator shall make reasonable efforts to locate any missing Participant or Beneficiary entitled to benefits hereunder. If the Administrator is in doubt as to whether payments are being received by the person entitled thereto, it shall, by registered mail addressed to the person concerned at his last address known to the Administrator, notify such person that all future payments will be withheld until such person submits to the Administrator evidence of his continued life and proper mailing address.

8.18 Electronic Media. Notwithstanding any provision of the Plan to the contrary and for all purposes of the Plan, to the extent permitted by the Administrator and any applicable law or Regulation, the use of electronic technologies shall be deemed to satisfy any written notice, consent, delivery, signature, disclosure or recordkeeping requirement under the Plan, the Code or ERISA to the extent permitted by or consistent with applicable law and Regulations. Any transmittal by electronic technology shall be deemed delivered when successfully sent to the recipient, or such other time specified by the Administrator.

8.19 Correction of Error. If it comes to the attention of the Administrator that an error has been made in the amount of benefits payable, or paid, to any Participant or Beneficiary under the Plan, the Administrator shall be permitted to correct such error by whatever means that the Administrator, in its sole discretion determines, including by offsetting future benefits payable to the Participant or Beneficiary or requiring repayment of benefits to the Plan, except that no adjustment need be made with respect to any Participant or Beneficiary whose benefit has been distributed in full prior to the discovery of such error.

8.20 Applicable Law. Except to the extent preempted by applicable federal law or otherwise provided under the terms of the Plan, the Plan and all rights hereunder shall be governed by and construed in accordance with the laws of the State of Illinois.

8.21 Statute of Limitations for Actions under the Plan. Except for actions to which the statute of limitations prescribed by Section 413 of ERISA applies, (a) no legal or equitable action relating to a claim for benefits under Section 502 of ERISA may be commenced later than one year after the claimant receives a final decision from the Chief Human Resources Officer (or such other officer designated from time to time by the Chief Human Resources Officer) in response to the claimant's request for review of the adverse benefit determination and (b) no other legal or equitable action involving the Plan may be commenced later than two years from the time the person bringing an action knew, or had reason to know, of the circumstances giving rise to the action. This provision shall not be interpreted to extend any otherwise applicable statute of limitations, nor to bar the Plan or its fiduciaries from recovering overpayments of benefits or other amounts incorrectly paid to any person under the Plan at any time or bringing any legal or equitable action against any party.

8.22 Forum for Legal Actions under the Plan. Any legal action involving the Plan that is brought by any Participant, any Beneficiary or any other person shall be litigated in the federal courts located in the Northern District of Illinois or the Eastern District of Pennsylvania, whichever is most convenient, and no other federal or state court.

8.23 Legal Fees. Any award of legal fees in connection with an action involving the Plan shall be calculated pursuant to a method that results in the lowest amount of fees being paid, which amount shall be no more than the amount that is reasonable. In no event shall legal fees be awarded for work related to (a) administrative proceedings under the Plan, (b) unsuccessful claims brought by a Participant, Beneficiary or any other person, or (c) actions that are not brought under ERISA. In calculating any award of legal fees, there shall be no enhancement for the risk of contingency, nonpayment or any other risk nor shall there be applied a contingency multiplier or any other multiplier. In any action brought by a Participant, Beneficiary or any other person against the Plan, the Administrator, the Investment Fiduciary, the Corporate Investment Committee, any Plan fiduciary, the Chief Human Resources Officer, any Plan administrator, the Company, its affiliates or their respective officers, directors, employees, or agents (the "Plan Parties"), legal fees of the Plan Parties in connection with such action shall be paid by the Participant, Beneficiary or other person bringing the action, unless the court specifically finds that there was a reasonable basis for the action.

ARTICLE IX. Amendment and Termination.

9.1 Amendment. Exelon Corporation may amend the Plan at any time for any reason. Each amendment to the Plan shall be adopted by Exelon Corporation's Board of Directors (or a committee thereof); provided, however, that in the case of any amendment or modification that would not result in an aggregate annual cost to the Company of more than $50,000,000, the Plan may be amended or modified by action of the Chief Human Resources Officer (with the consent of the Chief Executive Officer in the case of a discretionary amendment or modification expected to result in an increase in annual expense or liability account balance exceeding $250,000) or another executive officer holding title of equivalent or

greater responsibility. If an amendment changes the vesting provisions of the Plan, any person who is a Participant on the later of the date the amendment is adopted or becomes effective shall have at all times a vested interest in his Accrued Benefit as of that date determined without regard to the amendment. In addition, within a reasonable period determined by the Exelon Corporation in accordance with regulations issued by the Secretary of the Treasury, any Participant who has at least three Vesting Years to his credit on the last day of the election period may elect to have his vested interest in his entire Accrued Benefit determined without regard to the amendment. Except as otherwise permitted by law, no amendment shall reduce a Participant's Accrued Benefit nor result in the elimination or reduction of a benefit "protected" under Section 411(d)(6) of the Code.

9.2 Termination. Exelon Corporation may terminate or partially terminate the Plan through resolutions adopted by Exelon Corporation's Board of Directors. If the Plan is terminated or partially terminated, the assets of the Plan shall be allocated, subject to Section 9.3, as provided in Section 4044 of the Employee Retirement Income Security Act of 1974 (as it may be from time to time amended or construed by any appropriate governmental agency or corporation), without subclasses. Any amount remaining after all fixed and contingent liabilities of the Plan have been satisfied shall be returned to Exelon Corporation. Allocations under this Section shall be nonforfeitable. Except as otherwise required by law, the time and manner of distribution of the assets shall be determined by Exelon Corporation by amendment to the Plan pursuant to Section 9.1.

9.3 Limitation on Benefits. The following provisions shall be effective with respect to distributions made on or after May 14, 1990; distributions made prior to May 14, 1990 shall be subject to the restrictions described in Treas. Reg. §1.401-4(c).

(a) In the event of Plan termination, the benefit payable to any Highly Compensated Employee shall be limited to a benefit that is nondiscriminatory under Section 401(a)(4) of the Code. If payment of benefits is restricted in accordance with this Paragraph (a), assets in excess of the amount required to provided such restricted benefits shall become a part of the assets available under Section 9.2 for allocation among Participants and beneficiaries of Participants whose benefits are not restricted under this Paragraph (a).

(b) The restrictions of this Paragraph (b) shall apply prior to termination of the Plan to any Participant who is a Highly Compensated Employee and who is one of the 25 highest paid employees or former employees of the Company and all Affiliates for any Plan Year. The annual payments made from the Plan on behalf of any such Participant shall be limited to an amount equal to (1) the payments that would have been made under a single life annuity that is the Actuarial Equivalent of the sum of the Participant's Accrued Benefit and any other benefits under the Plan (other than a social security supplement) and (2) the payments that the Participant is entitled to receive under a social security supplement.

(c) The restrictions in Paragraph (b) shall not apply:

(1) if, after the payment of benefits to or on behalf of such Participant, the value of the Plan assets equals or exceeds 110 percent of the value of the current liabilities (within the meaning of Section 412(l)(7) of the Code);

(2) if the value of the benefits payable to or on behalf of the Participant is less than one percent (1%) of the value of current liabilities before distribution; or

(3) if the value of the benefits payable to or on behalf of the Participant does not exceed $5,000.

ARTICLE X. Miscellaneous.

10.1 Forfeitures. All forfeitures arising under the Plan shall be used as soon as possible to reduce the Company's contributions and shall not be applied to increase the benefits any person would otherwise receive under the Plan.

10.2 Mergers, Etc. No merger or consolidation with, or transfer of any of the Plan's assets or liabilities to, any other plan shall occur at any time unless each Participant and annuitant would (if the Plan had then terminated) receive a benefit immediately after the merger, consolidation, or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer (if the Plan had then terminated).

10.3 Nonalienation of Benefits. Except (a) to the extent permitted by the Employee Retirement Income Security Act of 1974, (b) pursuant to a qualified domestic relations order, (c) to the extent required to satisfy a Federal tax levy made pursuant to Section 6331 of the Code, or (d) effective as of January 1, 1997, pursuant to Section 401(a)(13) of the Code, to the extent a judgment relates to the Participant's conviction of a crime involving the Plan, or a judgment, order, decree or settlement agreement between the Participant and the Secretary of Labor or the Pension Benefit Guaranty Corporation relates to a violation of part 4 of subtitle B of title I of ERISA, no benefit under this Plan may be voluntarily or involuntarily assigned or alienated. Notwithstanding the above, a Participant may authorize the Administrator to deduct from benefit payments under the Plan up to 10% of each such payment as contributions to a Company political action committee. Any such authorization shall be revocable by the Participant at any time.

10.4 Effect on Employment. This Plan shall not confer upon any person any right to be continued in the employment of the Company.

10.5 Facility of Payment. If the Company deems any person incapable of receiving benefits to which he is entitled by reason of minority, illness, infirmity, or other incapacity, it may direct that payment be made directly for the benefit of such person or to any person selected by the Company to disburse it, whose receipt shall be a complete acquittance therefor. Such payments shall, to the extent thereof, discharge all liability of the Company and the party making the payment.

10.6 Lost Payees. If a Participant, Spouse or other beneficiary to whom a benefit is payable under the Plan cannot be located following a reasonable effort to do so by the Administrator, such benefit shall be forfeited. Whether or not efforts to locate a Participant have previously been made, the Administrator shall make reasonable efforts to locate the Participant (or the Spouse of a deceased Participant) during the one-year period preceding the Participant's Required Beginning Date. If such efforts fail to locate the Participant or Spouse, such Participant or Spouse shall be presumed dead as of the Required Beginning Date and any benefit payable to the Participant or Spouse shall be forfeited. In any case, if a claim for a forfeited benefit is subsequently filed by the Participant, Spouse or beneficiary, such benefit shall be reinstated and paid in accordance with the appropriate provisions of the Plan.

10.7 Effective Date. The provisions of this instrument apply only to individuals who complete an Hour of Service on or after the effective date stated under the title of the Plan on page one. The eligibility and benefits of any other person shall be determined under the Plan as in effect when he last separated from service except as expressly provided with respect to him by amendment adopted thereafter; and except that the provisions of Section 2.10 (relating to rehire of Employees), Section 2.11 (relating to change in employment status or transfer to affiliate), Section 4.6 (relating to maximum annuity), Section 4.12 (relating to benefit restrictions as a result of funding), Article VIII (relating to administration), Article IX (relating to amendment and termination of the Plan), and this Article X (relating to miscellaneous provisions) shall be effective for all such persons.

10.8 Expenses. The expenses of the Trustee in the administration of the Trust, including compensation, if any, to the Trustee for its services, shall be paid by the Company or the Employers. All costs and expenses incurred in the operation of the Trust, to the extent not described in the preceding sentence, and all costs and expenses incurred in the operation of the Plan and the Trust, including, but not limited to, "direct expenses" incurred in administering the Plan and the Trust (including compensation paid to any employee of an Employer or an Affiliate who is engaged in the administration of the Plan or the Trust), the expenses of the Administrator, the Investment Fiduciary and the Corporate Investment Committee, the fees of counsel and any agents for the Trustee, the Administrator, the Investment Fiduciary or the Corporate Investment Committee, and the fees of investment managers that manage assets of the Trust shall be paid by the Trustee from the Trust in such proportion as the Investment Fiduciary, in its sole discretion, shall determine, to the extent such expenses are not paid by the Employers and to the extent permitted under ERISA, Regulations and other applicable laws. Any such expenses that are borne by the Employers shall be paid out of their own funds in such proportions as the Administrator shall determine. In the event that the Company or any other Employer advances money on behalf of the Trust for the payment of any expenses incurred in the operation of the Plan, the Trustee shall reimburse the Company or such other Employer from the Trust for any amount so advanced, without interest or fees.

ARTICLE XI. Top-Heavy Provisions.

11.1 Definitions. Whenever used in this Article:

"Determination Date" means, with respect to any Plan Year, the last day of the preceding Plan Year.

“Key Employee” means any Participant who, at any time during the Plan Year or any of the four preceding Plan Years, is an individual described in Section 416(i) of the Code and the regulations thereunder.

“Permissive Aggregation Group” means a group of qualified retirement plans maintained by the Company or any Affiliate, which group consists of the Required Aggregation group and any other plan or plans which, considered together with the Required Aggregation Group, meet the requirements of Sections 401(a)(4) and 410 of the Code.

“Required Aggregation Group” means the group of qualified retirement plans maintained by the Company or an Affiliate, including a frozen plan or a plan that has been terminated during the five-year period ending on the Determination Date, which group consists of this Plan, each other plan in which a Key Employee is a participant (or, in the case of a terminated plan was a participant in such five-year period) and each other plan that enables any such plan to meet the requirements of Section 401(a)(4) or 410 of the Code, but only if such group includes this Plan. Otherwise, the Required Aggregation Group consists of this Plan only.

“Top-Heavy Plan Year” means a Plan Year that begins after December 31, 1983, in which the Plan is top-heavy. The Plan is top-heavy for a given Plan Year if for that Plan Year (1) the Required Aggregation Group is top-heavy, and (2) the Required Aggregation Group is not part of a Permissive Aggregation Group that is not top-heavy. The Required Aggregation Group or a Permissive Aggregation Group (the “Group”) is top-heavy for a given Plan Year if the present value of the cumulative accrued benefits (or, the aggregate of the accounts, in the case of a defined contribution plan included in such Group) of participants who are Key Employees exceeds 60% of the like amount determined for all participants in all plans included in such Group. For purposes of this definition:

(a) the present value of the accrued benefit or the account of any participant shall be increased by the amount of all plan distributions to such participant during the five year period ending on the Determination Date; provided that no such increase shall arise from any rollover contribution or plan-to-plan transfer from this Plan that is not initiated by the participant or is made to another plan maintained by the Company or an Affiliate;

(b) the present value of the accrued benefit or the account of a participant who has been a Key Employee but no longer is a Key Employee shall not be taken into account;

(c) the present value of the accrued benefit or the account of any Participant who has not performed services for the Company or an Affiliate at any time during the five-year period that ends on the Determination Date shall not be taken into account;

(d) any rollover contribution or plan-to-plan transfer to this Plan that is initiated by a participant and made from a plan that is not maintained by the Company or an Affiliate after December 31, 1983 shall not be taken into account; and

(e) the present value of accrued benefits shall be determined, effective January 1, 1987, under the method used for accrual purposes for all plans maintained by the Company and all Affiliates if a single method is used by all such plans, or, otherwise, the slowest accrual method permitted under Section 411(b)(1)(C) of the Code.

11.2 Top-Heavy Operating Rules. Anything in the Plan to the contrary notwithstanding, the following rules shall apply in a Top-Heavy Plan Year:

(a) For purposes of determining benefits under this Article XI, “compensation” shall mean compensation as reported on Forms W-2 by the Company or any Affiliate for such Plan Year and the maximum amount of compensation of any Participant who is an Employee during such Plan Year shall be $150,000, or such other amount as may apply to such Participant pursuant to Section 401(a)(17) of the Code and regulations issued thereunder.

(b) For purposes of determining the maximum annuity in Section 4.6 for Plan years beginning before January 1, 2000, “1.0” shall be substituted for “1.25”, wherever it appears.

(c) The Accrued Benefit which each Participant who is an Employee but not a Key Employee under this Plan derives from contributions by the Company shall be increased by the amount necessary to cause the Accrued Benefits payable to each Participant in such year, when expressed as a benefit payable annually in the form of a Single Life Annuity, to equal at least the required minimum benefit, where the required minimum benefit is the product of:

(1) the average of the Participant’s compensation for the five consecutive Plan Years that yield the highest average, disregarding Plan Years which begin before January 1, 1984, and Plan Years which are not Top-Heavy Plan Years, and

(2) the lesser of:

(A) 2 percent multiplied by the number of Vesting Years with the Company which were also Top-Heavy Plan Years and which were completed after January 1, 1984; or

(B) 20 percent.

For purposes of determining whether an increase in benefit accrual is required, all plans included in the Required Aggregation Group shall be treated as one plan.

(d) Anything in the Plan to the contrary notwithstanding, in any Top-Heavy Plan Year, a Participant who does not otherwise have a nonforfeitable right to 100% of his Accrued Benefit shall have a nonforfeitable right to a percentage of his Accrued Benefit in accordance with the following schedule:

Vesting Years	Nonforfeitable Percentage
2	20
3	40
4	60
5	100

In any Plan Year following the last Top-Heavy Plan Year, any Employee who is a Participant on the last day of the last Top-Heavy Plan Year shall have at all times a vested interest in his Accrued Benefit as of that date determined under the schedule set forth above. In addition, within a reasonable period determined by the Company, any Participant who has at least three Vesting Years to his credit on that date may elect to have his vested interest in his entire Accrued Benefit determined under the schedule set forth above.

ARTICLE XII.Post Retirement Health Benefits.

12.1 Eligibility

(a) Effective December 1, 1994, post-retirement health befits may be paid under this Article, to the extent the Company elects to fund benefits under this Article, to any Participant, who is receiving or has received pension benefits under this Plan, and if applicable, to the Spouse or dependents of such Participant; provided, however, that the Company may, in its discretion, decide not to provide post-retirement health benefits under this Article for Key Employees (as defined in Section 11.1) and, if applicable, their Spouses and dependents.

(b) In addition to satisfying the requirements of Subsection (a), any person claiming post-retirement health benefits under this Plan must meet all applicable requirements imposed in the post-retirement health plans maintained by the Company. All determinations of benefit levels and eligibility for benefits shall be made pursuant to the terms of such post-retirement health plans.

(c) The establishment of an account under this Article XII to provide payment for post-retirement health benefits shall not obligate the Company to maintain its post-retirement health plans, and the Company shall retain the same ability to amend or terminate such post-retirement health plans as if this Article XII did not exist.

Notwithstanding the foregoing, post-retirement health benefits shall not be available for any Power Team Employee.

12.2 Benefits Provided.

(a) Benefits under this Article shall include all health benefits provided by the post-retirement health plans maintained by the Company, including payment of Medicare Part B premiums to the extent provided by such post-retirement health plans, to the extent such benefits are not otherwise provided by the Company.

(b) Benefits under this Article shall be provided using any method or combination of methods as the Company shall deem appropriate, including, but not limited to, purchase of insurance and the payment of premiums for such insurance, direct reimbursement of costs incurred by the provider of such benefits or reimbursement to the individual to whom such benefits were provided.

(c) Benefits and coverage under this Article shall not be discriminatory in favor of officers, shareholders, supervisory employees or highly compensated employees.

12.3 Establishment of Accounts.

(a) A separate account shall be maintained with respect to the contributions to fund benefits under this Article. This account is to be maintained for accounting purposes only. Funds accounted for in such account may be invested on a commingled basis with pension benefit contributions under this Plan without identification of which investments are allocable to each account, provided that earnings on all Plan assets are allocated in a reasonable manner.

(b) If the Company elects to fund post-retirement health benefits for Key Employees under this Article, as separate account shall be maintained for post-retirement health benefits payable to each Key Employee, his Spouse and dependents. Benefits under this Article shall be payable to such Key Employee, Spouse and dependents only from such account. The separate account maintained under this Subsection (b) shall be a true separate account, and not maintained merely for accounting purposes. Commingling of assets held in such account with any other Plan assets is not permitted. For purposes of Section 415 of the Code contributions allocated to any separate account under this Subsection (b) shall be treated as an annual addition to a defined contribution plan.

12.4 Funding.

(a) Contributions to provide benefits under this Article may be contributory or non-contributory, in accordance with the terms of the post-retirement health plans maintained by the Company.

(b) Amounts contributed to fund post-retirement health benefits shall be reasonable and ascertainable. The total amount contributed to fund post-retirement health benefits under this Article shall not exceed the cost of providing such benefits. The total cost of providing such benefits shall be determined in accordance with a generally accepted actuarial method selected by the Company which is reasonable in view of the provisions and coverage of the Plan, the funding medium and other relevant considerations, including, but not limited to, applicable Treasury regulations. For purposes of determining the cost of providing post-retirement health benefits, the actuarial method may take into account reasonable projected increases in the cost of providing health benefits. Forfeitures, if any, under this Article shall be applied as soon as possible to reduce employer contributions to fund benefits under this Article.

(c) Post-retirement health benefits provided under this Article, when added to life insurance protection provided under the Plan, shall be incidental and

subordinate to pension benefits provided under the Plan. For purposes of this Article, post-retirement health benefits shall be considered incidental and subordinate if the aggregate of the contributions for post-retirement health benefits provided under this Article plus the contributions for life insurance protection under this Plan does not exceed 25 percent of the total contributions to the Plan (other than for past service credit) made on or after December 1, 1994.

(d) Until the satisfaction of all liabilities to be provided under this Article, neither amounts contributed to fund post-retirement health benefits under this Article nor earnings thereon shall be used for or diverted to any purpose other than providing such benefits or payment of necessary or appropriate expenses attributable to the administration of post-retirement health accounts under this Article. Any amounts contributed to fund medical benefits under this Article remaining in a post-retirement health account after the satisfaction of all liabilities arising under this Article must be returned to the Company.

(e) Nothing in this Article shall obligate the Company to pay benefits described in Section 12.2 to the extent those benefits exceed assets contributed to the Fund to provide post-retirement health benefits under this Article. Furthermore, nothing in this Article shall imply that amounts contributed to the Fund to provide pension or other benefits (other than post-retirement health benefits) available under the Plan will be used to provide post-retirement health benefits under this Article. The Company may, in its discretion, fund all or any part of the benefits described in Section 12.2 from other sources or may pay such benefits out of its general assets as the benefits become payable.

(f) If in any proceeding subsequent to December 1, 1994, under Section 1308 of the Pennsylvania Public Utility Code, the Company is not permitted to fully recover in rates the contributions made to the separate account maintained to fund benefits under this Article, the Company, at its discretion, may elect to defer or discontinue funding the benefits under this Article.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized officer on this ______ day of December, 2010.

EXELON CORPORATION

By ____
Chief Human Resources Officer

ATTEST:

____

Title ____

SERVICE ANNUITY PLAN

APPENDIX A

Actuarial equivalence under this Plan shall mean a benefit of equivalent value when computed using a 7% interest rate and the mortality tables attached to the Plan as Exhibit A (for pensioners) and B (for beneficiaries, if applicable), with such exceptions as specifically set forth in the Plan.

For distributions on or after January 1, 2008, the lump sum Actuarial Equivalent of a Participant's Accrued Benefit for purposes of Section 5.6 shall be determined by using (i) the interest rate as defined in Section 417(e)(3)(C) of the Code for the second month preceding the calendar year in which such distribution is made or commences and (ii) the mortality table specified by the Commissioner of the Internal Revenue Service for purposes of Section 417(e)(3) of the Code as in effect on the first day of the Plan Year in which the Benefit Commencement Date occurs.

For distributions on or after January 1, 2000 and on or before December 31, 2007, the lump sum Actuarial Equivalent of a Participant's Accrued Benefit for purposes of Section 5.6 shall be determined using the annual rate of interest on 30-year Treasury securities as specified by the Commissioner of the Internal Revenue Service pursuant to Section 417(e)(3)(A) of the Code and regulations issued thereunder for the second full calendar month preceding the first day of the Plan Year containing the date of distribution, and the mortality table shall be the mortality table prescribed by the Commissioner of Internal Revenue Service pursuant to Section 417(e)(3)(A) of the Code on the date as of which the single sum payment is being determined, if the use of such assumptions would result in a greater benefit.

For the period beginning on or after January 1, 2000, and ending on or before December 31, 2001, and ending on the date of adoption of this amendment and restatement, the lump sum Actuarial Equivalent of a Participant's Accrued Benefit for purposes of Section 5.6 shall be determined on the basis of the assumptions which would be used as of the first day of the Plan Year containing the date of distribution by the Pension Benefit Guaranty Corporation for purposes of determining the present value of a lump sum distribution upon plan termination, if the use of such assumptions would result in a greater benefit.

APPENDIX B

MINIMUM DISTRIBUTION INCIDENTAL BENEFIT TABLE

Excess if Age of Participant over Age of Beneficiary	Applicable Percentage
10 years or less	100%
11	96%
12	93%
13	90%
14	87%
15	84%
16	82%
17	79%
18	77%
19	75%
20	73%
21	72%
22	70%
23	68%
24	67%
25	66%
26	64%
27	63%
28	62%
29	61%
30	60%
31	59%
32	59%
33	58%
34	57%
35	56%
36	56%
37	55%
38	55%
39	54%
40	54%
41	53%
42	53%
43	53%
44 and greater	52%

SCHEDULE A – RETIREMENT FACTORS

ENHANCED AGE AT BENEFIT COMMENCEMENT DATE	ENHANCED RETIREMENT FACTORS
50	80%
51	84%
52	88%
53	92%
54	96%
55	100%
56	100%
57	100%
58	100%
59	100%
60	100%
61	100%
62	100%
62	100%
63	100%
64	100%
65	100%

The foregoing factors will be interpolated based on the Eligible Participant's Age rounded to the nearest month.

SCHEDULE B–ENHANCED DEFERRED VESTED PENSION FACTORS

ENHANCED AGE AT TERMINATION	ACTUAL AGE VESTED BENEFITS BEGIN										
	50	51	52	53	54	55	56	57	58	59	>=60
>=49	70.0%	73.0%	76.0%	79.0%	82.0%	85.0%	88.0%	91.0%	94.0%	97.0%	100.0%
48	69.0%	72.1%	75.2%	78.3%	81.4%	84.5%	87.6%	90.7%	93.8%	96.9%	100.0%
47	68.0%	71.2%	74.4%	77.6%	80.8%	84.0%	87.2%	90.4%	93.6%	96.8%	100.0%
46	67.0%	70.3%	73.6%	76.9%	80.2%	83.5%	86.8%	90.1%	93.4%	96.7%	100.0%
45	66.0%	69.4%	72.8%	76.2%	79.6%	83.0%	86.4%	89.8%	93.2%	96.6%	100.0%
>45	Reverts to Standard Deferred Vested Pension Plan factors under the regular terms of the Service Annuity Plan.										

The foregoing factors will be interpolated on the Eligible Participant’s Age rounded to the nearest months.

Exhibit 10.3

Exelon Corporation
Unfunded Deferred Compensation Plan for Directors
(Amended and Restated Effective January 1, 2011)

The purpose of this Unfunded Deferred Compensation Plan for Directors (the “Plan”) is to permit Directors of Exelon Corporation (“Exelon”) to elect to defer receipt of directors’ fees. The Plan as set forth herein is an amendment and restatement of the Plan as originally adopted effective October 20, 2000 and previously amended and restated as of January 1, 2009, and is a successor to the PECO Energy Company Unfunded Deferred Compensation Plan for Directors (the “Prior Plan”).

1. Administration. The Plan shall be administered by the Corporate Secretary of Exelon or his or her designee (the “Secretary”), or such other individual or individuals as designated by the Board of Directors of Exelon (the “Exelon Board”). The Secretary shall interpret the Plan and establish such rules and regulations of plan administration that he or she deems appropriate. The cost of plan administration shall be paid by Exelon and its participating subsidiaries, and shall not be charged against the deferred accounts of Plan participants.

2. Eligibility. All Directors of Exelon (other than full-time employees of Exelon or its subsidiaries) shall be eligible to participate in the Plan. Effective as of January 1, 2011, all Directors of Commonwealth Edison Company (“ComEd”) and PECO Energy Company (“PECO”) who are not full-time employees of Exelon or its subsidiaries shall also be eligible to participate in the Plan.

3. Deferrals. (a) Prior to the first day of each calendar year, each eligible Director may elect in writing to defer the receipt of all or a portion of his or her directors’ fees earned with respect to his or her service on the board of directors of Exelon, ComEd and/or

PECO (each such board of directors, a "Board") for such calendar year, by filing a written Director's deferral agreement form with the Secretary with respect to each such Board on which the Director serves. A Director who first becomes eligible to participate in the Plan after the first day of any calendar year shall be permitted to make the election described in this Section 3 not later than 30 days after becoming eligible to participate in the Plan, and such election shall apply only to directors' fees earned during the remainder of such calendar year. In all events, each deferral election made under this Plan shall apply only to fees earned after the date of such election. Deferred amounts under the Plan, together with deferred amounts and attributable earnings under the Prior Plan, shall be credited to a deferral account in the participant's name ("Deferral Account") for later distribution. Each participant's Deferral Account shall be a bookkeeping entry only, and none of Exelon, ComEd or PECO shall be required to fund the Deferral Account. Any assets that may be held to fund a Deferral Account shall at all times remain unrestricted assets of Exelon, ComEd or PECO in its corporate capacity and not as a fiduciary, and shall be subject to the claims of its general creditors. Pending distribution, each participant's Deferral Account shall be credited with earnings or interest as provided in Section 3(b).

(b) (1) For purposes of measuring the earnings or losses credited to a participant's Deferral Account, the participant may select, from among the investment funds available from time to time under the Exelon Corporation Employee Savings Plan (the "Savings Plan"), the investment funds in which all or part of his or her Deferral Account shall be deemed to be invested.

(2) The participant shall make an investment designation in the form and manner prescribed by the Secretary, which shall remain effective until another valid

designation has been made by the participant as herein provided. The Secretary may, but need not, permit separate investment designations with respect to amounts attributable to fees earned with respect to service on each Board. The participant may amend his or her investment designation at such times and in such manner as prescribed by the Secretary. A timely change to the participant's investment designation shall become effective as soon as administratively practicable after such designation is submitted.

(3) The investment funds deemed to be made available to the participant, and any limitation on the maximum or minimum percentages of the participant's Deferral Account that may be deemed to be invested in any particular fund, shall be the same as available or in effect from time to time under the Savings Plan.

(4) Except as provided below, the participant's Deferral Account shall be deemed to be invested in accordance with his or her investment designations, and the Deferral Account shall be credited with earnings (or losses) as if invested as directed by the participant.

To the extent that the participant does not furnish complete investment instructions, then the Deferral Account shall be deemed invested in the default investment fund then in effect under the Savings Plan. The Deferral Accounts maintained pursuant to the Plan are for bookkeeping purposes only and Exelon is under no obligation to invest such amounts.

Exelon shall provide a statement to each participant not less frequently than annually showing such information as is appropriate, including the aggregate amount in his or her Deferral Account, as of a reasonably current date.

4. Distributions. (a) The amount credited to a participant's Deferral Account with respect to his or her participation on each Board shall be distributed to the participant in, or

beginning in, April of the first year beginning after the occurrence of one of the following distribution events, as the participant shall direct in his or her Benefit Distribution Election Form: (i) the participant's separation from service, within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), as a Director of Exelon, ComEd, PECO and their affiliates, (ii) the participant's 65th birthday or (iii) the participant's 72nd birthday. Distributions shall be paid in a lump sum payment or in annual installments over a period of up to 10 years, as the participant shall direct in his or her Benefit Distribution Election Form. Each installment payment shall be determined by multiplying the balance remaining to the credit of the Deferral Account as of March 31 of such year (including earnings or interest credited under Section 3) by a fraction, the numerator of which is "1" and the denominator of which is the number of years (including the current year) for which payments are yet to be made. Any unpaid balance in the Deferral Account shall be credited with earnings or interest as provided in Section 3. In the event a Director who has elected a distribution event based on his or her 65th or 72nd birthday continues to serve as a Director after the date such distributions commence, then in the year prior to the year in which such distributions commence such Director shall file a new Benefit Distribution Election Form governing any amounts credited to his or her Deferral Account after the date such distributions commence. If the Director does not file such new Benefit Distribution Election Form, then the Director shall be deemed to have elected to receive a lump sum distribution of any such amounts upon the Director's separation from service.

(b) Except as permitted under Section 4(c) or 4(d), each Director must submit a Benefit Distribution Election Form for amounts attributable to fees earned with respect to service on a Board at the time such Director makes his or her initial deferral election under the Plan with respect to his or her service on such Board (provided that a Director who participated in the Plan

prior to January 1, 2009 and had not commenced distributions must have submitted such form not later than December 31, 2008). If a Director does not submit a Benefit Distribution Election Form during this period, then such Director shall be deemed to have elected to receive the portion of his or her Account attributable to fees earned for service on such Board in the form of installments payments over a period of ten years upon the Director's separation from service.

(c) Notwithstanding Sections 4(a) and 4(b), each participant who had not commenced and was not scheduled to commence the receipt of distributions under the Plan on or before December 31, 2007 was permitted to submit a Benefit Distribution Election Form on or before June 30, 2007 which provided for the payment of such participant's Deferral Account (i) at any of the times and in any of the forms permitted under Section 4(a) of the Plan or (ii) in a lump sum payment in the first quarter of 2008; provided that such election did not cause any payment to be made in 2007 and did not apply to any payment that otherwise would be paid in 2007. This special election right was intended to comply with the transition rule set forth in IRS Notice 2005-1, Q&A-19(c), and extended in the preamble to regulations proposed under Section 409A of the Code and IRS Notice 2006-79, which permits participants in deferred compensation plans to change the date on which deferred compensation is payable.

(d) A Director may elect to change the time and/or method of his or her distributions payable under the Plan in accordance with procedures prescribed by the Secretary; provided that, in accordance with Section 409A of the Code, any such change in a distribution election (i) shall not be effective until 12 months after it is submitted to the Secretary, (ii) must be submitted to the Secretary at least 12 months prior to the date on which such distributions were previously scheduled to commence and (iii) must provide for distributions to commence at least five years after the date on which such distributions were previously scheduled to commence. No more than

one such election change shall be permissible with respect to the portion of a Director's account attributable to service with any Board.

5. Death Benefits. Each participant shall designate a beneficiary or beneficiaries to receive any remaining amounts payable from his or her Deferral Account after the participant's death. The beneficiaries, and any priority or allocation between them, shall be designated in the manner specified by the Secretary. If a participant dies before the entire balance in his or her Deferral Account has been paid out, the remaining balance shall be paid to the beneficiary in a lump sum upon the participant's death. If the participant is not survived by a designated beneficiary, the participant's beneficiary shall be the participant's spouse, if living, or otherwise, the participant's estate. If a beneficiary survives the participant but dies before the entire balance payable to him or her has been distributed, any remaining balance shall be paid to the beneficiary's estate in a lump sum. In the absence of contrary proof, the participant shall be deemed to have survived any designated beneficiary. A participant may change his or her beneficiary designation under this Section at any time until his or her death by filing a written beneficiary designation with the Secretary, in the manner specified by the Secretary.

6. Unforeseeable Financial Emergency. The Secretary may, in his or her discretion, direct that a participant be paid an amount in cash (not in excess of the balance of his or her Deferral Account) sufficient to meet an unforeseeable emergency. An "unforeseeable emergency" means (i) a severe financial hardship to a Director resulting from an illness or accident of the Director, or the spouse or a dependent (as defined in Section 152(a) of the Code) of the Director, (ii) the loss of a Director's property due to casualty or (iii) such other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Director, within the meaning of Section 409A of the Code. A Director's written request for such a payment shall

describe the circumstances which the Director believes justify the payment and an estimate of the amount necessary to eliminate the unforeseeable emergency. An immediate payment to satisfy an unforeseeable emergency will be made only to the extent necessary to satisfy the emergency need, plus an amount necessary to pay any taxes reasonably anticipated as a result of such payment, and will not be made to the extent the need is or may be relieved through reimbursement or compensation, by insurance or otherwise or by liquidation of the Director's assets (to the extent such liquidation itself would not cause severe financial hardship). Any payment from a Director's Deferral Account on account of an unforeseeable emergency shall be deemed to cancel any Deferral Election of the Director then in effect and the Director shall not be permitted to participate in the Plan until the next following calendar year.

7. No Assignment or Alienation of Benefits. Except as hereinafter provided with respect to a domestic relations order, a participant's Deferral Account may not be voluntarily or involuntarily assigned or alienated. In cases of marital dispute, Exelon will observe the terms of the Plan unless and until ordered to do otherwise pursuant to a domestic relations order, as defined in Section 414(p)(1)(B) of the Code. As a condition of participation, a participant agrees to hold Exelon harmless from any claim that arises out of Exelon's obeying the terms of a domestic relations order, whether such order effects a judgment of such court or is issued to enforce a judgment or order of another court.

8. Amendment or Termination. The Plan may be altered, amended, suspended, or terminated at any time by the Exelon Board, provided that, except as otherwise provided herein or as permitted under Section 409A of the Code, no such action shall result in the distribution of amounts credited to the Deferral Accounts of any participant in any manner other than is provided in the Plan, nor shall such action reduce the availability of amounts previously deferred. To the

extent permitted by Section 409A, the Exelon Board may, in its discretion, terminate the Plan with respect to Exelon, ComEd and/or PECO and accelerate the payment of all Deferral Accounts to the extent related to service on the Board for which the Plan is terminated:

(a) within 12 months of a corporate dissolution taxed under Section 331 of the Code, or with the approval of a bankruptcy court pursuant to 11 U.S.C. §503(b)(1)(A), provided that the payments with respect to each such Deferral Account are included in the Director's gross income in the later of (i) the calendar year in which the Plan termination occurs or (ii) the first calendar year in which the payments are administratively practicable;

(b) in connection with a "change in control event," as defined in, and to the extent permitted under, Treasury regulations promulgated under Section 409A of the Code or

(c) upon any other termination event permitted under Section 409A of the Code.

9. Compliance With Section 409A of the Code. The Plan is intended to comply with the provisions of Section 409A of the Code, and shall be interpreted and construed accordingly. Exelon shall have the discretion and authority to amend the Plan at any time to satisfy any requirements of Section 409A of the Code or guidance provided by the U.S. Treasury Department to the extent applicable to the Plan.

10. Governing Law. The Plan shall be governed by the law of the Commonwealth of Pennsylvania to the extent not preempted by applicable federal law.

EXELON CORPORATION

____

Executive Vice President &
Chief Human Resources Officer

Exhibit 10.6

EXELON CORPORATION

EMPLOYEE SAVINGS PLAN

Amended and Restated Effective as of January 1, 2010

EXELON CORPORATION EMPLOYEE SAVINGS PLAN

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ARTICLE 1

TITLE, PURPOSE AND EFFECTIVE DATES

The title of this Plan shall be the "Exelon Corporation Employee Savings Plan." This Plan is an amendment and restatement of the Commonwealth Edison Employee Savings and Investment Plan as in effect on December 31, 2010, and shall be effective January 1, 2010 in respect of Participants whose employment terminates on or after such date, provided, however, that any provision that specifies a different effective date shall be effective as of such date; and provided, further that, the provisions of Article 9 (relating to participants' stockholders rights), Article 10 (relating to special participation and distribution rules relating to reemployment of terminated employees and employment by related entities), Article 11 (relating to administration), Article 14 (relating to miscellaneous provisions) and Article 16 (relating to amendment and termination of the Plan) shall be effective for all such persons.

This Plan is designated as a "profit sharing plan" within the meaning of section 1.401-1(a)(2)(ii) of the Regulations; and is also designated as an ERISA section 404(c) Plan within the meaning of section 2550.404c-1 of the Regulations. In addition, the portion of the Plan invested in the Employer Stock Fund described in Section 6.2 is designated as an "employee stock ownership plan" within the meaning of section 4975(e)(7) of the Code and, as such, is designed to invest primarily in "qualifying employer securities" as defined in section 4975(e)(8) of the Code.

ARTICLE 2

DEFINITIONS

As used herein, the following words and phrases shall have the following respective meanings when capitalized:

(1) Administrator. The Company's Director, Employee Benefit Plans & Programs, or such other person or committee appointed pursuant to Section 11.1 (relating to the Administrator, the Investment Fiduciary and the Corporate Investment Committee).

(2) Affiliate. (a) A corporation that is a member of the same controlled group of corporations (within the meaning of section 414(b) of the Code) as an Employer, (b) a trade or business (whether or not incorporated) under common control (within the meaning of section 414(c) of the Code) with an Employer, (c) any organization (whether or not incorporated) that is a member of an affiliated service group (within the meaning of section 414(m) of the Code) that includes an Employer, a corporation described in clause (a) of this subdivision or a trade or business described in clause (b) of this subdivision or (d) any other entity that is required to be aggregated with an Employer pursuant to Regulations promulgated under section 414(o) of the Code.

(3) After-Tax Contributions. Contributions made by a Participant pursuant to Section 5.1.

(4) After-Tax Contributions Account. The account established pursuant to Section 7.1 to which shall be credited (i) a Participant's After-Tax Contributions, (ii) any after-tax contributions transferred to the Plan from the PECO Energy Company Employee Savings Plan (including any after-tax contributions transferred to such plan from the Philadelphia Electric Company Tax Reduction Act Stock Ownership Plan) on behalf of such Participant and (iii) earnings (or losses) thereon.

(5) Before-Tax Contributions. Contributions made on behalf of a Participant pursuant to Section 4.1. The term "Before-Tax Contributions" includes Designated Roth Contributions, if any, including Catch-Up Contributions.

(6) Before-Tax Contributions Account. The account established pursuant to Section 7.1 to which shall be credited (i) a Participant's Before-Tax Contributions other than Catch-Up Contributions, (ii) any before-tax contributions transferred to the Plan from the PECO Energy Company Employee Savings Plan on behalf of such Participant and (iii) earnings (or losses) thereon.

(7) Beneficiary. The person or persons entitled under Section 8.5 to receive benefits in the event of the death of a Participant. For any period in which the Plan is not an "ERISA section 404(c) Plan" as defined in the Regulations under section 404(c) of ERISA, each Beneficiary shall be a "named fiduciary" within the meaning of section 402(a)(1) of ERISA for the sole purpose of directing the Trustee with respect to the exercise of shareholder rights pursuant to Article 9 (relating to Participants' stockholder rights).

(8) Catch-Up Contributions. Before-Tax Contributions made pursuant to paragraph (d) of Section 4.1 (relating to Catch-Up Contributions) by a Participant who has attained age 50 before the close of the relevant Plan Year.

(9) Catch-Up Contributions Account. The account established pursuant to Section 7.1 for each Participant who has attained age 50 to which shall be credited a Participant's Catch-Up Contributions.

(10) Code. The Internal Revenue Code of 1986, as amended.

(11) Common Stock. The common stock, without par value, of Exelon Corporation.

(12) Company. Exelon Corporation, a Pennsylvania corporation, or any successor to such corporation that adopts the Plan pursuant to Article 13 (relating to continuance by a successor).

(13) Compensation. The normal base pay under the applicable Exelon East or West payroll of an Employee from an Employer for personal services rendered, including (i) nuclear license premiums for management employees, (ii) meter readers' bonuses, (iii) payments attributable to worker's compensation received from an Employer, (iv) taxable payments received by an employee under the Exelon Corporation Disability Benefit Plan, (v) solely for employees who are employed by Exelon Boston Services LLC who are represented by Local 369 of the Utility Workers Union of America, AFL-CIO, overtime pay, (vi) solely for employees who are represented by IBEW Local Union 15 and covered under the collective bargaining agreement between Commonwealth Edison Company and IBEW Local Union 15, overtime pay, but only amounts paid with respect to hours worked in excess of an Employee's normally scheduled hours, (vii) effective January 1, 2009, differential wage payments (as defined in section 3401(h) of the Code), and excluding (i) salary continuation or lump sum payments under a severance benefit plan, or other severance arrangement, of an Employer, (ii) bonuses or incentive awards (other than meter readers' bonuses), (iii) overtime pay for management employees, (iv) shift premiums, (v) fringe benefits, (vi) other extraordinary payments and (vii) payments made in a form other than cash, but without reduction on account of the Employee's election to have his or her pay reduced pursuant to a qualified cash or deferred arrangement described in section 401(k) of the Code (including any such election to make a Designated Roth Contribution), a qualified transportation fringe benefit program described in section 132(f) of the Code or a cafeteria plan described in section 125 of the Code. For purposes of the preceding sentence, the normal base pay of an Employee who works and is compensated based on a shift schedule other than a basic work week consisting of five regularly scheduled eight-hour work days shall be computed by multiplying the number of regularly scheduled basic work hours for which such Employee is paid by his or her basic hourly rate, determined without regard to any premium payments made at an overtime rate for such work. An Employee's "compensation" (within the meaning of section 415 of the Code) for any Plan Year in excess of the applicable dollar limitation contained in Section 401(a)(17) of the Code (as adjusted for changes in the cost of living pursuant to section 401(a)(17) of the Code), shall be not be taken into account for any purpose under the Plan. Notwithstanding the preceding, effective January 1, 2003, normal base pay shall also include lump sum merit increases to base pay. Notwithstanding the foregoing, an amount classified as Compensation under the preceding paragraphs shall not be Compensation for purposes of the Plan if such amount is paid to an Employee after the Employee's severance from employment unless (i) such amount is regular compensation for services during the Employee's regular working hours or compensation for services outside the Employee's regular working hours and (ii) such amount is paid on or before the later of (A) 2 1/2 months after the Employee's severance from employment and (B) the last day of the Plan Year during which the Employee's severance from employment occurs. Finally, in no event shall Compensation for purposes of this Plan include any amount that is not "compensation" within the meaning of section 415(c)(3) of the Code and section 1.415(c)-2 of the Regulations.

(14) Corporate Investment Committee. The Committee consisting of the executives or other persons designated from time to time in the charter of such Committee.

(15) Designated Roth Contributions. Before-Tax Contributions designated as Roth contributions pursuant to Section 4.2(e) (relating to Untaxed Contributions and Designated Roth Contributions) by a Participant.

(16) Designated Roth Contributions Account. The account established pursuant to Section 7.1 for each Participant to which shall be credited all Designated Roth Contributions made on behalf of such Participant pursuant to Section 4.2(c) for Plan Years beginning on or after January 1, 2006 and earnings (or losses) thereon for each Participant who is not represented by IBEW Local Union 15 and covered under the collective bargaining agreement between Commonwealth Edison Company and IBEW Local Union 15 ("Local 15 Member") and (b) for Plan Years beginning on or after January 1, 2009 and earning (or losses) thereon for each Participant who is a Local 15 Member.

(17) Disability. A physical or mental condition which, in the judgment of the Administrator, based upon medical reports and other evidence satisfactory to the Administrator, permanently prevents a Participant from satisfactorily performing his or her usual duties or the duties of such other position available to him and for which he is qualified by reason of his or her training, education or experience.

(18) Effective Date. January 1, 2010.

(19) Eligible Employee. An Employee other than (i) an Employee the terms of whose employment are subject to a collective bargaining agreement that does not provide for participation in this Plan, (ii) an Employee on an unpaid leave of absence (except as required by applicable law respecting Military Service), (iii) an Employee paid on the temporary payroll of an Employer who has never completed 1,000 Hours of Service in any period of twelve consecutive months beginning with the Employee's date of employment or any anniversary thereof and (iv) an individual rendering services to an Employer who is not on the payroll of any Employer. It is expressly intended that an individual rendering services to an Employer pursuant to any of the following agreements shall be excluded from Plan participation pursuant to clause (iv) of this subdivision even if a court or administrative agency determines that such individual is an Employee: (a) an agreement providing that such services are to be rendered as an independent contractor, (b) an agreement with an entity, including a leasing organization within the meaning of section 414(n)(2) of the Code, that is not an Employer or (c) an agreement that contains a waiver of participation in the Plan.

(20) Employee. An individual whose relationship with an Employer is, under common law, that of an employee.

(21) Employer. The Company, any Affiliate thereof that was an Employer under the Plan or a participating employer under the PECO Energy Company Employee Savings Plan immediately prior to the Effective Date (including IBEW Local Union 15, but only with respect to Employees the terms of whose employment are subject to a collective bargaining agreement that provides for participation in the Plan), and any other Affiliate that, with the consent of the Company elects to participate in the Plan in the manner described in Article 12 and any successor Affiliate that adopts the Plan pursuant to Article 13. If any entity described in the preceding sentence withdraws from participation in the Plan pursuant to Section 12.2, such entity shall thereupon cease to be an Employer.

(22) Employer Matching Contributions. Contributions made by an Employer pursuant to Section 4.3.

(23) Employer Matching Contributions Account. The account established pursuant to Section 7.1 to which shall be credited (i) any Employer Matching Contributions made on behalf of a Participant, (ii) any employer matching contributions transferred to the Plan from the PECO Energy Company Employee Savings Plan (including any employer matching contributions transferred to such plan from the Philadelphia Electric Company Tax Reduction Act Stock Ownership Plan) on behalf of such Participant and (iii) earnings (or losses) thereon.

(24) ERISA. The Employee Retirement Income Security Act of 1974, as amended.

(25) Hour of Service. Each hour for which an Employee is directly or indirectly compensated by, or entitled to receive compensation from, an Employer. For purposes of this subdivision, compensation shall mean the total earnings paid, directly or indirectly, to the Employee by an Employer, including any back pay, irrespective of mitigation of damages, either awarded to the Employee or agreed to by an Employer. The computation of Hours of Service and the periods to which Hours of Service are credited shall be determined under uniform rules adopted by the Administrator in accordance with Department of Labor regulations §2530.200b-2(b), (c) and (f).

(26) Investment Fiduciary. The Company acting through the Exelon Investment Office.

(27) Military Service. The performance of duty on a voluntary or involuntary basis in a “uniformed service” (as defined below) under competent authority of the United States government and includes active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty, and a period for which a person is absent from employment for the purpose of an examination to determine the fitness of the person to perform any such duty. For purposes of the preceding sentence, the term “uniformed service” means the Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty, the commissioned corps of the Public Health service, and any other category of persons designated by the President of the United States in time of war or emergency.

(28) Participant. An Eligible Employee who satisfies the conditions set forth in Section 3.1 (relating to eligibility for Participation). An individual shall cease to be a Participant upon the complete distribution, or transfer of his or her account under the Plan. For any period in which the Plan is not an “ERISA section 404(c) Plan” as defined in Regulations under section 404(c) of ERISA, each Participant shall be a “named fiduciary” within the meaning of section 402(a)(1) of ERISA for the sole purpose of directing the Trustee with respect to the exercise of shareholder rights pursuant to Article 9 (relating to Participants’ stockholder rights).

(29) Plan. The plan herein set forth, and as from time to time amended.

(30) Plan Year. The twelve-month period beginning on each January 1.

(31) Qualified Reservist. The term “Qualified Reservist” shall mean an individual who is (i) a member of a reserve component (as defined in chapter 1 of title 37, United States Code)

and (ii) ordered or called to active duty for a period in excess of 179 days or for an indefinite period, after September 11, 2001.

(32) Regulations. Written final or temporary promulgations of the Department of Labor construing Title I of ERISA or the Internal Revenue Service construing the Code.

(33) Rollover Account. The account established pursuant to Section 7.1 to which shall be credited (i) any rollover contribution made by or on behalf of an Eligible Employee or a Participant, (ii) any rollover contribution transferred to the Plan from the PECO Energy Company Employee Savings Plan on behalf of such Participant and (iii) earnings (or losses) thereon.

(34) Spouse. The individual who is a husband or wife of a Participant as the result of a legal union between one man and one woman, within the meaning of the Defense of Marriage Act.

(35) Termination Date. (a) The date an Employee quits, retires, is discharged from employment by an Employer or dies, (b) the date the Employee's employer ceases to be an Employer on account of its sale to a party or parties that do not qualify as an Affiliate of any Employer, (c) the first anniversary of the Employee's first date of absence from employment by an Employer for any other reason, except as provided in clause (d) or (e) below, (d) in the case of an Employee who is absent from employment for maternity or paternity reasons, the second anniversary of the first date of such absence or (e) the last date following a period of Military Service as of which the Employee has reemployment rights under applicable law. For purposes of this subdivision, an absence from employment for maternity or paternity reasons means an absence (1) by reason of the pregnancy of the Employee, (2) by reason of the birth of a child of the Employee, (3) by reason of the placement of a child with the Employee in connection with the adoption of such child by such Employee or (4) for purposes of caring for such child for a period beginning immediately following such birth or placement. Notwithstanding the foregoing sentences, an Employee's absence from employment for maternity or paternity reasons or for Military Service shall not be considered in determining the Employee's Termination Date unless the Employee, upon the Administrator's request, provides certification that the leave was taken for one of the reasons enumerated in the preceding sentence.

(36) Trust. The trust created by agreement between the Company and the Trustee, as from time to time amended.

(37) Trust Fund. All money and property of every kind of the Trust held by the Trustee pursuant to the terms of the Trust agreement.

(38) Trustee. The trustee that executes the Trust instrument provided for in Article 6, or any successor trustee or, if there is more than one trustee acting at any time, all of such trustees collectively.

(39) Untaxed Contributions. Before-Tax Contributions not designated as Designated Roth Contributions pursuant to Section 4.2(e) (relating to Untaxed Contributions and Designated Roth Contributions) by a Participant.

(40) Untaxed Contributions Account. The account established pursuant to Section 7.1 for each Participant to which shall be credited (a) all Before-Tax Contributions that are made on behalf of the Participant pursuant to Section 4.2 for Plan Years beginning prior to January 1, 2006

with respect to a Participant who is not a Local 15 Member and for Plan Years beginning before January 1, 2009 with respect to a Participant who is a Local 15 Member, (b) any before-tax contributions transferred to the Plan from the PECO Energy Company Employee Savings Plan on behalf of such Participant, (c) all Before-Tax Contributions that are Untaxed Contributions made pursuant to Section 4.2 for Plan Years beginning on or after January 1, 2006 with respect to a Participant who is not a Local 15 Member and for Plan Years beginning before January 1, 2009 with respect to a Participant who is a Local 15 Member, and (d) earnings (or losses) thereon.

(41) Valuation Date. Each business day, as determined by the Trustee, or such other days as the Administrator may designate.

(42) VRU. The telephonic voice response unit designated by the Administrator, which may be used to make certain elections under the Plan. The VRU shall require each Participant, or Beneficiary, as the case may be, to provide such identification data as may, from time to time, be required by the VRU. The Administrator shall cause to be kept such records of VRU activity as it shall deem necessary or appropriate, and such records shall constitute valid authorization of the elections made by each Participant and Beneficiary for all purposes of the Plan and applicable Regulations. No written authorization shall be required from a Participant or Beneficiary after an election has been made by calling the VRU.

ARTICLE 3

PARTICIPATION

Section 3.1. Eligibility for Participation.

Each Eligible Employee who immediately before the Effective Date was a Participant in the Plan shall continue to be a Participant as of the Effective Date. Each other Eligible Employee who is a member of a bargaining unit represented by IBEW Local Union 15 shall be eligible to become a Participant on the first day of the payroll period coinciding with or next following the date he or she has completed three months of employment with an Employer (regardless of the number of Hours of Service actually performed). Each other Eligible Employee shall be eligible to become a Participant on the first day of the payroll period coinciding with or next following the date of his or her employment.

Section 3.2. Applications for Before-Tax Contributions and After-Tax Contributions.

(a) Regular Payroll Before-Tax and After-Tax Contributions. Each Eligible Employee who desires to commence Before-Tax Contributions or After-Tax Contributions shall make a request in the manner prescribed by the Administrator specifying the Employee's chosen rate of Before-Tax Contributions for each payroll period or his or her chosen rate of After-Tax Contributions for each payroll period, or both. Such request shall authorize the Employee's Employer to reduce the Eligible Employee's Compensation by the amount of any such Before-Tax Contributions, to make regular payroll deductions of any such After-Tax Contributions or both, as the case may be. The request shall also specify the Employee's investment elections pursuant to Section 7.1(b) and shall evidence the Employee's acceptance of and agreement to all provisions of the Plan. In addition, an Eligible Employee who is not a member of a bargaining unit represented by IBEW Local Union 15 on the date of his or her employment may elect, in accordance with the provisions of this paragraph (a), to become a Participant on the first day of the payroll period coinciding with or next following such date. All requests to commence contributions pursuant to this paragraph (a) shall be effective as of such time after the Administrator (or its delegate) receives such request as shall be established by the Administrator, provided, that all such requests shall be effective on the first day of a payroll period commencing not more than 30 days after receipt thereof by the Administrator (or its delegate).

(b) Quarterly Incentive Award Before-Tax Contributions. With respect to quarterly incentive awards earned prior to January 1, 2002, each Eligible Employee may request, in the manner prescribed by the Administrator, to reduce his or her compensation by an amount equal to 100 percent of any such quarterly incentive awards that would otherwise be paid to such Participant; provided, however, that for the 2001 Plan Year, such reduction shall be available solely with respect to quarterly incentive awards payable on or after the later of (i) March 31, 2001

and (ii) the first date thereafter which the Administrator determines is administratively practicable with respect to Employees of such Participant's Employer. Before-Tax Contributions pursuant to this paragraph (b) shall be invested in accordance with the Participant's investment election under paragraph (a) of this Section 3.2 (or, if no such election is in effect, in accordance with an investment election made by such Participant in the manner prescribed by the Administrator).

(c) Automatic Enrollment for Certain Employees. (i) Deemed Election of Default Before-Tax Contributions. A Participant whose hire date is on or after April 6, 2009 and who does not make an election pursuant to paragraph (a) of this Section 3.2 to make Before-Tax Contributions or After-Tax Contributions shall be deemed to have elected to make Before-Tax Contributions ("Default Before-Tax Contributions") equal to 3 percent ("Default Percentage") of his or her Compensation for each payroll period and to have his or her Employer reduce his or her Compensation by the amount thereof. Such Participant's Default Percentage will increase by 1 percent each Plan Year, beginning with the second Plan Year that begins after the Default Percentage first applies to the Participant, until it reaches 5 percent. The increase will be effective March 1 of each applicable Plan Year. Notwithstanding the foregoing, in the event a Participant's initial Default Before-Tax Contribution occurs during the period commencing on December 1 and ending the last day of February, the initial increase to such Participant's Default Percentage shall commence on the March 1 of the calendar year following the first anniversary of the Participant's initial Default Before-Tax Contribution. The effective date of such Participant's deemed election shall be 90 days after the Participant receives a notice of his or her rights and obligations under this paragraph (c)(i) (the "Automatic Enrollment Notice"). During the 90-day period after the Participant receives the Automatic Enrollment Notice, the Participant shall have an opportunity to make an affirmative election to (1) not have any Default Before-Tax Contributions made on his or her behalf or (2) have Before-Tax Contributions made in a different amount or percentage of

Compensation by giving direction to the Administrator (or its delegate) in the manner prescribed by the Administrator. Any deemed election described in this paragraph (c)(i) shall be effective only with respect to Compensation not currently available to the Participant. Each Participant whose hire date is on or after April 6, 2009 shall be a “covered employee” for purposes of section 1.414(w)-1(e)(3) of the Regulations, regardless of whether such Participant makes an affirmative election regarding Before-Tax Contributions. Notwithstanding the foregoing, an Employee who on or after April 6, 2009 becomes eligible to participate in the Plan as a result of the Employee’s rehire by an Employer shall not be deemed to have made an election automatically to have Before-Tax Contributions made on his or her behalf pursuant to this paragraph (c)(i) or deemed to be a “covered employee.”

(ii) Withdrawal of Default Before-Tax Contributions. A covered employee deemed to elect Default Before-Tax Contributions pursuant to paragraph (c)(i) may elect, no later than 90 days after the first payroll date that the first Default Before-Tax Contributions on behalf of the covered employee occurs, to receive a distribution equal to the amount of all such contributions (adjusted for earnings and losses and reduced by any applicable fees) made with respect to the covered employee through the earlier of (1) the pay date for the second payroll period that begins after the covered employee’s withdrawal request and (2) the first pay date that occurs after 30 days following the covered employee’s request. An election by a covered employee to withdraw Default Before-Tax Contributions pursuant to this paragraph (c)(ii) shall be deemed to be an election by the covered employee, as of the date of the withdrawal election, to reduce his Before-Tax Contribution percentage to 0 percent (subject to any affirmative election by the covered employee to the contrary).

Section 3.3. Transfer to Affiliates.

If a Participant is transferred from one Employer to another Employer or from an Employer to an Affiliate, such transfer shall not terminate the Participant's participation in the Plan and such Participant shall continue to participate in the Plan until an event occurs that would have terminated his or her participation had the Participant continued in the service of an Employer until the occurrence of such event; provided, however, that a Participant shall not be entitled (i) to make contributions to the Plan, or (ii) to have contributions made on his or her behalf to the Plan during any period of employment by any Affiliate that is not an Employer. Periods of employment with an Affiliate shall be taken into account only to the extent set forth in Section 10.4 (relating to employment by Affiliates). Payments received by a Participant from an Affiliate that is not an Employer shall not be treated as compensation for any purposes under the Plan.

ARTICLE 4

EMPLOYER CONTRIBUTIONS

Section 4.1. Before-Tax Contributions.

(a) Initial Election Respecting Regular Payroll Before-Tax Contributions. Subject to the limitations set forth in Sections 4.2 (relating to the 402(g) annual limit on Before-Tax Contributions), 4.4 (relating to limitations on contributions for highly compensated Eligible Employees), 4.5 (relating to the limitation on Employer contributions) and 7.4 (relating to limitations on allocations imposed by section 415 of the Code), each Employer shall contribute (i) on behalf of each Participant who is an Eligible Employee of such Employer and is a member of a bargaining unit represented by IBEW Local Union 15 an amount equal to a whole percentage not less than 1 and not more than 15 percent of such Participant's Compensation for each payroll period as designated by the Participant in his or her request pursuant to Section 3.2(a), and (ii) on

behalf of any other Participant who is an Eligible Employee of such Employer an amount equal to a whole percentage not less than 1 and not more than 20 percent and, effective as of January 1, 2006, 50 percent, of such Participant's Compensation for each payroll period as designated by the Participant on his or her request pursuant to Section 3.2(a). Before-Tax Contributions described in the preceding sentence shall be delivered to the Trustee no less frequently than bi-weekly. In addition, if back-pay is awarded to a Participant who is an Eligible Employee and any portion of such back-pay constitutes Compensation as defined in subdivision (13) of Article 2 (relating to the definition of Compensation), the Employer of such Participant shall contribute on behalf of such Participant an amount equal to the Before-Tax Contribution percentage, which was most recently chosen by the Participant in his or her request pursuant to Section 3.2(a), of such back-pay that constitutes Compensation. A Before-Tax Contribution described in the preceding sentence shall be treated under the Plan in the same manner as all other Before-Tax Contributions and shall be delivered to the Trustee as soon as practicable after the back-pay is paid to the Participant.

If a Participant receives a hardship withdrawal pursuant to Section 8.1(a), then: (1) all Before-Tax Contributions made on behalf of such Participant pursuant to this Section 4.1 and After-Tax Contributions made by the Participant pursuant to Section 5.1 shall cease beginning with the first payroll period beginning after the date on which the Participant receives such hardship withdrawal; and (2) such Participant shall not again be eligible to elect such contributions until the first payroll period that coincides with or follows the date on which contributions ceased by six months.

(b) Changes in the Rate or Suspension of Regular Payroll Before-Tax Contributions. A Participant's Before-Tax Contributions pursuant to paragraph (a) of this Section 4.1 shall continue in effect at the rate designated by a Participant in his or her request until the Participant changes such designation or suspends such contributions. A Participant may change such

designation at any time by giving direction to the Administrator (or its delegate) in the manner prescribed by the Administrator. Any such direction shall be limited to the contribution rates described in paragraph (a) of this Section 4.1.

A Participant may suspend future Before-Tax Contributions pursuant to paragraph (a) of this Section 4.1 by giving notice to the Administrator (or its delegate) in the manner prescribed by the Administrator. A Participant who has ceased Before-Tax Contributions pursuant to this subsection may resume Before-Tax Contributions by so directing the Administrator (or its delegate) in the manner prescribed by the Administrator. All such directions to change the rate of, suspend or resume Before-Tax Contributions shall be effective as of such time after the Administrator (or its delegate) receives any such direction as shall be established by the Administrator, provided that such direction shall be effective on the first day of a payroll period commencing not more than 30 days after receipt thereof by the Administrator (or its delegate).

(c) Elections Respecting Quarterly Incentive Award Before-Tax Contributions. With respect to quarterly incentive awards earned prior to January 1, 2002, and subject to the limitations set forth in subdivision (13) of Article 2 (relating to the $170,000 limitation on Compensation) and Sections 4.2 (relating to the 402(g) limit on Before-Tax Contributions), 4.4 (relating to limitations on contributions for highly compensated Eligible Employees), 4.5 (relating to the limitation on Employer contributions) and 7.4 (relating to limitations on allocations imposed by section 415 of the Code), each Employer shall contribute on behalf of each Participant who has filed a request in accordance with Section 3.2(b) an amount equal to 100 percent of the amount of any such quarterly incentive awards payable to such Participant on or after the effective date of such request. A Participant's Before-Tax Contributions pursuant to this paragraph (c) shall continue in effect until the Participant suspends such contributions. A Participant may suspend such contributions by giving direction to the Administrator (or its delegate) in the manner prescribed by

the Administrator. Any such direction to suspend Before-Tax Contributions pursuant to this paragraph (c) shall be effective beginning with the quarterly incentive award payable in the calendar quarter immediately following the calendar quarter in which such direction is received by the Administrator (or its delegate). Before-Tax Contributions pursuant to this paragraph (c) shall be delivered to the Trustee not later than the fifteenth business day of the month following the month in which the related quarterly incentive award is payable.

(d) Catch-Up Contributions. Effective for payroll periods beginning on or after August 1, 2002, each Participant who pursuant to paragraph (a) of this Section 4.1 is eligible to make Before-Tax Contributions for any Plan Year and who shall attain age 50 before the close of such Plan Year shall be eligible to have Before-Tax Contributions made in addition to those described in paragraph (a) of this Section 4.1 ("Additional Before-Tax Contributions") if no other Before-Tax Contributions to be made pursuant to paragraph (a) of this Section 4.1 may be made to the Plan for such payroll period by reason of the limitations of Section 4.2 (relating to the 402(g) annual limit on Before-Tax Contributions). Notwithstanding the preceding sentence, in no event shall the amount of Additional Before-Tax Contributions exceed (i) in the case of a Participant who is represented by IBEW Local Union 15 and covered under that certain Collective Bargaining Agreement dated September 15, 2000 between Commonwealth Edison Company and IBEW Local Union 15, 40 percent of such Participant's Compensation for any payroll period, and (ii) in the case of any other Participant, 50 percent of such Participant's Compensation for any payroll period. Such Additional Before-Tax Contributions shall be elected, made, suspended, resumed and credited in a manner similar to that described in paragraphs (a), (b) and (c) of this Section 4.1 and in accordance with and subject to such additional rules and limitations of section 414(v) of the Code and otherwise as the Administrator determines. To the extent such Additional Before-Tax Contributions are not "Catch-Up Contributions" as defined for purposes of section 414(v) of the

Code, they shall be taken into account, and to the extent such Additional Before-Tax Contributions are Catch-Up Contributions they shall not be taken into account, for purposes of Article 4 or 7 or other provisions of the Plan implementing the required limitations of sections 401(k)(3), 401(k)(11), 401(k)(12), 402(g), 404, 410(b), 415 or 416 of the Code, as applicable.

Section 4.2. 402(g) Annual Limit on Before-Tax Contributions.

(a) General Rule. Notwithstanding the provisions of Section 4.1 (relating to Before-Tax Contributions), a Participant's Before-Tax Contributions for any calendar year, together with amounts contributed under all other plans and arrangements maintained by an Employer or Affiliate and described in sections 401(k), 408(k), 408(p) or 403(b) of the Code, and excluding any Additional Before-Tax Contributions made to the Plan pursuant to paragraph (d) of Section 4.1 which are Catch-Up Contributions described in such paragraph or Default Before-Tax Contributions that are withdrawn pursuant to paragraph (c)(ii) of Section 3.2, shall not exceed the applicable dollar amount under section 402(g) of the Code (as adjusted for cost-of-living increases in accordance with section 402(g)(5) of the Code) for such calendar year.

(b) Correction of Excess Before-Tax Contributions. If for any calendar year a Participant determines that the aggregate of the (i) Before-Tax Contributions to this Plan, excluding any Additional Before-Tax Contributions made to the Plan pursuant to paragraph (d) of Section 4.1 which are Catch-Up Contributions described in such paragraph, and (ii) amounts contributed under other plans or arrangements described in sections 401(k), 408(k) or 403(b) of the Code will exceed the limit imposed by paragraph (a) of this Section 4.2 for the calendar year in which such contributions were made ("Excess Before-Tax Contributions"), such Participant shall, pursuant to such rules and at such time following such calendar year as determined by the Administrator, be allowed to submit a written request that the Excess Before-Tax Contributions plus any income and minus any loss allocable thereto be distributed to him or her. The request

described in this subsection shall be made in the manner and form prescribed by the Administrator and shall state the amount of the Participant's Excess Before-Tax Contributions for the calendar year. The request shall be accompanied by the Participant's written statement that if such Excess Before-Tax Contributions are not distributed, such Excess Before-Tax Contributions, when added to amounts deferred under other plans or arrangements described under sections 401(k), 408(k), or 403(b) of the Code, excluding any contributions which are Catch-Up Contributions described in section 414(v) of the Code, will exceed the limit for such Participant under section 402(g) of the Code. A distribution of Excess Before-Tax Contributions (reduced by any amounts recharacterized or distributed pursuant to paragraph (e)(1) of Section 4.4 (relating to adjustments to comply with section 401(k)(3) of the Code)) shall be made no later than the applicable time period set forth in the Code and Regulations thereunder following the end of the Plan Year for which such Excess Before-Tax Contributions were made, plus any income and minus any loss allocable thereto through the end of such Plan Year. The amount of any income or loss allocable to such Excess Before-Tax Contributions shall be determined pursuant to applicable Regulations. If Excess Before-Tax Contributions are distributed pursuant to this Section 4.2, any corresponding Employer Matching Contributions allocated to the Participant's Employer Matching Contributions Account, adjusted for income or loss pursuant to Regulations, to which such Participant would be entitled under Section 8.3 (relating to distributions upon termination of employment) if such Participant had terminated employment on the last day of the calendar year during which contributions were made (or earlier if such Participant actually terminated employment at an earlier date) shall be distributed to such Participant and any remaining amount of such corresponding Employer Matching Contributions, adjusted for income or loss, shall be forfeited. Notwithstanding the provisions of this paragraph, any such Excess Before-Tax Contributions shall be treated as "annual additions" for purposes of Section 7.4 (relating to limitations on allocations

imposed by section 415 of the Code) and shall not be disregarded as Before-Tax Contributions for purposes of determining the average deferral percentage described in Section 4.4(d)(1) or, to the extent applicable, the average contribution percentage described in Section 4.4(d)(2), except that in the case of a non-highly compensated eligible employee, as that term is defined in Section 4.4(d)(4), such Excess Before-Tax Contributions shall be ignored to the extent that such contributions are prohibited pursuant to section 401(a)(30) of the Code, which requires that Before-Tax Contributions not exceed the limit described in paragraph (a) of Section 4.2 (relating to the annual limit on Before-Tax Contributions). Any distribution of Excess Before-Tax Contributions to a Participant shall be treated as a distribution of the Untaxed Contributions, up to the extent Untaxed Contributions have been made by such Participant to the Plan for such Plan Year and, to the extent that distributions of Excess Before-Tax Contributions to such Participant exceed the Participant's Untaxed Contributions for such Plan Year, the distributions of Excess Before-Tax Contributions shall be treated as Designated Roth Contributions made by the Participant to the Plan for the Plan Year.

(c) Untaxed Contributions and Designated Roth Contributions. Effective for Before-Tax Contributions made (i) in the case of a Participant who is not a Local 15 Member, for the 2006 Plan Year and thereafter, and (ii) in the case of a Participant who is a Local 15 Member, for the 2009 Plan Year and thereafter, an election made by a Participant to commence, change, suspend or resume Before-Tax Contributions pursuant to this Section 4.2 shall designate the portion of such contributions that are to be Designated Roth Contributions includible in the Participant's gross income when made pursuant to section 402A of the Code. Such designation is irrevocable with respect to contributions made or to be made with respect to Compensation currently available. Any such election made by a Participant which does not expressly designate a portion of Before-Tax Contributions as Designated Roth Contributions shall be deemed to

designate no portion of Before-Tax Contributions as Designated Roth Contributions. Any Before-Tax Contributions that are not Designated Roth Contributions are referred to herein as Untaxed Contributions.

Section 4.3. Employer Matching Contributions.

(a) Amount of Contributions. Subject to the limitations set forth in Sections 4.4 (relating to limitations on contributions for highly compensated Eligible Employees), 4.5 (relating to the limitations on Employer contributions) and 7.4 (relating to limitations on allocations imposed by section 415 of the Code), and except as otherwise provided below, each Employer shall contribute the following for each payroll period on behalf of each Participant who is an Employee of such Employer:

(i) Effective beginning with the first payroll period in January 1, 2009, for each Participant who is a member of a bargaining unit represented by IBEW Local Union 15, an amount equal to 100 percent of Matched Contributions, as defined below, but only to the extent that Matched Contributions do not exceed 5 percent of the Participant's Compensation for the payroll period;

(ii) For each Participant who is covered under the collective bargaining agreement between Exelon Power Services LLC and Local 369 of the Utility Workers Union of America, AFL-CIO, if such Participant has completed less than 5 months of service with an Employer, no contribution shall be made; if such Participant has completed more than 5 months of service but fewer than 12 months of service with an Employer, an amount equal to 50% of Matched Contributions, as defined below, but only the extent that Matched Contributions do not exceed 3 percent of the Participant's Compensation for the payroll period; if such Participant has completed at least 12 months of service with an Employer, an amount equal to 100% of Matched Contributions, but only to the extent that Matched Contributions do not exceed 3 percent of the Participant's Compensation for the payroll period. For purposes of this paragraph, a month of service shall mean a consecutive period of employment during which the Employee is employed by an Employer ending on the monthly anniversary of the Employee's date of hire. A Participant who is credited with an additional month of service during a pay period and becomes eligible to receive an increased Employer Matching Contribution, shall not be entitled to receive an increased Employer Matching Contribution until the first full payroll period following the payroll period in which such Participant is credited with such additional month of service;

(iii) For each Participant who is classified as a non-exempt craft employee or clerical employee assigned to the Peachbottom, Limerick, Outage Services East or Texas generating plant, an amount equal to 100 percent of Matched Contributions, as defined below, but only to the extent that Matched Contributions do not exceed 5 percent of the Participant's Compensation for the payroll period; and

(iv) For each other Participant, an amount equal to 60 percent of Matched Contributions, as defined below, but only to the extent that Matched Contributions do not exceed 5 percent of the Participant's Compensation for the payroll period.

In addition, each Participant described in clause (iv) of the preceding paragraph shall be eligible to receive a "Profit Sharing Matching Contribution," provided that such Participant either (i) is an Employee of such Employer on the last day of such Plan Year, (ii) is not employed on such day as a result of an approved unpaid leave of absence during such Plan Year, (iii) terminates employment during such Plan Year (1) after attaining age 50 and completing at least 10 years of service, as determined by the Administrator, (2) as a result of circumstances entitling the Participant to separation benefits under an Employer's severance benefit plan, (3) as a result of a disability that entitles the Participant to benefits under an Employer's long-term disability plan, or (4) on account of the Participant's death. The "Profit Sharing Matching Contribution" shall be an amount (if any) determined by the Board of Directors of the Company (or the Compensation Committee thereof) in its sole discretion based on attainment of specified performance goals, and not exceeding 60% of a Participant's Matched Contributions, as defined below, for each payroll period, but only to the extent that such Matched Contributions do not exceed 5 percent of the Participant's Compensation for the payroll period.

For purposes of this Section 4.3, "Matched Contributions" means the sum of (i) the Before-Tax Contributions made on behalf of the Participant for a payroll period, excluding Before-Tax Contributions made with respect to any quarterly incentive awards pursuant to

paragraph (b) of Section 3.2, excluding Additional Before-Tax Contributions which are Catch-Up Contributions described in section 414(v) of the Code and excluding Default Before-Tax Contributions distributed pursuant to paragraph (c)(ii) of Section 3.2 (relating to withdrawal of Default Before-Tax Contributions), and (ii) the After-Tax Contributions made by the Participant for such payroll period. Any Employer Matching Contributions made by an Employer with respect to Default Before-Tax Contributions that are withdrawn pursuant to paragraph (c)(ii) of Section 3.2, plus any earnings, shall be forfeited and used to reduce future Employer Matching Contributions made by an Employer pursuant to this Section.

In addition to the Employer Matching Contributions described above, in the case of a New England Plan Participant, as defined in Supplement IV attached hereto, whose Before-Tax Contributions exceed the limit described in Section 4.2 (relating to the 402(g) annual limit on Before-Tax Contributions), an additional Employer Matching Contribution shall be made on behalf of such Participant in an amount equal to the amount described in clause (iii) above assuming that such Participant had continued making the same rate of Before-Tax Contributions that were in effect with respect to such Participant at the time such Before-Tax Contributions exceeded the limit described in Section 4.2.

(b) Special Part-Time Employees. Notwithstanding paragraph (a) hereof, no Employer shall make a contribution pursuant to this Section 4.3 on behalf of any Participant who is a "part-time regular employee" as defined in an Agreement dated July 23, 1993 between the Company and the System Council U-25, I.B.E.W. (the "July 23, 1993 Agreement"), unless one of the following applies:

(1) the Participant had in effect on July 23, 1993 an authorization to make contributions under the Plan as then in effect and elected pursuant to the July 23, 1993 Agreement and request by the Company to become a part-time regular employee during the initial staffing period that began July 23, 1993 and ended December 31, 1993 (the "Initial Staffing Period");

(2) the Participant had in effect on the date the Participant became a part-time regular employee an authorization to make contributions under the Plan as then in effect and chose the Option II Benefits Package as described in the July 23, 1993 Agreement, as amended;

(3) the Participant did not have in effect on the date the Participant became a part-time regular employee an authorization to make contributions under the Plan as then in effect and elected pursuant to the July 23, 1993 Agreement and request by the Company to become a part-time regular employee during the Initial Staffing Period; provided such Participant had in effect on any date after December 24, 1995 and before February 20, 1996 an authorization to make contributions under the Plan; or

(4) the Participant elected other than pursuant to the July 23, 1993 Agreement to become a part-time regular employee during the Initial Staffing Period; provided that such Participant had in effect on any date after December 24, 1995 and before February 20, 1996 and authorization to make contributions under the Plan.

(c) Time of Delivery of Contributions. Employer Matching Contributions for any Plan Year shall be delivered to the Trustee at the same time the Before-Tax contributions or After-Tax Contributions to which such Employer Matching Contributions relate are delivered to the Trustee.

Section 4.4. Limitations on Contributions for Highly-Compensated Eligible Employees.

(a) Limits Imposed by Section 401(k)(3) of the Code. Notwithstanding the provisions of Section 4.1 (relating to Before-Tax Contributions), if the Before-Tax Contributions for a Plan Year fail, or in the judgment of the Administrator are likely to fail, to satisfy both of the tests set forth in paragraphs (1) and (2) of this subsection, the adjustments prescribed in paragraph (e)(1) of this Section 4.4 shall be made.

(1) The average deferral percentage for the group consisting of highly compensated eligible employees of all Employers does not exceed the product of the average deferral percentage for the group consisting of non-highly compensated eligible employees multiplied by 1.25.

(2) The average deferral percentage for the group consisting of highly compensated eligible employees of all Employers (i) does not exceed the average deferral percentage for the group consisting of non-highly compensated eligible employees by more than two percentage points, and

(ii) does not exceed two times the average deferral percentage for such group.

Effective for payroll periods beginning on or after August 1, 2002, any Additional Before-Tax Contributions which are "Catch-Up Contributions" described in paragraph (d) of Section 4.1 shall not be considered as Before-Tax Contributions for purposes of determining whether the tests set forth in paragraphs (1) and (2) of this subsection are satisfied or for purposes of making any adjustments prescribed in paragraph (e) of this Section 4.4.

(b) Limits Imposed by Section 401(m) of the Code. Notwithstanding the provisions of Section 4.3 (relating to Employer Matching Contributions) and Section 5.1 (relating to After-Tax Contributions), if the Employer Matching Contributions and After-Tax Contributions for a Plan Year fail, or in the judgment of the Administrator are likely to fail, to satisfy both of the tests set forth in paragraphs (1) and (2) of this subsection, the adjustments prescribed in paragraph (e)(2) of this Section 4.4 shall be made.

(1) The average contribution percentage for the group consisting of highly compensated eligible employees of all Employers does not exceed the product of the average contribution percentage for the group consisting of non-highly compensated eligible employees multiplied by 1.25.

(2) The average contribution percentage for the group consisting of highly compensated eligible employees of all Employers (i) does not exceed the average contribution percentage for the group consisting of non-highly compensated eligible employees by more than two percentage points, and (ii) does not exceed two times the average contribution percentage for such group.

(c) Aggregate Limit on Contributions. **Deleted in its entirety.**

(d) Definitions. For purposes of this Section 4.4:

(1) the "average deferral percentage" for a group of Eligible Employees with respect to a Plan Year shall be the average of the ratios, calculated separately for each Eligible Employee in such group to the nearest one-hundredth of one percent, of the Before-Tax Contributions made for the benefit of such Eligible Employee to the total compensation paid to such Eligible Employee for the portion of such Plan Year during which such Eligible Employee was a Participant, except that no Additional Before-Tax

Contributions which are “Catch-Up Contributions” described in paragraph (d) of Section 4.1 or Default Before-Tax Contributions that are withdrawn pursuant to paragraph (c)(ii) of Section 3.2 shall be considered as Before-Tax Contributions for purposes of determining a Participant’s average deferral percentage;

(2) the “average contribution percentage” for a group of Eligible Employees with respect to a Plan Year shall be the average of the ratios, calculated separately for each Eligible Employee in such group to the nearest one-hundredth of one percent, of the Employer Matching Contributions made, After-Tax Contributions made and, in the Administrator’s sole discretion, to the extent permitted under Regulations or otherwise under the Code, the Before-Tax Contributions made during such year for the benefit of such Eligible Employee, except that no Additional Before-Tax Contributions which are “Catch-Up Contributions” described in paragraph (d) of Section 4.1, shall be considered as Before-Tax Contributions for purposes of determining a Participant’s average contribution percentage, to such Eligible Employee’s compensation for the portion of such Plan Year during which such Eligible Employee was a Participant;

(3) the term “highly compensated eligible employee” shall mean any Eligible Employee who is a Participant, who performs service in the determination year and who (a) is a 5%-owner (as determined under section 416(i)(1)(A)(iii) of the Code) at any time during the Plan Year or the preceding Plan Year or (b) both (1) is paid compensation in excess of $80,000 (as adjusted for increases in the cost of living in accordance with section 414(q) of the Code) from an Employer for the preceding Plan Year, and (2) is in the group of employees consisting of the top 20% of the employees of the Employer and its Affiliates when ranked on the basis of compensation paid during such preceding Plan Year;

(4) the term “non-highly compensated eligible employee” shall mean any Eligible Employee who is a Participant, who performs services in the determination year and is not a highly compensated eligible employee;

(5) the term “compensation” shall have the meaning set forth in section 414(s) of the Code or, in the discretion of the Administrator, any other meaning in accordance with the Code for these purposes, except that for purposes of determining whether an Eligible Employee is a “highly compensated eligible employee”, as described in paragraph (d)(3) of this Section 4.4, “compensation” shall have the meaning set forth in section 415(c)(3) of the Code;

(6) if this Plan and one or more other plans of the Employer to which Before-Tax Contributions, After-Tax Contributions, or qualified nonelective contributions (as such term is defined in section 401(m)(4)(C) of the Code) are made are treated as one plan for purposes of section 410(b) of the Code, such plans shall be treated as one plan for purposes of this Section. If a

highly compensated eligible employee participates in this Plan and one or more other plans of the Employer to which any such contributions are made, all such contributions shall be aggregated for purposes of this Section 4.4; and

(7) if this Plan benefits Employees who are included in a unit of employees covered by a collective bargaining agreement and employees who are not included in such collective bargaining unit, this Plan shall be treated as comprising two or more separate plans, as determined by the Administrator in accordance with applicable Regulations, for purposes of this Section 4.4. If such other plan has a plan year that is different from the Plan Year of this Plan, then the highly compensated eligible employee's contributions made to such other plan during the Plan Year of this Plan shall be aggregated with contributions of the same type made to this Plan for such Plan Year for purposes of determining the average deferral percentage and average contribution percentage for this Plan for such Plan Year for the group of highly compensated eligible employees.

This paragraph is inserted at the request of the Internal Revenue Service in order to obtain a favorable determination letter. In computing the "average deferral percentage" for a group of Eligible Employees with respect to a Plan Year, the Before-Tax Contributions that will be taken into account for such Plan Year will be only those that relate to compensation that would have been received by the Eligible Employee in the Plan Year or is attributable to services performed by the Eligible Employee in the Plan Year and would have been received by the Eligible Employee within 2-1/2 months after the close of the Plan Year. In computing the "average contribution percentage" for a group of Eligible Employees with respect to a Plan Year, (i) an After-Tax Contribution will be taken into account only if it is paid to the Trust during such Plan Year or paid to an agent of the Plan and transmitted to the Trust within a reasonable time after the end of the Plan Year; (ii) an excess contribution that is recharacterized will be taken into account during the Plan Year in which the contribution would have been received in cash by the Eligible Employee had the Eligible Employee not elected to defer the contribution; (iii) an Employer Matching Contribution will be taken into account only if it is made on account of the Eligible

Employee's Before-Tax Contributions or After-Tax Contributions, allocated to the Eligible Employee's Account as of a date within that Plan Year and paid to the Trust by the end of the twelfth month following the close of such Plan Year; and (iv) qualified matching contributions which are used to meet the requirements of section 401(k)(3)(A) of the Code are not to be taken into account for purposes of the actual deferral percentage test of section 401(m) of the Code. To the extent required by law, the following will be treated as separate plans for purposes of sections 401(a)(4) and 410(b) of the Code: (i) the portion of the Plan that is a 401(k) plan, (ii) the portion of the Plan that is a section 401(m) plan; (iii) the portion of the plan that provides for contributions other than elective, employee or matching; (iv) the portion of the Plan that is an ESOP; and (v) the portion of the plan that is not an ESOP.

(e) Adjustments to Comply with Limits.

(1) Adjustments to Comply with Section 401(k)(3) of the Code. The Administrator shall cause to be made such periodic computations as it shall deem necessary or appropriate to determine whether either of the tests set forth in paragraph (a)(1) or (a)(2) of this Section 4.4 shall be satisfied during a Plan Year, and, if it appears to the Administrator that neither of such tests will be satisfied, the Administrator shall take such steps as it deems necessary or appropriate to reduce or otherwise adjust the Before-Tax Contributions contributed or to be contributed for all or a portion of such Plan Year on behalf of Participants who are highly compensated eligible employees to the extent necessary in order for one of such tests to be satisfied. If, as of the end of the Plan Year, the Administrator determines that, notwithstanding any adjustments made pursuant to the preceding sentence, neither of the tests set forth in paragraph (a)(1) and (a)(2) of this Section 4.4 shall be satisfied with respect to such Plan Year, the total amount by which

Before-Tax Contributions must be reduced in order to satisfy either such test shall be calculated in the manner prescribed by section 401(k)(8)(B) of the Code (the "excess contributions amount"). The Before-Tax Contributions made on behalf of the Participant who is a highly compensated eligible employee and whose actual dollar amount of Before-Tax Contributions is the highest shall be reduced until such dollar amount equals the next highest actual dollar amount of Before-Tax Contributions made for such Plan Year on behalf of any highly compensated employee, or until the total reduction equals the excess contributions amount. If further reductions are necessary, then the Before-Tax Contributions on behalf of each Participant who is a highly compensated eligible employee and whose actual dollar amount of Before-Tax Contributions is the highest (after the reduction described in the preceding sentence) shall be reduced in accordance with the previous sentence. Such reductions shall continue to be made to the extent necessary so that the total reduction equals the excess contributions amount.

To the extent that the sum of such reductions with respect to a Participant and the amount of other After-Tax Contributions allocated to such Participant's After-Tax Contributions Account does not exceed 20 percent (10 percent in the case of a Participant who is a member of a bargaining unit represented by IBEW Local Union 15) of the Participant's Compensation, the amount of such reductions shall be treated as an After-Tax Contribution. To the extent such amount cannot be treated as an After-Tax Contribution because of the limitation described in the preceding sentence, such amount, plus any income and minus any loss allocable thereto through the end of the Plan Year for which the After-Tax Contribution was made, shall be distributed to such Participant no later than the last day of the subsequent Plan Year and the Participant shall forfeit any corresponding Employer Matching Contributions related thereto plus any income and minus any loss

allocable thereto through the end of the Plan Year for which the Employer Matching Contribution was made. The Participant shall designate the extent to which such distributed excess contributions are treated as Untaxed Contributions or Designated Roth Contributions (but only up to the extent that such types of contributions were made by the Participant to the Plan for the Plan Year) and, in the event that any such designation is not made or is incomplete, such distributed excess contributions shall be treated as Untaxed Contributions up to the extent Untaxed Contributions were made to the Plan for the Plan Year and, to the extent that such distributed excess contributions exceed such Untaxed Contributions, such excess contributions shall be treated as distributions of Designated Roth Contributions made to the Plan for the Plan Year.

The amount of Before-Tax Contributions to be distributed to a Participant pursuant to this Section shall be reduced by any Before-Tax Contributions previously distributed to such Participant pursuant to Section 4.2(b) (relating to correction of Excess Before-Tax Contributions) for such Plan Year. The amount of any income or loss allocable to any such reductions to be so distributed shall be determined pursuant to Regulations. The unadjusted amount of any such reductions so distributed shall be treated as “annual additions” for purposes of Section 7.4 (relating to limitations on allocations imposed by section 415 of the Code).

(2) Adjustments to Comply with Section 401(m) of the Code. The Administrator shall cause to be made such periodic computations as it shall deem necessary or appropriate to determine whether either of the tests set forth in paragraph (b)(1) or (b)(2) of this Section 4.4 shall be satisfied during a Plan Year, and, if it appears to the Administrator that neither of such tests will be satisfied, the Administrator shall take such steps as it deems necessary or appropriate to adjust the Employer Matching

Contributions made, After-Tax Contributions made, and any Before-Tax Contributions treated as Employer Matching Contributions pursuant to paragraph (d)(2) of this Section 4.4 for all or a portion of such Plan Year on behalf of Participants who are highly compensated eligible employees to the extent necessary in order for one of such tests to be satisfied. If after the end of a Plan Year it is determined that regardless of any steps taken neither of the tests set forth in paragraph (b)(1) or (b)(2) of this Section 4.4 shall be satisfied with respect to such Plan Year, the Administrator shall calculate the total amount by which any such contributions on behalf of Participants who are highly compensated eligible employees must be reduced in order to satisfy either such test, in the manner prescribed by section 401(m)(6) of the Code (the "excess aggregate contributions amount"). The amount to be reduced with respect to Participants who are highly compensated eligible employees shall be determined by first reducing the After-Tax Contributions (including Before-Tax Contributions recharacterized as After-Tax Contributions pursuant to paragraph (e)(1) of this Section 4.4) and then by reducing the Employer Matching Contributions for each Participant whose actual dollar amount of such aggregate contributions for such Plan Year is highest until such reduced dollar amount equals the next highest dollar amount of such contributions for such Plan Year on behalf of any other highly compensated eligible employee, or until the total reduction equals the excess aggregate contributions amount. If further reductions are necessary, such contributions on behalf of each Participant who is a highly compensated eligible employee and whose actual dollar amount of such contributions is the highest (after the reduction described in the preceding sentence) shall be reduced in accordance with the preceding sentence. Such reductions shall continue to be made to the extent necessary until the total reduction equals the excess aggregate contributions amount. If After-Tax Contributions

are distributed pursuant to this paragraph (e)(2), any corresponding Employer Matching Contributions related thereto plus any income and minus any loss allocable through the end of the Plan Year for which the Employer Matching Contributions were made to which such Participant would be entitled under Section 8.3 (relating to distributions upon termination of employment) if such Participant had terminated employment on the last day of the Plan Year for which contributions were made (or earlier if any such Participant actually terminated employment at any earlier date) shall also be distributed with such After-Tax Contributions (and taken into account to determine whether further reductions are necessary), and any remaining amount of such corresponding Employer Matching Contributions plus any income and minus any loss allocable through the end of the Plan Year for which the Employer Matching Contributions were made shall be forfeited. If the reductions required by this subparagraph exceed the amount of After-Tax Contributions made or to be made by any Participant for such Plan Year and the amount of Employer Matching Contributions made or to be made on behalf of such Participant for such Plan Year, any Before-Tax Contributions made on behalf of such Participant that the Administrator has elected to treat as Employer Matching Contributions pursuant to paragraph (d)(2) of this Section 4.4 shall also be adjusted and taken into account in accordance with this subparagraph, except that such Before-Tax Contributions may not be recharacterized as After-Tax Contributions.

Section 4.5. Limitation on Employer Contributions.

The contributions of an Employer for any Plan Year shall not exceed the maximum amount for which a deduction is allowable to such Employer for federal income tax purposes for the fiscal year of such Employer that coincides with such Plan Year.

Any contribution made by an Employer by reason of a good faith mistake of fact, or the portion of any contribution made by an Employer that exceeds the maximum amount for which a deduction is allowable to such Employer for federal income tax purposes by reason of a good faith mistake in determining the maximum allowable deduction, shall upon the request of such Employer be returned by the Trustee to the Employer. An Employer's request and the return of any such contribution must be made within one year after such contribution was mistakenly made or after the deduction of such excess portion of such contribution was disallowed, as the case may be. The amount to be returned to an Employer pursuant to this paragraph shall be the excess of (i) the amount contributed over (ii) the amount that would have been contributed had there not been a mistake of fact or a mistake in determining the maximum allowable deduction. Earnings attributable to the mistaken contribution shall not be returned to the Employer, but losses attributable thereto shall reduce the amount to be so returned. If the return to the Employer of the amount attributable to the mistaken contribution would cause the balance of any Participant's account as of the date such amount is to be returned (determined as if such date coincided with the close of a Plan Year) to be reduced to less than what would have been the balance of such account as of such date had the mistaken amount not been contributed, the amount to be returned to the Employer shall be limited so as to avoid such reduction.

Any Before-Tax Contributions returned to an Employer pursuant to this Section 4.5 shall be treated as the return of Untaxed Contributions, up to the extent Untaxed Contributions were made by such Participant to the Plan for such Plan Year and, to the extent that the returned contributions exceed such Untaxed Contributions, such returned contributions shall be treated as Designated Roth Contributions made by the Participant to the Plan for the Plan Year.

ARTICLE 5

EMPLOYEE CONTRIBUTIONS

Section 5.1. After-Tax Contributions.

Subject to the limitations set forth in Section 4.4 (relating to limitations on contributions for highly-compensated Eligible Employees) and Section 7.4 (relating to limitations on allocations imposed by section 415 of the Code), each Participant who is an Eligible Employee may elect in accordance with Section 3.2(a) to make After-Tax Contributions under the Plan by payroll deduction. After-Tax Contributions made by a Participant who is a member of a bargaining unit represented by IBEW Local Union 15 for any payroll period shall equal a whole percentage not less than 1 nor more than 10 percent of the Participant's Compensation for such payroll period, as designated by the Participant in his or her request pursuant to Section 3.2(a). After-Tax Contributions made by any other Participant for any payroll period shall equal a whole percentage not less than 1 nor more than 20 percent and, effective as of January 1, 2006, 50 percent, of the Participant's Compensation for such payroll period, as designated by the Participant in his or her request pursuant to Section 3.2(a). Except as set forth below, After-Tax Contributions shall be delivered to the Trustee no less frequently than bi-weekly. In addition, if back-pay is awarded to a Participant who is an Eligible Employee and any portion of such back-pay constitutes Compensation as defined in subsection (13) of Article 2 (relating to the definition of compensation), After-Tax Contributions shall be made for such Participant in an amount equal to the After-Tax Contribution percentage, which was most recently chosen by the Participant in his or her request pursuant to Section 3.2(a), of such back-pay that constitutes Compensation. An After-Tax Contribution described in the preceding sentence shall be treated under the Plan in the same manner as all other After-Tax Contributions and shall be delivered to the Trustee as soon as practicable after the back-pay is paid to the Participant. Except as provided in the following

sentence and in Section 4.1, After-Tax Contributions shall be subject to the same provisions regarding commencement, change and suspension applicable to Before-Tax Contributions as set forth in Section 4.1. If a Participant who has not attained age 59 1/2 makes a withdrawal of After-Tax Contributions pursuant to Section 8.1(c), then: (a) After-Tax Contributions made by such Participant pursuant to this Section 5.1 shall cease beginning with the first payroll period beginning after the date on which the Participant receives such withdrawal and (b) such Participant shall not again be eligible to elect such contributions until the first payroll period that coincides with or follows the date on which contributions ceased by 6 months.

Section 5.2. Rollover Contributions.

(a) The Trustee shall be authorized to receive, hold and distribute in accordance with the Plan, a direct rollover contribution consisting of cash, transferred to the Plan by (i) a qualified plan described in section 401(a) or 403(a) of the Code, including after-tax employee contributions to such plan, (ii) an annuity contract described in section 403(b) of the Code, excluding after-tax employee contributions or (iii) an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state. The Trustee shall also be authorized to receive, hold and distribute in accordance with the Plan, a Participant contribution of an eligible rollover distribution from (A) a qualified plan described in section 401(a) or 403(a) of the Code, (B) an annuity contract described in section 403(b) of the Code, (C) an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state or (D) an individual retirement account or annuity described in section 408(a) or 408(b) of the Code that is eligible to be rolled over and would otherwise be includible in gross income. The amounts transferred must be eligible rollover distributions, as defined in section 402(c) of the Code. An eligible rollover distribution to a

“Separation Eligible Participant” from the PECO Energy Company Service Annuity System may also be contributed to this Plan in accordance herewith no later than December 31, 2002. Notwithstanding any provision of the Plan to the contrary, a rollover contribution shall not include “designated Roth contributions” described in section 402A of the Code or any related earnings with respect to such contributions.

(b) Delivery of Rollover Contributions to Administrator. Except as otherwise provided in paragraph (a) of this Section 5.2, if an individual desires to make a rollover contribution pursuant to such paragraph (a), such contribution either (i) shall be delivered by the individual to the Administrator and by the Administrator to the Trustee on or before the 60th day after the day on which the Employee receives the distribution or on or before such later date as may be prescribed by law, or (ii) shall be transferred on behalf of the individual directly from the trust from which the eligible rollover distribution is made. Any contribution that is delivered by the Eligible Employee must be accompanied by (i) a statement of the Employee that to the best of his or her knowledge the amount so transferred meets the conditions specified in paragraph (a) of this Section 5.2, (ii) a copy of such documents as may have been received by the Employee advising him or her of the amount of and the character of such distribution and (iii) any investment election with respect to such contribution in such form and manner as may be required by the Administrator. Notwithstanding the foregoing, the Administrator shall not accept a rollover contribution if in its judgment accepting such contribution would cause the Plan to violate any provision of the Code or Regulations, and the Administrator shall not be required to accept such a contribution to the extent it consists of property other than cash.

Section 5.3. Special Accounting Rules for Rollover Contributions.

If a rollover contribution is made by or on behalf of an Employee, the Administrator shall cause a Rollover Account to be established and maintained for such Employee to which shall be

credited all rollover contributions made pursuant to Section 5.2. A rollover contribution shall be credited to such Rollover Account as of the Valuation Date coinciding with or next following the date on which such contribution is delivered to the Trustee.

If a rollover contribution is made by, or a direct transfer is made on behalf of, an Eligible Employee prior to becoming a Participant, such Eligible Employee shall until such time as he or she becomes a Participant be deemed to be a Participant, and his or her Rollover Account and After-Tax Contributions Account, if any, shall be deemed to be an account of a Participant, for all purposes of the Plan except for the purposes of the allocation of contributions provided for in paragraphs (a), (b), (c), (d) and (e) of Section 7.3 and any determination of when he or she becomes a Participant pursuant to Article 3.

ARTICLE 6

TRUST AND INVESTMENT FUNDS

Section 6.1. Trust.

A Trust shall be created by the execution of a trust agreement between the Company and the Trustee. All contributions under the Plan shall be paid to the Trustee. The Trustee shall hold all monies and other property received by it and invest and reinvest the same, together with the income therefrom, on behalf of the Participants collectively in accordance with the provisions of the trust agreement. The Trustee shall make distributions from the Trust Fund at such time or times to such person or persons and in such amounts as the Administrator directs in accordance with the Plan.

Section 6.2. Investment Funds.

The Trustee shall establish and maintain, or shall cause to be established and maintained, an investment fund herein called the “Employer Stock Fund” which shall be invested in Common Stock, and shall also include such short-term obligations and short-term liquid investments

purchased by the Trustee, in accordance with the Trust Agreement, pending the selection and purchase of the Common Stock or as otherwise determined by the Trustee to be necessary to satisfy such fund's cash needs. In addition, as directed by the Investment Fiduciary, one or more additional separate investment funds shall be established and maintained and shall be invested as directed by the Investment Fiduciary. For purposes of the preceding sentence, the Investment Fiduciary may purchase a group annuity contract from an insurance company that permits investment in one or more separate investment funds. The Investment Fiduciary also may, from time to time, and in its sole discretion, segregate any of the assets held under any investment fund established pursuant to this Section 6.2 and allocate the investment results from such segregated assets among all or a portion of the accounts of Participants in such manner as it shall determine to be appropriate. All charges and expenses incurred in connection with the purchase and sale of investments for a fund shall be charged to such fund except to the extent such charges and expenses are paid by the Employers.

ARTICLE 7

PARTICIPANT ACCOUNTS AND INVESTMENT ELECTIONS

Section 7.1. Participant Accounts and Investment Elections.

(a) Participant Accounts. For each Participant the Administrator shall establish and maintain, or shall cause to be established and maintained, investment accounts to which amounts contributed under the Plan shall be credited according to each Participant's investment elections pursuant to paragraph (b) of this Section 7.1, subject to the penultimate sentence of the first paragraph of Section 6.2 (relating to the Investment Fiduciary's authority to segregate any of the assets held under any investment fund).

Each such investment account shall, to the extent appropriate, be composed of the following accounts: (A) a Before-Tax Contributions Account, which shall be divided into an Untaxed Contribution Account and a Designated Roth Contributions Account, (B) a Catch-Up Contributions Account, (C) an Employer Matching Contributions Account, (D) an After-Tax Contributions Account, and (E) a Rollover Account. Earnings and losses on investment of funds in each account shall be credited or debited to that account.

All such accounts and subaccounts shall be for accounting purposes only, and there shall be no segregation of assets within the investment funds among the separate Participants' accounts.

(b) Investment Election. Each Participant, as part of his or her request for participation described in Section 3.2 (or in connection with the delivery of a rollover contribution pursuant to Section 5.2), shall make an investment election that shall apply to the investment of contributions to be made on his or her behalf or by him or her pursuant to Article 4 (relating to Employer contributions) or Article 5 (relating to Employee contributions) and any earnings on such contributions. Such election shall specify that such contributions be invested either (i) wholly in one of the funds maintained or employed by the Trustee pursuant to paragraph (a) of this Section 7.1 or (ii) divided among such funds in 1 percent increments or in such other increments established by the Administrator or the Investment Fiduciary from time to time. Each Eligible Employee for whom a Rollover Account is established before such Eligible Employee has become a Participant shall, in the manner prescribed by the Administrator, make such investment election as of the Valuation Date on which such account is established. During any period in which no direction as to the investment of an Employee's account is on file with the Administrator, contributions or direct transfers made by him or her, or on his or her behalf, to the Plan will be invested in such manner as the Investment Fiduciary shall determine.

(c) Change of Investment Election. Subject to such restrictions as may be imposed by the Administrator or the Investment Fiduciary (including, without limitation, any restrictions imposed with respect to transfers of funds to or from the Employer Stock Fund described in Section 6.2 by individuals who are subject to Rule16b-3 under section 16 of the Securities Exchange Act of 1934), a Participant may elect to change as of any Valuation Date his or her investment election applicable to all or any portion of his or her current account balance. In addition, a Participant may elect to change as of the first day of any payroll period his or her investment election applicable to future contributions made pursuant to Articles 4 (relating to Employer contributions) or 5 (relating to Employee contributions), or both, as specified by the Participant. Such changes shall be limited to the investment funds then maintained or employed by the Trustee pursuant to paragraph (a) of this Section 7.1. A Participant's change of investment election must be made in the manner and at the time prescribed by the Administrator (or its delegate). Any such change shall specify that such contributions be invested either (i) wholly in one of the funds maintained or employed by the Trustee pursuant to paragraph (a) of this Section 7.1, or (ii) divided among such funds in 1 percent increments or such other increments established by the Administrator or the Investment Fiduciary from time to time.

Section 7.2. Allocation of Net Income of Trust Fund and Fluctuation in Value of Trust Fund Assets.

In the event that contributions, income and losses are not otherwise specifically allocated to Participant accounts by the Trustee, as soon as practical after each Valuation Date, the net worth of each investment fund (as defined in Section 6.2) as of such Valuation Date shall be determined. If the net worth of such investment fund as so determined is more or less than the total of all balances credited as of such Valuation Date to the subaccounts of Participants invested in the investment fund as of such Valuation Date who are Participants as of such Valuation Date, the

amount of any excess or deficiency shall be prorated and credited or charged to such subaccounts proportionally to the balances of such subaccounts as of the preceding Valuation Date after making all allocations for such preceding Valuation Date prescribed by this Article and after decreasing each such subaccount by any loans, withdrawals or distributions from such subaccount during such period (but not less than zero), with all of such decreases to be made in such manner as the Administrator determines in its discretion to be necessary.

Notwithstanding any provision of this Article 7, any Designated Roth Contributions Account shall be maintained in a manner that satisfies the separate accounting requirement, and any Regulations or other requirements promulgated, under section 402A of the Code. Accordingly, gains, losses and other credits and charges shall be separately allocated on a reasonable basis to each such account and other accounts under the Plan, the Plan shall keep a record of each Participant's Designated Roth Contributions that have not been withdrawn, and contributions and withdrawals of Designated Roth Contributions, and related earnings, shall be accounted for with respect to Designated Roth Contributions Accounts. However, forfeitures shall not be allocated to any Designated Roth Contributions Account. These separate accounting requirements apply with respect to a Participant from the time the Participant makes his or her first Designated Roth Contribution until the time the Participant's Designated Roth Contributions Account is distributed.

Section 7.3. Allocations of Contributions Among Participants' Accounts.

(a) Allocation of Before-Tax Contributions. Before-Tax Contributions shall be allocated to the Before-Tax Contributions Account of each Participant for whom such contributions are made as soon as practical after such contributions are delivered to the Trustee or insurer maintaining a group annuity contract. The Before-Tax Contributions that consist of (i) Before-Tax Contributions made on behalf of the Participant pursuant to Section 4.1 for Plan Years

beginning prior to (A) in the case of a Participant who is not a Local 15 Member, January 1, 2006, and (B) in the case of a Participant who is a Local 15 Member, January 1, 2009, (ii) any Before-Tax Contributions transferred to the Plan from the PECO Energy Company Employee Savings Plan on behalf of such Participant, and (iii) any Before-Tax Contributions that are Untaxed Contributions made pursuant to Section 4.2 for Plan Years beginning on or after (A) in the case of a Participant who is not a Local 15 Member, January 1, 2006, and (B) in the case of a Participant who is a Local 15 Member, January 1, 2009, shall be allocated to the Untaxed Contributions Account of such Participant. The Before-Tax Contributions that consist of Designated Roth Contributions made on behalf of the Participant pursuant to paragraph (c) Section 4.2 (relating to Untaxed Contributions and Designated Roth Contributions) for Plan Years beginning on or after (A) in the case of a Participant who is not a Local 15 Member, January 1, 2006, and (B) in the case of a Participant who is a Local 15 Member, January 1, 2009, January 1, 2006 shall be allocated to the Designated Roth Contributions Account of such Participant.

(b) Allocation of Catch-Up Contributions. Catch-Up Contributions shall be allocated to the Catch-Up Contributions Account of each Participant for whom such contributions are made as soon as practical after such contributions are delivered to the Trustee or insurer maintaining a group annuity contract.

(c) Allocation of Employer Matching Contributions. Employer Matching Contributions shall be allocated to the Employer Matching Contributions Account of each Participant for whom such contributions are made as soon as practical after such contributions are delivered to the Trustee or insurer maintaining a group annuity contract.

(d) Allocation of After-Tax Contributions. After-Tax Contributions shall be allocated to the After-Tax Contributions Account of the Participant who makes such contributions as soon

as practical after such contributions are delivered to the Trustee or insurer maintaining a group annuity contract.

(e) Allocation of Rollover Contributions and Direct Transfers. Rollover contributions made pursuant to Article 5 (relating to Employee contributions) shall be credited to the Rollover Account of the Participant on whose behalf such contribution is made as of the Valuation Date coinciding with or next following the date on which the contribution is delivered to the Trustee.

(f) Allocation of Forfeitures. The total amount forfeited during any Plan Year shall be used to (i) pay the expenses incurred by the Trustee for the administration of the Trust Fund not paid by the Company, (ii) held to pay the expenses reasonably estimated by the Trustee for the administration of the Trust Fund during the next following Plan Year but not expected to be paid by the Company, or (iii) used to reduce Employer Matching Contributions as determined by the Administrator.

Section 7.4. Limitations on Allocations Imposed by Section 415 of the Code.

Notwithstanding any other provision of the Plan, the amount allocated to a Participant's accounts under the Plan for each Plan Year shall be limited so that the aggregate annual additions to the Participant's accounts under this Plan and in all other defined contribution plans maintained by an Employer shall not exceed the lesser of: (A) $46,000 (as adjusted pursuant to section 415(d) of the Code) and (B) 100% of the Participant's compensation for such Plan Year.

If the amount to be allocated to a Participant's accounts pursuant to Section 7.3 (relating to allocations of contributions among Participant's accounts) for a Plan Year would exceed the limitation set forth in this Section 7.4, then such excess shall be reduced before allocations are made to the Participant's accounts. If, in any Plan Year, the annual additions actually allocated to the Participant's accounts exceed the limitation set forth in this Section 7.4, then such annual

additions shall be corrected in accordance with the Employee Plans Compliance Resolution System of the Internal Revenue Service.

For purposes of this Section 7.4, the "annual additions" for a Plan Year to a Participant's accounts in this Plan and in any other defined contribution plan maintained by an Employer is the sum during such Plan Year of:

(a) the amount of Employer contributions (including Before-Tax Contributions and Designated Roth Contributions and excluding any Default Before-Tax Contributions that are withdrawn pursuant to paragraph (c)(ii) of Section 3.2) allocated to the Participant's accounts, excluding, however, (X) Before-Tax Contributions and Designated Roth Contributions that are "catch-up contributions" made pursuant to section 414(v) of the Code, (Y) excess deferrals that are distributed in accordance with section 402(g) of the Code and (Z) restorative payments (within the meaning of section 1.415(c)-1(b)(2)(ii)(C) of the Regulations),

(b) the amount of forfeitures allocated to the Participant's accounts,

(c) the amount of Employee contributions allocated to the Participant accounts, but excluding any rollover contributions, direct transfers or loan repayments, and

(d) the contributions allocated on behalf of the Participant to any individual medical benefit account (as defined in section 415(l) of the Code) or, if the Participant is a key employee within the meaning of section 419A(d)(3) of the Code, to any post-retirement medical benefits account established pursuant to section 419A(d)(1) of the Code.

For purposes of this Section 7.4, "defined contribution plan" shall have the meaning set forth in section 415 of the Code and Regulations, and the term "Employer" shall include all Affiliates except that in defining Affiliates "more than 50 percent" shall be substituted for "at least 80 percent" where required by section 415(g) of the Code. In addition, for purposes of this Section 7.4, "compensation" shall mean a Participant's compensation as defined under section 415(c)(3) of the Code (as amended from time to time).

Section 7.5. Correction of Error.

If it comes to the attention of the Administrator that an error has been made in any of the allocations prescribed by this Article or an error has been made in any other respect, appropriate

adjustment shall be made to the accounts of all Participants and designated Beneficiaries that are affected by such error, except that no adjustment need be made with respect to any Participant or Beneficiary whose account has been distributed in full prior to the discovery of such error.

ARTICLE 8

WITHDRAWALS AND DISTRIBUTIONS

Section 8.1. Withdrawals and Distributions Prior to Termination of Employment.

(a) Hardship Withdrawals. An Employee who has not attained age 59 1/2 may make a request by calling the VRU, or in such other manner as may be prescribed by the Administrator, to withdraw as of any date all or a portion of the balance of his or her Before-Tax Contributions Account (other than earnings credited to such account after December 31, 1988), Catch-Up Contributions Account and Employer Matching Contributions Account only if the Participant has incurred a financial hardship, except that while any loan to the Participant under Section 8.2 remains outstanding, the amount available for withdrawal under this paragraph (a) shall be the balance in such account less the balance of all outstanding loans to the Participant. The determination of the existence of financial hardship and the amount required to be distributed to satisfy the need created by the hardship will be made by the Administrator in a uniform and non-discriminatory manner subject to the following rules:

(A) A financial hardship shall be deemed to exist if, and only if, the Participant certifies to the Committee that the financial need is on account of:

(i) medical expenses described in section 213(d) of the Code incurred or anticipated to be incurred by the Participant, the Participant's Spouse or any dependents of the Participant (as defined in section 152 of the Code) or primary beneficiary;

(ii) funeral or burial expenses incurred by the Participant for the Participant's deceased parent, Spouse, children or dependent (as defined in section 152 of the Code, without regard to section 152(d)(1)(B) of the Code) or primary beneficiary;

(iii) the purchase (excluding mortgage payments) of a principal residence of the Participant;

(iv) the payment of tuition, related educational fees, and room and board expenses for up to the next twelve months of post-secondary education for the Participant, the Participant's Spouse, children or dependents (as defined in section 152 of the Code, without regard to sections 152(b)(1) and (2) and 152(d)(1)(B) of the Code) or primary beneficiary;

(v) the need to prevent eviction of the Participant from his or her principal residence or foreclosure of mortgage of the Participant's principal residence; or

(vi) expenses for the repair of damage to the Participant's principal residence that would qualify for the casualty deduction under section 165 of the Code (determined without regard to whether the loss exceeds 10% of adjusted gross income).

For purposes of the foregoing, an individual is a Participant's "primary beneficiary" if the Participant has designated him or her as a "Beneficiary" under Section 8.5 and such individual has an unconditional right to all or a portion of the Participant's accounts upon the Participant's death.

(B) A distribution shall be deemed to be necessary to satisfy a financial need of the Participant if, and only if, the Participant:

(i) has obtained all distributions, other than hardship withdrawals, and all nontaxable loans under any Employer's plan in which the Participant participates, and

(ii) demonstrates to the satisfaction of the Administrator that the distribution is not in excess of the amount of the immediate and heavy financial need, which need shall include amounts necessary to pay any federal, state and local income taxes, excise taxes and penalties.

If a Participant receives a hardship withdrawal pursuant to this paragraph (a), then, in addition to the cessation of Before-Tax Contributions and After-Tax Contributions required by paragraph (a) of Section 4.1 (relating to initial election regarding regular payroll Before-Tax Contributions), contributions by the Participant to qualified or nonqualified plans of deferred

compensation, including a stock option, stock purchase or similar plan, maintained by an Employer also shall cease beginning with the first payroll period beginning after the date on which the Participant receives such hardship withdrawal and continuing until the first payroll period that coincides with or follows the date on which contributions ceased by six months.

The Participant shall designate the extent to which the hardship withdrawal pursuant to this paragraph (a) are Designated Roth Contributions from the Participant's Designated Roth Contributions Account and the extent that such withdrawals are Untaxed Contributions from the Participant Untaxed Contributions Account and in the event that any such designation is not made or is incomplete, such hardship withdrawals shall be treated as withdrawals of Designated Roth Contributions to the extent Designated Roth Contributions were made to the Plan and, to the extent that the hardship withdrawal exceeds such Designated Roth Contributions, such hardship withdrawal shall be treated as Untaxed Contributions.

(b) Withdrawals After Age 59 1/2. An Employee who has attained age 59 1/2 may make a request by calling the VRU, or in such other manner as may be prescribed by the Administrator, to withdraw as of any date an amount which is not greater than the balance of his or her Before-Tax Contributions Account, Catch-Up Contributions Account and Employer Matching Contributions Account as of the most recent Valuation Date determined by the Administrator, except that while any loan to the Participant under Section 8.2 remains outstanding, the amount available for withdrawal shall be the balance in such accounts less the balance of all outstanding loans to the Participant.

The Participant shall designate the extent to which the withdrawal pursuant to this paragraph (b) are Designated Roth Contributions from the Participant's Designated Roth Contributions Account and the extent that such withdrawals are Untaxed Contributions from the Participant's Untaxed Contributions Account and in the event that any such designation is not

made or is incomplete, such withdrawals shall be treated as withdrawals of Designated Roth Contributions to the extent Designated Roth Contributions were made to the Plan and, to the extent that the withdrawal exceeds such Designated Roth Contributions, such withdrawal shall be treated as Untaxed Contributions.

(c) Withdrawals From the After-Tax Contributions Account. An Employee may make a request by calling the VRU, or in such other manner as may be prescribed by the Administrator, no more than once during any Plan Year, to withdraw from his or her After-Tax Contributions Account an amount which is not greater than the balance of the Participant's After-Tax Contributions Account as of the most recent Valuation Date determined by the Administrator, except that while any loan to the Participant under Section 8.2 remains outstanding, the amount available for withdrawal shall be the balance in such account less the balance of all outstanding loans to the Participant.

(d) Withdrawals from the Rollover Account. A Participant may make a request by calling the VRU, or in such other manner as may be prescribed by the Administrator, to withdraw an amount which is not greater than the balance in his or her Rollover Account as of the most recent Valuation Date determined by the Administrator, except that while any loan to the Participant under Section 8.2 remains outstanding, the amount available for withdrawal shall be the balance in such account less the balance of all outstanding loans to the Participant.

(e) Qualified Reservist Withdrawals. A Participant who is a Qualified Reservist may make a request by calling VRU, or in such manner as may be prescribed by the Administrator, to withdraw any portion of his or her Before-Tax Contributions Account or his or her Designated Roth Contributions Account, and the amount requested shall not be subject to the 10 percent additional tax imposed pursuant to section 72(t)(2)(G) of the Code, provided that the amount

requested is distributed during the period beginning on the date the Participant is ordered or called to active duty and ending at the close of his or her active duty.

(f) Withdrawals of Employer Matching Contributions for Members of IBEW Local Union 614. Notwithstanding any provision in the Plan to the contrary, effective April 16, 2010, a Participant who is a member of a bargaining unit represented by IBEW Local Union 614 and who has completed 60 months as a Participant may elect, in accordance with procedures established by the Administrator, to receive a distribution of all or any part of his or her Employer Matching Contributions Account, as adjusted for gains, earnings and losses attributable thereto determined as of the Valuation Date next succeeding the date of receipt of the request for distribution.

Additionally, effective April 16, 2010, a Participant who is a member of a bargaining unit represented by IBEW Local Union 614, regardless of whether he or she has completed 60 months as a Participant, may elect, in accordance with procedures established by the Administrator, to receive a distribution of all or any part of that portion of the Employer Matching Contributions Account that is derived from Employer Matching Contributions in excess of Employer Matching Contributions allocated to his or her Employer Matching Contributions Account during the two Plan Years preceding the Plan Year in which the withdrawal takes place, adjusted for gains, earnings and losses attributable thereto determined as of the Valuation Date next succeeding the date of receipt of the request for distribution.

No distribution made pursuant to this paragraph (f) may be for an amount which is less than the lesser of (i) $200; and (ii) the balance of the Participant’s Employer Matching Contributions Account, as adjusted for gains, earnings and losses attributable thereto. In addition, a Participant may not make more than one withdrawal pursuant to this paragraph (f) in any Plan Year.

(g) Provisions Applicable to All Withdrawals. Any withdrawal made pursuant to this Section 8.1 shall be made at such time as prescribed by the Administrator and shall be made pro-rata from each of the investment funds in which as of the date of the withdrawal (i) in the case of a withdrawal pursuant to paragraph (a) or (b) of this Section 8.1, the Participant's Before-Tax Contributions Account, Catch-Up Contributions Account (and, if applicable, Employer Matching Contributions Account) is invested, (ii) in the case of a withdrawal pursuant to paragraph (c) of this Section 8.1, the Participant's After-Tax Contributions Account is invested, (iii) in the case of a withdrawal pursuant to paragraph (d) of this Section 8.1, the Participant's Rollover Account is invested, (iv) in the case of a withdrawal pursuant to paragraph (e) of this Section 8.1, the Participant's Before Tax Contributions Account and Designated Roth Contributions Account, and (v) the case of a withdrawal pursuant to paragraph (f) of this Section 8.1, the Participant's Employer Matching Contribution Account. Notwithstanding anything in the Plan to the contrary, the Administrator or the Investment Fiduciary may impose any restrictions it deems necessary or appropriate with respect to withdrawals by individuals who have any portion of their accounts invested in the Employer Stock Fund described in Section 6.2 and who are subject to Rule 16b-3 under section 16 of the Securities Exchange Act of 1934.

(h) Dividend Distributions in Respect of the Employer Stock Fund. Dividends shall be allocated to the accounts of each Participant, any portion of whose account balance is invested in the Employer Stock Fund in accordance with paragraph (b) of Section 7.1, based upon the total number of shares of Common Stock represented by the Participant's proportionate share of the Employer Stock Fund as of such date as may be determined from time to time by the Administrator on or before each dividend record date. Cash dividends shall be reinvested in Common Stock (through the Employer Stock Fund) unless the Participant (or his or her Beneficiary) elects, at the time and in the manner prescribed by the Administrator, to receive a

cash distribution in an amount equal to such dividend, payable not later than 90 days after the end of the Plan Year in which such dividend was paid.

Section 8.2. Loans to Participants.

(a) Making of Loans. Subject to the restrictions set forth in this Section 8.2, the Administrator shall establish a loan program whereby any Participant who is a party-in-interest (within the meaning of section 3(14) of ERISA) or any Beneficiary who is a party-in-interest and any such Participant's Beneficiary may request, in the manner and form prescribed by the Administrator, to borrow funds from the Plan. The principal amount of such loan shall be not less than $1,000 and the aggregate amount of all outstanding loans to a Participant or Beneficiary shall not exceed the lesser of: (1) 50% of the value of the aggregate of the Participant's vested account balances as of the Valuation Date coinciding with or immediately preceding the day on which the loan is made; and (2) $50,000, reduced by the excess, if any, of the highest outstanding loan balances of the Participant under all plans maintained by the Employer during the period of time beginning one year and one day prior to the date such loan is to be made and ending on the date such loan is to be made over the outstanding balance of loans from all such plans on the date on which such loan was made.

(b) Restrictions. Any loan approved by the Administrator pursuant to the preceding paragraph (a) shall be made only upon the following terms and conditions:

(1) The period for repayment of the loan shall be arrived at by mutual agreement between the Administrator and the Participant but such period shall not exceed five years or, in the case of a loan to acquire a principal place of residence, shall not be less than five years or more than 15 years, from the date of the loan. Such loan may be prepaid at any time, without penalty, by delivery to the Administrator of a check in an amount equal to the entire unpaid balance of such loan. No partial prepayment shall be permitted. Except as otherwise provided under uniform and nondiscriminatory procedures established by the Administrator, any loan to a Participant who is an Employee is due in full immediately after termination of employment.

(2) No loan shall be made to a Participant who is an Employee unless such Participant consents to have such loan repaid in substantially equal installments deducted

from the regular payments of the Participant's compensation during the term of the loan. A Participant who (a) was an Employee at the time the Participant received a loan from the Plan, (b) is no longer an Employee and no longer receives compensation from an Employer, but (c) continues to perform services for an Employer, shall consent, either at the time the loan is taken or prior to the date prescribed by the Administrator, to have the balance of any loan outstanding at the time the Participant no longer is an Employee repaid in substantially equal installments over the remaining life of the loan. Such installments shall be paid in the manner specified by the Administrator.

(3) Each loan shall be evidenced by the Participant's collateral promissory note, in the form prescribed by the Administrator, for the amount of the loan, with interest, payable to the order of the Plan, and shall be secured by an assignment of 50% of the Participant's vested account balance.

(4) Each loan shall bear a fixed interest rate commensurate with the interest rates then being charged by persons in the business of lending money for loans made under similar circumstances, as determined by the Administrator.

(5) Except as otherwise provided in this Plan, no withdrawal (other than a withdrawal from a Participant's accounts to the extent that such withdrawal would not reduce the Participant's vested account balances to less than the then outstanding balance of any loan to such Participant or such higher amount determined by the Administrator to be appropriate security for such loan) or distribution shall be made to any Participant who has borrowed from the Trust, or to a Beneficiary of any such Participant, unless and until the loan, including interest, has been repaid.

(6) A charge shall be made against the account of each Participant requesting a loan equal to such reasonable loan application fee (and loan acceptance fee, if required by the Administrator) as shall be set from time to time by the Administrator.

(7) A Participant is permitted only one loan in any calendar year, provided, however, that no more than five loans to a Participant may be outstanding at any time, except that for a Participant described in the following sentence, no more than three loans may be outstanding at any time (for the period beginning April 1, 2009 and ending August 31, 2010, only one of such outstanding loans may be for the purpose of acquiring a principal place of residence and only two of such outstanding loans may be for other purposes). A Participant described in the preceding sentence is any of the following: (A) a Participant who is a member of a bargaining unit represented by IBEW Local Union 15, (B) a Participant who is employed at Byron in Nuclear Security and is a member of United Security System Union Local 1, (C) a Participant who is employed at Oyster Creek in Nuclear Security and is a member of United Government Security Officers of America Local 17, (D) a Participant who is employed at Three Mile Island in Nuclear Security in Nuclear Security and is a member of United Government Security Officers of America Local 18, and (E) a Participant who is classified by an Employer as a management employee.

(8) Loan repayments shall be invested in the various investment funds as elected by the Participant.

(9) The Administrator may, in its sole discretion, restrict the amount to be disbursed pursuant to any loan request to the extent it deems necessary to take into account any fluctuations in the value of a Participant's accounts since the Valuation Date immediately preceding the date on which such loan is to be made.

(10) Any restrictions the Administrator or the Investment Fiduciary determines are necessary or appropriate with respect to loans requested by individuals who have any portion of their accounts invested in the Employer Stock Fund described in Section 6.2 and who are subject to Rule 16b-3 under section 16 of the Securities Exchange Act of 1934.

If any loan or portion of a loan made to a Participant under the Plan, together with the accrued interest thereon, is in default (taking into account any grace period permitted by law, and as determined by the Administrator), the Administrator shall take appropriate steps to collect on the note and foreclose on the security. If upon a Participant's termination of employment entitling the Participant to a distribution under Section 8.3 (relating to distributions upon termination of employment), death or retirement, any loan or portion of a loan made to such Participant under the Plan, together with the accrued interest thereon, remains unpaid, such unpaid amount may be repaid to the Plan no later than the last day of the calendar quarter following the calendar quarter in which such termination of employment occurred or as of such later date or dates permitted under uniform and nondiscriminatory procedures established by the Administrator. If full repayment is not so made, an amount equal to the unpaid portion of such loan, together with the accrued interest thereon, shall be charged to the Participant's accounts after all other adjustments required under the Plan, but before any distribution pursuant to Section 8.3 (relating to distributions upon termination of employment).

(c) Loan Subaccount. The Trustee shall establish and maintain a loan subaccount on behalf of each Participant or Beneficiary to whom a loan is made under this Section 8.2. Such subaccount shall represent the investment of the Participant's or Beneficiary's account in such loan. As of the Valuation Date immediately preceding the date on which a loan is approved, the Participant's or Beneficiary's loan subaccount shall be credited with the amount of the loan and

thereafter shall be debited with repayments of the principal of such loan. The various accounts maintained for the Participant or Beneficiary shall be invested in the loan subaccount and debited by the amount of the loan and credited with payments of interest on, and repayments of principal of, such loan in accordance with uniform rules established by the Administrator.

(d) Sarbanes-Oxley. Notwithstanding any provision of the Plan to the contrary, the Administrator reserves the right to deny the request of a Participant for a loan that, in the judgment of the Administrator, would violate any provision of the Sarbanes-Oxley Act of 2002.

Section 8.3. Distributions Upon Termination of Employment.

(a) Termination of Employment under Circumstances Entitling Participant to Full Distribution of His or Her Account Balance. If a Participant terminates employment, the Participant, or his or her designated Beneficiary, as the case may be, shall be entitled to receive the entire balance of the Participant's accounts, at the time set forth in Section 8.4 (relating to time of distribution) and in the manner set forth in paragraph (b) of this Section 8.3.

(b) Form of Distribution. (1) Subject to paragraph (d) of this Section 8.3 (relating to small benefits payable in lump sum), any distribution to which a Participant or Beneficiary, as the case may be, becomes entitled upon termination of employment shall be distributed by whichever of the following forms of distribution the Participant or Beneficiary, as the case may be, elects by calling the VRU, or in such other manner as may be prescribed by the Administrator:

(A) By payment in a lump sum.

(B) By payment in a series of approximately equal annual, quarterly, or monthly installments, over a period of up to 15 years; provided that installments shall not be available with respect to amounts invested in the CNA 1997 guaranteed investment contract.

A Participant who elected to receive distribution of his or her vested account balance in the form of installments may, at any time after such election is made, elect to receive the remaining amount of his or her vested account balance in the form of a lump sum payment. If no election is

made by a Participant or Beneficiary, as the case may be, as to the form of distribution, the Participant's vested account balance shall be distributed in the form of a lump sum payment.

The amount distributed hereunder shall be paid in cash, except that if the Participant's account is paid in a lump sum, then the Participant may request that all of his or her account invested in the Employer Stock Fund be distributed in whole shares of Common Stock held in such Fund with any fractional share being paid in cash. The number of shares of Common Stock to be distributed shall be based on the current fair market value of a share of Common Stock as determined by the Trustee under Section 7.2 (relating to allocation of net income of Trust Fund and fluctuation in value of Trust assets) as of the Valuation Date coinciding with or immediately preceding the date payment of the Participant's account is to be made. Requests for distribution in the form of Common Stock shall be made at such time and in such manner as the Administrator shall determine under rules and regulations which are uniformly applied.

Notwithstanding the preceding paragraphs, no distribution shall be made in the form of installments with respect to a Participant's Rollover Account that was established to hold the amount distributed or directly transferred from the Commonwealth Edison Company Employee Stock Ownership Plan upon such plan's termination if the Participant elected not to receive distribution of such amount until his or her 65th birthday.

(c) Notice of Availability of Election of Optional Forms of Benefits. No less than 30 days (or such shorter period as permitted by law) and no more than 90 days before distribution is to be made hereunder, the Administrator, or its designee, shall explain to the Participant that he or she may elect either form of distribution set forth in paragraph (b) of this Section 8.3. Such explanation shall include a general description of the eligibility conditions and other material features of the optional forms of distribution provided under the Plan. Notwithstanding the first sentence of this paragraph (c), distribution may commence less than 30 days after the description

described above is given, provided that: (i) the Administrator, or its designee, clearly informs the Participant that the Participant has a right to a period of at least 30 days after receiving the explanation to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and (ii) the Participant, after receiving the explanation, affirmatively elects a distribution. The description referred to in this paragraph (c), as well as the explanation of the participant's right to a period of at least 30 days to consider such explanation before electing a distribution, shall be provided to the Participant through the VRU or in such other manner prescribed by the Administrator.

(d) Small Benefits Payable in Lump Sum. Notwithstanding any provision of the Plan to the contrary, if the vested amount of the Participant's account balances does not exceed $5,000, not including the value of the Participant's Rollover Account or, for distributions occurring on or after March 28, 2005, $1,000, including the value of the Participant's Rollover Account (such amount referred to herein as the "small benefit amount"), such vested amount shall be distributed in a lump sum cash payment as soon as administratively practicable after the Participant's termination of employment in accordance with such procedures as may be established by the Administrator.

(e) Direct Rollover Option. In the case of a distribution from the Plan (excluding any amount offset against the Participant's account balance to repay the outstanding balance of any unpaid loan) which is an "eligible rollover distribution" within the meaning of section 402(c)(4) of the Code, a Participant (or surviving Spouse of a Participant or a former Spouse who is an alternate payee under a qualified domestic relations order as defined in section 414(p) of the Code) may elect that all or any portion of such distribution shall be directly transferred as a rollover contribution from this Plan to (i) an individual retirement account described in section 408(a) of the Code, (ii) an individual retirement annuity described in section 408(b) of the Code, (iii) an

annuity plan described in section 403(a) of the Code, (iv) an annuity contract described in section 403(b) of the Code, (v) a retirement plan qualified under section 401(a) of the Code (the terms of which permit the acceptance of rollover contributions), (vi) an eligible plan under section 457(b) of the Code which is maintained by an eligible employer described in section 457(e)(1)(A) of the Code (the terms of which permit the acceptance of rollover contributions) or (vii) effective January 1, 2008, a Roth IRA described in section 408A of the Code. However, in the case of a distribution of a Participant's After-Tax Contributions Account prior to January 1, 2007, such distribution shall only be directly transferred as a rollover contribution from this Plan to an account or annuity described in section 408 of the Code, or to such a retirement or annuity plan described in section 401(a) or 403(a) of the Code that is a defined contribution plan that agrees to separately account for amounts so transferred, including separately accounting for the portion of such amount which is includible in gross income and the portion of such distribution which is not so includible. In the case of a distribution of a Participant's After-Tax Contributions Account on or after January 1, 2007, such distribution shall only be directly transferred as a rollover contribution to an account or annuity described in section 408 of the Code, or to such a qualified retirement or annuity plan described in section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such amount which is includible in gross income and the portion of such distribution which is not so includible. Notwithstanding any provision of this paragraph (e), in the case of any eligible rollover distribution that includes all or any portion of the Participant's Designated Roth Contributions Account, a Participant or surviving Spouse or a former Spouse who is an alternate payee under a qualified domestic relations order as defined in section 414(p) of the Code may elect to transfer such portion only to another plan which accounts for Designated Roth Contributions described in section 402A of the Code or to a Roth IRA described in section 408A

of the Code and only to the extent the rollover is permitted by the rules of section 402(c) of the Code. In addition, in the case of a distribution described in the preceding sentence that occurs on or after January 1, 2008, a Beneficiary who is not the surviving Spouse of the Participant may elect that all or any portion of such distribution shall be directly transferred as a rollover contribution from this Plan to (i) an individual retirement account described in section 408(a) of the Code, (ii) an individual retirement annuity described in section 408(b) of the Code or (iii) effective January 1, 2010, a Roth IRA described in section 408A of the Code, that, in either case, is established for the purpose of receiving such distribution on behalf of the Beneficiary.

Section 8.4. Time of Distribution.

A Participant who has terminated employment shall commence receiving distribution of his or her vested account balance as soon as administratively practical after the Valuation Date coinciding with or immediately following the date on which the Participant attains age 65, except as provided below.

(1) Early Distribution. Except as provided in subparagraph (7), a Participant whose Termination Date is prior to his or her 65th birthday may elect by calling the VRU, or in such other manner as may be prescribed by the Administrator, prior to his or her termination of employment to have distribution of his or her vested account balance commence within 60 days after the Valuation Date coinciding with or immediately following the Participant's Termination Date.

(2) Deferral of Distribution. A Participant may elect by calling the VRU, or in such other manner as may be prescribed by the Administrator, which election shall be made at the time prescribed by the Administrator, that distribution of his or her vested account balance commence as soon as practicable after the Participant's attainment of age 70 1/2.

(3) Elections After Termination Date. Except as provided in subparagraph (7), a Participant who has terminated employment and whose distribution is to commence either after the Participant's attainment of age 65 or 70 1/2 may elect at any time by calling the VRU, or in such other manner as may be prescribed by the Administrator, to have distribution of his or her vested account balance made within 60 days after the date such election is made.

(4) Required Beginning Date. Distributions paid or commencing during the Participant's lifetime shall commence not later than April 1 of the calendar year

following the calendar year in which the Participant attains age 70 1/2, except that distributions made to a Participant who is not a "five percent owner" (as defined in section 416(i) of the Code) may commence on April 1 of the calendar year following the later of the calendar year in which the Participant attains age 70 1/2 or the calendar year in which the Participant retires. Notwithstanding any provision of the Plan to the contrary, any distributions required by this subparagraph shall be made not less rapidly than in accordance with the final Regulations under Section 401(a)(9). The Participant shall designate the extent to which the distribution of Before-Tax Contributions pursuant to this subparagraph 4 are Designated Roth Contributions from the Participant's Designated Roth Contributions Account and the extent that such withdrawals are Untaxed Contributions from the Participant's Untaxed Contributions Account and in the event that any such designation is not made or is incomplete, such distribution shall be treated as a distribution of Designated Roth Contributions to the extent Designated Roth Contributions were made to the Plan and, to the extent that the distribution of Before-Tax Contributions exceeds such Designated Roth Contributions, such distribution shall be treated as Untaxed Contributions.

(5) Distributions Commencing After Participant's Death. Distributions commencing after the Participant's death shall be completed within five years after the death of the Participant, except that (i) effective with respect to any Participant whose death occurs on or after January 1, 1995, regardless of when such Participant's employment terminated, if the Participant's Beneficiary is the Participant's Spouse, distribution may be deferred until the date on which the Participant would have attained age 70 1/2 had he or she survived and (ii) if the Participant's Beneficiary is a natural person other than the Participant's Spouse and distributions commence not later than one year after the Participant's death, such distributions may be made over a period not longer than the life expectancy of such Beneficiary. If at the time of the Participant's death, distribution of the Participant's benefit has commenced, the remaining portion of the Participant's benefit shall be paid in the manner elected by the Participant's Beneficiary, but at least as rapidly as was the method of distribution being used prior to the Participant's death.

(6) Distribution of Rollover Account After Termination Date. A Participant who has terminated employment or the Beneficiary of such Participant, as the case may be, may elect by calling the VRU, or in such other manner as may be prescribed by the Administrator prior to the time his or her vested account balance is distributed under this Section 8.4 to have distribution of the balance of his or her Rollover Account commence at such prior time as the Participant or Beneficiary shall elect, provided that, while any loan to the Participant under Section 8.2 remains outstanding, such distribution shall be made only to the extent that the balance of such Participant's vested account balance remaining after such distribution will equal or exceed the balance of all outstanding loans to the Participant.

(7) Compliance with Section 401(a)(9) of the Code. Notwithstanding any provision of the Plan to the contrary, all distributions will be made in accordance with section 401(a)(9) of the Code and the regulations promulgated thereunder, including the minimum distribution incidental death benefit requirement thereof.

Notwithstanding the foregoing, any amount that would be a required minimum distribution described in section 401(a)(9) of the Code which is attributable to the 2009 calendar year will not be distributed to a Participant, or his or her Beneficiary, as applicable, unless such individual elects to receive such distribution. In addition, the five-year period described in subparagraph (5) above shall be determined without regard to calendar year 2009.

Notwithstanding anything contained herein to the contrary and except as provided in subparagraph (4) above, in the event that the recordkeeper for the Plan is changed, distributions may be made at such time as prescribed by the Administrator in order to accommodate the transfer of records to the new recordkeeper.

Section 8.5. Designation of Beneficiary.

Each Participant shall have the right to designate a Beneficiary or Beneficiaries (who may be designated contingently or successively and that may be an entity other than a natural person) to receive any distribution to be made under Section 8.3 (relating to distributions upon termination of employment) upon the death of such Participant or, in the case of a Participant who dies subsequent to termination of his or her employment but prior to the distribution of the entire amount to which he or she is entitled under the Plan, any undistributed balance to which such Participant would have been entitled, provided, however, that no such designation (or change thereof) shall be effective if the Participant was married on the date of the Participant's death unless such designation (or change thereof) was consented to at the time of such designation (or change thereof) by the person who was the Participant's Spouse, in writing, acknowledging the effect of such consent and witnessed by a notary public or a Plan representative, or it is established to the satisfaction of the Administrator that such consent could not be obtained because the Participant's Spouse cannot be located or such other circumstances as may be prescribed in Regulations. Subject to the preceding sentence, a Participant may from time to time, without the consent of any Beneficiary, change or cancel any such designation. Such designation and each change therein shall be made in the form prescribed by the Administrator and shall be filed with

the Administrator. A Participant's beneficiary designation in effect under the PECO Energy Company Employee Savings Plan immediately prior to March 31, 2001 shall remain in effect under the Plan on and after March 31, 2001 until such time as such designation is changed or canceled in accordance with this Section 8.5. If (i) no Beneficiary has been named by a deceased Participant, (ii) such designation is not effective pursuant to the proviso contained in the first sentence of this section, or (iii) the designated Beneficiary has predeceased the Participant, any undistributed balance of the deceased Participant shall be distributed by the Trustee at the direction of the Administrator (a) to the surviving Spouse of such deceased Participant, if any, or (b) if there is no surviving Spouse, to the surviving children of such deceased Participant, if any, in equal shares, or (c) if there is no surviving Spouse or surviving children, to the surviving parents of such deceased Participant, if any, in equal shares, or (d) if there is no surviving Spouse, surviving children or surviving parents, to the executor or administrator of the estate of such deceased Participant or (e) if no executor or administrator has been appointed for the estate of such deceased Participant within six months following the date of the Participant's death, in equal shares to the person or persons who would be entitled under the intestate succession laws of the state of the Participant's domicile to receive the Participant's personal estate. The marriage of a Participant shall be deemed to revoke any prior designation of a Beneficiary made by him or her and a divorce shall be deemed to revoke any prior designation of the Participant's divorced Spouse if written evidence of such marriage or divorce is timely received by the Administrator.

Section 8.6. Distributions to Minor and Disabled Distributees.

Any distribution under this Article that is payable to a distributee who is a minor or to a distributee who, in the opinion of the Administrator, is unable to manage his or her affairs by reason of illness or mental incompetency may be made to or for the benefit of any such distributee at such time consistent with the provisions of Section 8.4 (relating to time of distribution) and in

such of the following ways as the legal representative of such distributee shall direct: (a) directly to any such minor distributee if, in the opinion of such legal representative, the distributee is able to manage his or her affairs, (b) to such legal representative, (c) to a custodian under a Uniform Gifts to Minors Act for any such minor distributee, or (d) to some near relative of any such distributee to be used for the latter's benefit. Neither the Administrator nor the Trustee shall be required to see to the application by any third party other than the legal representative of a distributee of any distribution made to or for the benefit of such distributee pursuant to this Section.

Section 8.7. "Lost" Participants and Beneficiaries.

If within a period of five years following the death or other termination of employment of any Participant the Administrator in the exercise of reasonable diligence has been unable to locate the person or persons entitled to benefits under this Article 8, the rights of such person or persons shall be forfeited, provided, however, that the Plan shall reinstate and pay to such person or persons the amount of the benefits so forfeited upon a claim for such benefits made by such person or persons. The amount to be so reinstated shall be obtained from the total amount that shall have been forfeited pursuant to Section 8.3 (relating to distribution upon termination of employment) during the Plan Year that the claim for such forfeited benefit is made. If the amount to be reinstated exceeds the amount of such forfeitures, the Employer in respect of whose Employee the claim for forfeited benefit is made shall make a contribution in an amount equal to the remainder of such excess. Any such contribution shall be made without regard to whether or not the limitations set forth in Section 4.5 (relating to limitation on Employer contributions) will be exceeded by such contribution.

Section 8.8. Death Benefits Under USERRA

Effective January 1, 2007, in the case of a Participant who dies while performing Military Service, the Beneficiaries of such Participant shall be entitled to any additional benefits, if any, (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Participant resumed employment with an Employer and then terminated such employment on account of such Participant's death.

ARTICLE 9

PARTICIPANTS' STOCKHOLDER RIGHTS

Section 9.1. Voting Shares of Common Stock.

Each Participant and Beneficiary shall be entitled to direct the Trustee as to the exercise of any voting rights attributable to shares of Common Stock then allocated to his or her account and the Trustee shall vote such shares according to the voting directions of the Participant or Beneficiary that have been timely submitted to the Trustee on forms provided by the Trustee for such purpose. Participants and Beneficiaries shall be permitted to direct the Trustee as to the exercise of any voting rights, including, but not limited to, any corporate matter that involves the voting of shares of Common Stock with respect to the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets of a trade or business, or similar transaction prescribed in Regulations. The Trustee shall with respect to any matter vote the shares of Common Stock credited to Participants' accounts with respect to which the Trustee does not timely receive voting instructions in the same proportion as to shares the Trustee has received voting instructions. Written notice of any meeting of stockholders of the Company and a request for voting instructions shall be given by the Administrator or the Trustee, at such time and in such manner as the Administrator shall determine, to each Participant or Beneficiary entitled to give instructions for voting shares of

Common Stock at such meeting. The Administrator shall establish and pay for a means by which Participants and Beneficiaries can expeditiously deliver such voting instructions to the Trustee. All instructions delivered by Participants or Beneficiaries shall be confidential and shall not be disclosed to any person, including the Employer.

Section 9.2. Tender Offers.

(a) In the event a tender offer is made generally to the stockholders of the Company to transfer all or a portion of their shares of Common Stock in return for valuable consideration, including but not limited to, offers regulated by section 14(d) of the Securities Exchange Act of 1934, as amended, each Participant or Beneficiary shall be entitled to direct the Trustee regarding how to respond to any such tender offer with respect to the number of shares of Common Stock then allocated to his or her account and the Trustee shall vote such shares according to the voting directions of the Participant or Beneficiary that have been timely submitted to the Trustee on forms provided by the Trustee for such purpose. A Participant or Beneficiary shall not be limited in the number of directions to tender or withdraw from tender that he or she can give, but shall not have the right to give directions to tender or withdraw from tender after a reasonable time established by the Trustee pursuant to paragraph (c) of this Section 9.2. The Trustee shall with respect to a tender offer decline to vote the shares of Common Stock credited to Participants' accounts with respect to which the Trustee does not timely receive directions on how to respond to any such tender offer. All such directions shall be confidential and shall not be disclosed to any person, including the Employer.

(b) Within a reasonable time after the commencement of a tender offer, the Administrator shall provide to each Participant and Beneficiary:

(i) the offer to purchase as distributed by the offeror to the stockholders of the Company,

(ii) a statement of the shares of Common Stock allocated to his or her account, and

(iii) directions as to the means by which a Participant can give directions with respect to the tender offer.

The Administrator shall establish and pay for a means by which a Participant and Beneficiary can expeditiously deliver directions to the Trustee with respect to a tender offer. The Administrator shall transmit or cause to be transmitted to the Trustee aggregate numbers of shares to be tendered or withheld from tender representing directions of Participants and Beneficiaries. The Administrator, at its election, may engage an agent to receive directions from Participants and Beneficiaries and transmit them to the Trustee.

(c) The Trustee may establish a reasonable time, taking into account the time restrictions of the tender offer, after which it shall not accept directions of Participants or Beneficiaries.

ARTICLE 10

SPECIAL PARTICIPATION AND DISTRIBUTION RULES RELATING TO REEMPLOYMENT OF TERMINATED EMPLOYEES AND EMPLOYMENT BY RELATED ENTITIES

Section 10.1. Change of Employment Status.

If an Employee who is not a Participant becomes eligible to participate because of a change in his or her employment status, such Employee shall become a Participant as of the date of such change if either the Employee is not a member of a bargaining unit represented by IBEW Local Union 15 or the Employee has satisfied the eligibility service requirement set forth in Section 3.1; otherwise the Employee shall become a Participant in accordance with Section 3.1 following satisfaction of the eligibility service requirement.

Section 10.2. Reemployment of an Eligible Employee Whose Employment Terminated Prior to His or Her Becoming a Participant.

(a) If the employment of an Eligible Employee who is a member of a bargaining unit represented by IBEW Local Union 15 terminated before the Employee satisfied the eligibility service requirement set forth in Section 3.1 and such Employee is thereafter reemployed by an Employer, such Employee shall be eligible to become a Participant in accordance with Section 3.1.

(b) If the employment of an Eligible Employee who is a member of a bargaining unit represented by IBEW Local Union 15 terminated after he or she had satisfied the eligibility service requirement set forth in Section 3.1 but prior to becoming a Participant is reemployed by an Employer, he or she shall not be required to satisfy again such requirement and shall be eligible to become a Participant upon filing an application in accordance with Section 3.2 (relating to application for Before-Tax Contributions and After-Tax Contributions).

Section 10.3. Reemployment of a Terminated Participant.

If a terminated Participant is reemployed, the Participant shall not be required to satisfy again the eligibility service requirement set forth in Section 3.1 and shall again become a Participant upon filing an application in accordance with Section 3.2 (relating to application for Before-Tax Contributions and After-Tax Contributions).

Section 10.4. Employment by an Affiliate.

If an individual is employed by an Affiliate, then any period of such employment shall be taken into account solely for the purposes of determining whether and when such individual is eligible to participate in the Plan under Article 3 (relating to participation), when such individual has retired or otherwise terminated his or her employment for purposes of Article 8 (relating to

withdrawals and distributions) to the same extent it would have been had such period of employment been as an Employee of his or her Employer.

Section 10.5. Leased Employees.

A leased employee (as defined below) shall not be eligible to participate in the Plan. If an individual who performed services as a leased employee (as defined below) of an Employer or an Affiliate becomes an Employee, or if an Employee becomes such a leased employee, then any period during which such services were so performed shall be taken into account solely for the purposes of determining whether and when such individual is eligible to participate in the Plan under Article 3 (relating to participation) and determining when such individual has retired or otherwise terminated his or her employment for purposes of Article 8 (relating to withdrawals and distributions) to the same extent it would have been had such service been as an Employee. This Section shall not apply to any period of service during which such a leased employee was covered by a plan described in section 414(n)(5) of the Code. Any contributions or benefits provided under such plan to a leased employee by his or her leasing organization shall be treated as provided under this Plan and shall be taken into account under Section 7.4 (relating to limitation on allocations imposed by Section 415 of the Code) to the extent required under section 1.415(a)-1(f)(3) of the Regulations. For purposes of this Plan, a "leased employee" shall mean any person who is not an employee of an Employer and who pursuant to an agreement between an Employer or Affiliate has performed services for an Employer or an Affiliate on a substantially full-time basis for a period of at least one year, which services were performed under the primary direction or control of an Employer or an Affiliate.

Section 10.6. Reemployment of Veterans.

(a) General. The provisions of this Section shall apply in the case of the reemployment by an Employer of an Eligible Employee, within the period prescribed by the Uniformed Service

Employment and Reemployment Rights Act ("USERRA"), after the Employee's completion of a period of Military Service. The provisions of this Section are intended to provide such Employees with the rights required USERRA and section 414(u) of the Code, and shall be interpreted in accordance with such intent.

(b) Make Up of Before-Tax and After-Tax Contributions. Such Employee shall be entitled to make contributions under the Plan ("Make-Up Employee Contributions"), in addition to Before-Tax and After-Tax Contributions which the Employee elects to have made under the Plan pursuant to Section 4.1 (relating to Before-Tax Contributions). From time to time while employed by an Employer, such Employee may elect to contribute Make-Up Employee Contributions during the period beginning on the date of such Employee's reemployment and ending on the earlier of:

(i) the end of the period equal to the product of three and such Employee's period of Military Service, and

(ii) the fifth anniversary of the date of such reemployment.

Such Employee shall not be permitted to contribute Make-Up Employee Contributions to the Plan in excess of the amount which the Employee could have elected to have made under the Plan in the form of Before-Tax and After-Tax Contributions if the Employee had continued in employment with his or her Employer during such period of Military Service. Such Employee shall be deemed to have earned "Compensation" from his or her Employer during such period of Military Service for this purpose in the amount prescribed by sections 414(u)(2)(B) and 414(u)(7) of the Code. The manner in which an Eligible Employee may elect to contribute Make-Up Employee Contributions pursuant to this paragraph (b) shall be prescribed by the Administrator.

(c) Make Up of Employer Matching Contributions. An Eligible Employee who contributes Make-Up Employee Contributions as described in paragraph (b) shall be entitled to an allocation of Employer Matching Contributions ("Make-Up Matching Contributions") in an amount equal to the amount of Employer Matching Contributions which would have been

allocated to the Employer Matching Contributions Account of such Eligible Employee under the Plan if such Make-Up Employee Contributions had been made in the form of Before-Tax or After-Tax Contributions (as applicable) during the period of such Employee's Military Service. The amounts necessary to make such allocation of Make-Up Matching Contributions shall be derived from any forfeitures not yet applied towards Employer Matching Contributions for the Plan Year in which the Make-Up Employee Contributions are made, and if such forfeitures are not sufficient for this purpose, then the Eligible Employee's Employer shall make a special contributions which shall be utilized solely for purposes of such allocation.

(d) Application of Limitations and Nondiscrimination Rules. Any contributions made by an Eligible Employee or an Employer pursuant to this Section on account of a period of Military Service in a prior Plan Year shall not be subject to the limitations prescribed by Sections 4.2, 4.5 and 7.4 of the Plan (relating to sections 402(g), 404 and 415 of the Code) for the Plan Year in which such contributions are made. The Plan shall not be treated as failing to satisfy the nondiscrimination rules of Section 4.4 of the Plan (relating to limitations on contributions for highly compensated Eligible Employees) for any Plan Year solely on account of any make up contributions made by an Eligible Employee or an Employer pursuant to this Section 10.6.

ARTICLE 11

ADMINISTRATION

Section 11.1. The Administrator, the Investment Fiduciary and the Corporate Investment Committee.

(a) The Administrator. The Company's Director, Employee Benefit Plans & Programs, or such other person or committee appointed by the Chief Human Resources Officer from time to time (such director or other person or committee, the "Administrator"), shall be the

"administrator" of the Plan, within the meaning of such term as used in ERISA. In addition, the Administrator shall be the "named fiduciary" of the Plan, within the meaning of such term as used in ERISA, solely with respect to administrative matters involving the Plan and not with respect to any investment of the Plan's assets. The Administrator shall have the following duties, responsibilities and rights:

(i) The Administrator shall have the duty and discretionary authority to interpret and construe the Plan in regard to all questions of eligibility, the status and rights of Participants, distributees and other persons under the Plan, and the manner, time, and amount of payment of any distribution under the Plan. Benefits under the Plan shall be paid to a Participant or Beneficiary only if the Administrator, in its discretion, determines that such person is entitled to benefits.

(ii) The Administrator shall direct the Trustee to make payments of amounts to be distributed from the Trust under Article 8 (relating to withdrawals and distributions).

(iii) The Administrator shall supervise the collection of Participants' contributions made pursuant to Article 5 (relating to Employee contributions) and the delivery of such contributions to the Trustee.

(iv) The Administrator shall have all powers and responsibilities necessary to administer the Plan, except those powers that are specifically vested in the Investment Fiduciary, the Corporate Investment Committee or the Trustee.

(v) Each Employer shall, from time to time, upon request of the Administrator, furnish to the Administrator such data and information as the Administrator shall require in the performance of its duties.

(vi) The Administrator may require a Participant or Beneficiary to complete and file certain applications or forms approved by the Administrator and to furnish such information requested by the Administrator. The Administrator and the Plan may rely upon all such information so furnished to the Administrator.

(vii) The Administrator shall be the Plan's agent for service of legal process and forward all necessary communications to the Trustee.

(b) Removal of Administrator. The Chief Human Resources Officer shall have the right at any time, with or without cause, to remove the Administrator (including any member of a

committee that constitutes the Administrator). The Administrator may resign and the resignation shall be effective upon delivery of the written resignation to the Chief Human Resources Officer. Upon the resignation, removal or failure or inability for any reason of the Administrator to act hereunder, the Chief Human Resources Officer shall appoint a successor. Any successor Administrator shall have all the rights, privileges and duties of the predecessor, but shall not be held accountable for the acts of the predecessor. None of the Company, any member of the board of directors of the Company who is not the Chief Human Resources Officer, nor any other person shall have any responsibility regarding the retention or removal of the Administrator.

(c) The Investment Fiduciary. The Company, acting through the Exelon Investment Office, shall be the Investment Fiduciary and the "named fiduciary" of the Plan, within the meaning of such term as used in ERISA, solely with respect to matters involving the investment of assets of the Plan and, any contrary provision of the Plan notwithstanding, in all events subject to the limitations contained in Sections 404(a)(2) and 404(c) of ERISA and all other applicable limitations. The Investment Fiduciary shall have the following duties, responsibilities and rights:

(i) The Investment Fiduciary shall be the "named fiduciary" for purposes of designating the investment funds under Section 6.2 and for purposes of appointing one or more investment managers as described in ERISA.

(ii) The Investment Fiduciary shall be solely responsible for all matters involving investment of the Employer Stock Fund described in Section 6.2 and neither the Company nor any other person shall have any responsibility with respect to investment of such fund.

(iii) Each Employer shall, from time to time, upon request of the Investment Fiduciary, furnish to the Investment Fiduciary such data and information as the Investment Fiduciary shall require in the performance of its duties.

(d) The Corporate Investment Committee. The Corporate Investment Committee shall be responsible for overall monitoring of the performance of the Investment Fiduciary. The Corporate Investment Committee shall have the right at any time, with or without cause, to remove one or more employees of the Exelon Investment Office or to appoint another person or

committee to act as Investment Fiduciary. Any successor Investment Fiduciary member shall have all the rights, privileges and duties of the predecessor, but shall not be held accountable for the acts of the predecessor. The power and authority of the Corporate Investment Committee with respect to the Plan shall be limited solely to the monitoring and removal of the members of the Investment Fiduciary and the Corporate Investment Committee shall have no other duties or responsibilities with respect to the Plan. None of the Company, any member of the board of directors who is not a member of the Corporate Investment Committee, nor any other person shall have any responsibility regarding the appointment or removal of the members of Investment Fiduciary.

(e) Status of Administrator, the Investment Fiduciary and the Corporate Investment Committee. The Administrator, any person acting as, or on behalf of, the Investment Fiduciary, and any member of the Corporate Investment Committee may, but need not, be an Employee, trustee or officer of an Employer and such status shall not disqualify such person from taking any action hereunder or render such person accountable for any distribution or other material advantage received by him or her under this Plan, provided that no Administrator, person acting as, or on behalf of, the Investment Fiduciary, or any member of the Corporate Investment Committee who is a Participant shall take part in any action of the Administrator or the Investment Fiduciary on any matter involving solely his or her rights under this Plan.

(f) Notice to Trustee of Members. The Trustee shall be notified as to the names of the Administrator and the person or persons authorized to act on behalf of the Investment Fiduciary.

(g) Allocation of Responsibilities. Each of the Administrator, the Investment Fiduciary and the Corporate Investment Committee may allocate their respective responsibilities and may designate any person, persons, partnership or corporation to carry out any of such

responsibilities with respect to the Plan. Any such allocation or designation shall be reduced to writing and such writing shall be kept with the records of the Plan.

(h) General Governance. Each of the Administrator, the Investment Fiduciary and the Corporate Investment Committee may act at a meeting or by written consent approved by a majority of its respective members, as applicable. The Corporate Investment Committee shall elect one of its members as chairman and appoint a secretary, who may or may not be a member of such Committee. The secretary of the Corporate Investment Committee shall keep a record of all meetings and forward all necessary communications to the Employers or the Trustee. All decisions of the Corporate Investment Committee shall be made by the majority, including actions taken by written consent. The Administrator, the Investment Fiduciary and the Corporate Investment Committee may adopt such rules and procedures as it deems desirable for the conduct of its affairs, provided that any such rules and procedures shall be consistent with the provisions of the Plan.

(i) Indemnification. The Employers hereby jointly and severally indemnify the Administrator, the persons employed in the Exelon Investment Office, the members of the Corporate Investment Committee, the Chief Human Resources Officer, and the directors, officers and employees of the Employers and each of them, from the effects and consequences of their acts, omissions and conduct in their official capacity with respect to the Plan (including but not limited to judgments, attorney fees and costs with respect to any and all related claims, subject to the Company’s notice of and right to direct any litigation, select any counsel or advisor, and approve any settlement), except to the extent that such effects and consequences result from their own willful misconduct. The foregoing indemnification shall be in addition to (and secondary to) such other rights such persons may enjoy as a matter of law or by reason of insurance coverage of any kind.

(j) No Compensation. None of the Administrator, any person employed in the Exelon Investment Office nor any member of the Corporate Investment Committee may receive any compensation or fee from the Plan for services as the Administrator, the Investment Fiduciary or a member of the Corporate Investment Committee; provided, however that nothing contained herein shall preclude the Plan from reimbursing the Company or any Employer for compensation paid to any such person if such compensation constitutes "direct expenses" for purposes of ERISA. The Employers shall reimburse the Administrator, the persons employed in the Exelon Investment Office and the members of the Corporate Investment Committee for any reasonable expenditures incurred in the discharge of their duties hereunder.

(k) Employ of Counsel and Agents. The Administrator, the Investment Fiduciary and the Corporate Investment Committee may employ such counsel (who may be counsel for an Employer) and agents and may arrange for such clerical and other services as each may require in carrying out its respective duties under the Plan.

Section 11.2. Claims Procedure.

Any Participant or distributee who believes he or she is entitled to benefits in an amount greater than those which he or she is receiving or has received may file a claim with the Administrator. Such a claim shall be in writing and state the nature of the claim, the facts supporting the claim, the amount claimed, and the address of the claimant. The Administrator shall review the claim and, unless special circumstances require an extension of time, within 90 days after receipt of the claim, give notice to the claimant, either in writing by registered or certified mail or in an electronic notification, of the Administrator's decision with respect to the claim. Any electronic notice delivered to the claimant shall comply with the standards imposed by applicable Regulations. If the Administrator determines that special circumstances require an extension of time for processing the claim, the claimant shall be so advised in writing within the

initial 90-day period and in no event shall such an extension exceed 90 days. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Administrator expects to render the benefit determination. The notice of the decision of the Administrator with respect to the claim shall be written in a manner calculated to be understood by the claimant and, if the claim is wholly or partially denied, the Administrator shall notify the claimant of the adverse benefit determination and shall set forth the specific reasons for the adverse determination, the references to the specific Plan provisions on which the determination is based, a description of any additional material or information necessary for the claimant to perfect the claim, an explanation of why such material or information is necessary, and a description of the claim review procedure under the Plan and the time limits applicable to such procedures, including a statement of the claimant's right (subject to the limitations described in Sections 13.11 and 13.12) to bring a civil action under Section 502 of ERISA following an adverse benefit determination on review. The Administrator shall also advise the claimant that the claimant or the claimant's duly authorized representative may request a review by the by the Vice President, Compensation & Benefits (or such other officer designated from time to time by the Chief Human Resources Officer) of the adverse benefit determination by filing with such officer, within 60 days after receipt of a notification of an adverse benefit determination, a written request for such review. The claimant shall be informed that, within the same 60-day period, he or she (a) may be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits and (b) may submit to such officer written comments, documents, records and other information relating to the claim for benefits. If a request is so filed, review of the adverse benefit determination shall be made by such officer within, unless special circumstances require an extension of time, 60 days after receipt of such request, and the claimant shall be given written notice of the officer's final decision. If the

reviewing officer determines that special circumstances require an extension of time for processing the claim, the claimant shall be so advised in writing within the initial 60-day period and in no event shall such an extension exceed 60 days. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the officer expects to render the determination on review. The review of the officer shall take into account all comments, documents, records and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The notice of the final decision shall include specific reasons for the determination and references to the specific Plan provisions on which the determination is based and shall be written in a manner calculated to be understood by the claimant.

Section 11.3. Procedures for Domestic Relations Orders.

If the Administrator receives any written judgment, decree or order (including approval of a property settlement agreement) pursuant to domestic relations or community property laws of any state relating to the provision of child support, alimony or marital property rights of a Spouse, former Spouse, child or other dependent of a Participant and purporting to provide for the payment of all or a portion of the Participant’s benefit under the Plan to or on behalf of one or more of such persons (such judgment, decree or order being hereinafter called a “domestic relations order”), the Administrator shall promptly notify the Participant and each other payee specified in such domestic relations order of its receipt and of the following procedures. After receipt of a domestic relations order, the Administrator shall determine whether such order constitutes a “qualified domestic relations order,” as defined in paragraph (b) Section 14.2 (relating to exception for qualified domestic relations orders), and shall notify the Participant and each payee named in such order in writing of its determination. Such notice shall be written in a manner calculated to be understood by the parties and shall set forth specific reasons for the Administrator’s

determination, and shall contain an explanation of the review procedure under the Plan. The Administrator shall also advise each party that the party or his or her duly authorized representative may request a review by the Vice President, Compensation & Benefits (or such other officer designated from time to time by the Chief Human Resources Officer) of the Administrator's determination by filing a written request for such review. The Administrator shall give each party affected by such request notice of such request for review. Each party also shall be informed that he or she may have reasonable access to pertinent documents and submit comments in writing to such officer in connection with such request for review. Each party shall be given written notice of the officer's final determination, which notice shall be written in a manner calculated to be understood by the parties and shall include specific reasons for such final determination. Any amounts subject to a domestic relations order which would be payable to the alternate payee prior to the determination that such order is a qualified domestic relations order shall be separately accounted for and not distributed prior to such determination. If within a reasonable time after receipt of written evidence of such order it is determined that such domestic order constitutes a qualified domestic relations order, the amounts so separately accounted for (plus any interest thereon) shall be paid to the alternate payee. If within such reasonable period of time it is determined that such order does not constitute a qualified domestic relations order, the amounts so separately accounted for (plus any interest thereon) shall be paid to such other persons, if any, entitled to such amounts at such time. Prior to the issuance of regulations, the Administrator shall establish the time periods in which the Administrator's determination, a request for review thereof and the review by the Administrator shall be made, provided that the total of such time periods shall not be longer than 18 months from the date written evidence of a domestic relations order is received by the Administrator.

The duties of the Administrator under this Section 11.3 may be delegated by the Administrator to one or more persons other than the Administrator.

Section 11.4. Notices to Participants, Etc.

All notices, reports and statements given, made, delivered or transmitted to a Participant or distributee or any other person entitled to or claiming benefits under the Plan shall be deemed to have been duly given, made or transmitted when mailed by first class mail with postage prepaid and addressed to the Participant or distributee or such other person at the address last appearing on the records of the Administrator. A Participant or distributee or other person may record any change of his or her address from time to time by written notice filed with the Administrator.

Section 11.5. Notices to Administrator.

Written directions, notices and other communications from Participants or distributees or any other person entitled to or claiming benefits under the Plan to the Administrator shall be deemed to have been duly given, made or transmitted either when delivered to such location as shall be specified upon the forms prescribed by the Administrator for the giving of such directions, notices and other communications or when mailed by first class mail with postage prepaid and addressed to the addressee at the address specified upon such forms.

Section 11.6. Records.

Each of the Administrator and the Investment Fiduciary shall keep a record of all of their respective proceedings, if any, and shall keep or cause to be kept all books of account, records and other data as may be necessary or advisable in their respective judgment for the administration of the Plan or the administration of the investments of the Plan.

Section 11.7. Reports of Trustee and Accounting to Participants.

The Administrator shall keep on file, in such form as it shall deem convenient and proper, all reports concerning the Trust Fund received by it from the Trustee, and the Administrator will,

as soon as practicable after the last day of each quarter of each Plan Year furnish each Participant and Beneficiary with a statement reflecting the condition of his or her accounts as of that date.

Section 11.8. Electronic Media.

Notwithstanding any provision of the Plan to the contrary and for all purposes of the Plan, to the extent permitted by the Administrator and any applicable law or Regulation, the use of electronic technologies shall be deemed to satisfy any written notice, consent, delivery, signature, disclosure or recordkeeping requirement under the Plan, the Code or ERISA to the extent permitted by or consistent with applicable law and Regulations. Any transmittal by electronic technology shall be deemed delivered when successfully sent to the recipient, or such other time specified by the Administrator.

ARTICLE 12

PARTICIPATION BY OTHER EMPLOYERS

Section 12.1. Adoption of Plan.

With the consent of the Company, any entity may become a participating Employer under the Plan by (a) taking such action as shall be necessary to adopt the Plan and (b) executing and delivering such instruments and taking such other action as may be necessary or desirable to put the Plan into effect with respect to such entity.

Section 12.2. Withdrawal from Participation.

Any Employer shall terminate its participation in the Plan at any time, under such circumstances as the Company may provide, by delivering to the Company a duly certified copy of a resolution of its board of directors (or other governing body) to that effect, or by ceasing to be a member of the same controlled group as the Company (within the meaning of section 1563(a) of the Code).

Section 12.3. Company as Agent for Employers.

Each entity that becomes a participating Employer pursuant to Section 12.1 (relating to adoption of Plan) or Article 13 (relating to continuance by a successor) by so doing shall be deemed to have appointed the Company its agent to exercise on its behalf all of the powers and authorities hereby conferred upon the Company by the terms of the Plan, including, but not by way of limitation, the power to amend and terminate the Plan. The authority of the Company to act as such agent shall continue unless and until the portion of the Trust Fund held for the benefit of Employees of the particular Employer and their Beneficiaries is set aside in a separate Trust Fund as provided in Section 16.2 (relating to establishment of separate trust).

ARTICLE 13

CONTINUANCE BY A SUCCESSOR

In the event that the Employer is reorganized by way of merger, consolidation, transfer of assets or otherwise, so that another entity succeeds to all or substantially all of the Employer's business, such successor entity may be substituted for the Employer under the Plan by adopting the Plan and becoming a party to the Trust agreement. Contributions by the Employer shall be automatically suspended from the effective date of any such reorganization until the date upon which the substitution of such successor entity for the Employer under the Plan becomes effective. If, within 90 days following the effective date of any such reorganization, such successor entity shall not have elected to become a party to the Plan, or if the Employer adopts a plan of complete liquidation other than in connection with a reorganization, the Plan shall be automatically terminated with respect to Employees of such Employer as of the close of business on the 90th day following the effective date of such reorganization or as of the close of business on the date of adoption of such plan of complete liquidation, as the case may be, and the Administrator shall

direct the Trustee to distribute the portion of the Trust Fund applicable to such Employer in the manner provided in Article 16 (relating to establishment of separate plan and termination).

If such successor entity is substituted for an Employer by electing to become a party to the Plan as described above, then, for all purposes of the Plan, employment of such Employee with such Employer, including service with and compensation paid by such Employer, shall be considered to be employment with an Employer.

ARTICLE 14

MISCELLANEOUS

Section 14.1. Expenses.

Except as provided in the last sentence of Section 6.2 (relating to expenses of investments for an investment fund), all costs and expenses incurred in administering the Plan and the Trust, including, but not limited to, "direct expenses" incurred in administering the Plan and the Trust (including compensation paid to any employee of an Employer or an Affiliate who is engaged in the administration of the Plan or the Trust), the expenses of the Administrator and the Investment Fiduciary, the fees of counsel and any agents for the Administrator and the Investment Fiduciary, the fees and expenses of the Trustee, the fees of counsel for the Trustee and other administrative expenses shall, to the extent permitted by law, be paid from the Trust Fund to the extent such expenses are not paid by the Employers. Notwithstanding the foregoing, the Administrator may authorize an Employer to pay any expenses, and the Employer shall be reimbursed from the Trust Fund for such payments. The Administrator, in its discretion, having regard to the nature of a particular expense, shall determine the portion of the expense that is to be borne by each Employer.

Section 14.2. Non-Assignability.

(a) In general. It is a condition of the Plan, and all rights of each Participant and Beneficiary shall be subject thereto, that no right or interest of any Participant or Beneficiary in the Plan shall be assignable or transferable in whole or in part, either directly or by operation of law or otherwise, including, but not by way of limitation, execution, levy, garnishment, attachment, pledge or bankruptcy, but excluding devolution by death or mental incompetency, and no right or interest of any Participant or Beneficiary in the Plan shall be liable for, or subject to, any obligation or liability of such Participant or Beneficiary, including claims for alimony or the support of any Spouse, except as provided below.

(b) Exception for Qualified Domestic Relations Orders. Notwithstanding any provision of the Plan to the contrary, if a Participant's account balance under the Plan, or any portion thereof, is the subject of one or more qualified domestic relations orders, as defined below, such account balance or portion thereof shall be paid to the person and at the time and in the manner specified in any such order. For purposes of this paragraph (b), "qualified domestic relations order" shall mean any "domestic relations order" as defined in Section 11.3 (relating to procedures for domestic relations orders) that creates (or recognizes the existence of) or assigns to a person other than the Participant (an "alternate payee") rights to all or a portion of the Participant's account balance under the Plan, and:

(A) clearly specifies

(i) the name and last known mailing address (if any) of the Participant and each alternate payee covered by such order,

(ii) the amount or percentage of this Participant's benefits to be paid by the Plan to each such alternate payee, or the manner in which such amount or percentage is to be determined,

(iii) the number of payments to, or period of time for which, such order applies, and

(iv) each plan to which such order applies;

(B) does not require

(i) the Plan to provide any type or form of benefit or any option not otherwise provided under the Plan at the time such order is issued,

(ii) the Plan to provide increased benefits (determined on the basis of actuarial equivalence), and

(iii) the payment of benefits to an alternate payee that at the time such order is issued already are required to be paid to a different alternate payee under a prior qualified domestic relations order; and

(C) does not require the commencement of payment of benefits to any alternate payee before the earlier of (I) the date on which the Participant is entitled to a distribution under the Plan and (II) the date the Participant attains age 50, except that the order may require the commencement of payment of benefits as soon as administratively practicable after the date such order is determined by the Administrator to be a "qualified domestic relations order";

all as determined by the Administrator pursuant to the procedures contained in Section 11.3 (relating to procedures for domestic relations orders). Any amounts subject to a domestic relations order prior to determination of its status as a qualified domestic relations order that but for such order would be paid to the Participant shall be segregated in a separate account or an escrow account pending such determination. If within the reasonable time period beginning with the date on which the first payment would be required to be made under a domestic relations order the Administrator determines that the domestic relations order constitutes a qualified domestic relations order, the amount so segregated (plus any interest thereof) shall be paid to the alternate payee. If such determination is not made within such reasonable time period, then the amount so segregated (plus any interest thereon), shall, as soon as practicable after the end of such reasonable time period, be paid to the Participant. Any determination regarding the status of such order after such reasonable time period shall be applied only to payments on or after the date of such determination.

Section 14.3. Employment Non-Contractual.

The Plan confers no right upon an Employee to continue in employment.

Section 14.4. Limitation of Rights.

A Participant or distributee shall have no right, title or claim in or to any specific asset of the Trust Fund, but shall have the right only to distributions from the Trust Fund on the terms and conditions herein provided.

Section 14.5. Merger or Consolidation with Another Plan.

A merger or consolidation with, or transfer of assets or liabilities to, any other plan shall not be effected unless the terms of such merger, consolidation or transfer are such that each Participant, distributee, Beneficiary or other person entitled to receive benefits from the Plan would, if the Plan were to terminate immediately after the merger, consolidation or transfer, receive a benefit equal to or greater than the benefit such person would be entitled to receive if the Plan were to terminate immediately before the merger, consolidation, or transfer.

Section 14.6. Gender and Plurals.

Wherever used in the Plan, words in the masculine gender shall include masculine or feminine gender, and, unless the context otherwise requires, words in the singular shall include the plural, and words in the plural shall include the singular.

Section 14.7. Applicable Law.

Except to the extent preempted by applicable federal law or otherwise provided under the terms of the Plan, the Plan and all rights hereunder shall be governed by and construed in accordance with the laws of the State of Illinois.

Section 14.8. Severability.

If a provision of the Plan shall be held illegal or invalid, the illegality or invalidity shall not affect the remaining parts of the Plan and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included in the Plan.

Section 14.9. No Guarantee.

Neither the Administrator or the Investment Fiduciary, the Employer, nor the Trustee in any way guarantees the Trust from loss or depreciation nor the payment of any money that may be or become due to any person from the Trust Fund. Nothing herein contained shall be deemed to give any Participant, distributee, or Beneficiary an interest in any specific part of the Trust Fund or any other interest except the right to receive benefits out of the Trust Fund in accordance with the provisions of the Plan and the Trust Fund.

Section 14.10. Statute of Limitations for Actions under the Plan.

Except for actions to which the statute of limitations prescribed by Section 413 of ERISA applies, (a) no legal or equitable action relating to a claim for benefits under Section 502 of ERISA may be commenced later than one year after the claimant receives a final decision from the Company's Vice President, Compensation & Benefits (or such other officer designated from time to time by the Chief Human Resources Officer) in response to the claimant's request for review of the adverse benefit determination and (b) no other legal or equitable action involving the Plan may be commenced later than two years from the time the person bringing an action knew, or had reason to know, of the circumstances giving rise to the action. This provision shall not be interpreted to extend any otherwise applicable statute of limitations, nor to bar the Plan or its fiduciaries from recovering overpayments of benefits or other amounts incorrectly paid to any person under the Plan at any time or bringing any legal or equitable action against any party.

Section 14.11. Forum for Legal Actions under the Plan.

Any legal action involving the Plan that is brought by any Participant, any Beneficiary or any other person shall be litigated in the federal courts located in the Northern District of Illinois or the Eastern District of Pennsylvania, whichever is most convenient, and no other federal or state court.

Section 14.12. Legal Fees.

Any award of legal fees in connection with an action involving the Plan shall be calculated pursuant to a method that results in the lowest amount of fees being paid, which amount shall be no more than the amount that is reasonable. In no event shall legal fees be awarded for work related to (a) administrative proceedings under the Plan, (b) unsuccessful claims brought by a Participant, Beneficiary or any other person, or (c) actions that are not brought under ERISA. In calculating any award of legal fees, there shall be no enhancement for the risk of contingency, nonpayment or any other risk nor shall there be applied a contingency multiplier or any other multiplier. In any action brought by a Participant, Beneficiary or any other person against the Plan, the Administrator, the Investment Fiduciary, the Vice President, Compensation & Benefits, any Plan fiduciary, the Chief Human Resources Officer, the Company, its affiliates or their respective officers, directors, employees, or agents (the "Plan Parties"), legal fees of the Plan Parties in connection with such action shall be paid by the Participant, Beneficiary or other person bringing the action, unless the court specifically finds that there was a reasonable basis for the action.

ARTICLE 15

TOP-HEAVY PLAN REQUIREMENTS

Section 15.1. Top-Heavy Plan Determination.

If as of the determination date (as defined in Section 15.2) for any Plan Year (a) the sum of the account balances under the Plan and all other defined contribution plans in the aggregation group (as defined in Section 15.2) and (b) the present value of accrued benefits under all defined benefit plans in such aggregation group of all Participants in such plans who are key employees (as defined in Section 15.2) for such Plan Year exceeds 60 percent of the aggregate of the account balances and present value of accrued benefits of all participants in such plans as of the determination date (as defined in Section 15.2), then this Plan shall be a top-heavy plan for such Plan Year, and the requirements of Sections 15.3 (relating to minimum contribution for top-heavy years) shall be applicable for such Plan Year as of the first day thereof. If the Plan shall be a top-heavy plan for any Plan Year and not be a top-heavy plan for any subsequent Plan Year, the requirements of this Article shall not be applicable for such subsequent Plan Year.

Section 15.2. Definitions and Special Rules.

(a) Definitions. For purposes of this Article, the following definitions shall apply:

(1) Determination Date. The determination date for all plans in the aggregation group shall be the last day of the preceding Plan Year, and the valuation date applicable to a determination date shall be (i) in the case of a defined contribution plan, the date as of which account balances are determined which is coincident with or immediately precedes the determination date, and (ii) in the case of a defined benefit plan, the date as of which the most recent actuarial valuation for the Plan Year that includes the determination date is prepared, except that if any such plan specifies a different determination or valuation date, such different date shall be used with respect to such plan.

(2) Aggregation Group. The aggregation group shall consist of (a) each plan of an Employer in which a key Employee is a participant, (b) each other plan that enables such a plan to be qualified under section 401(a) of the Code, and (c) any other plans of an Employer that the Company designates as part of the aggregation group and that shall permit the aggregation group to

continue to meet the requirements of sections 401(a) and 410 of the Code with such other plan being taken into account.

(3) Key Employee. Key Employee shall have the meaning set forth in section 416(i) of the Code.

(4) Compensation. Compensation shall have the meaning set forth in section 1.415(c)-2 of the Regulations.

(b) Special Rules. For the purpose of determining the accrued benefit or account balance of a Participant, the accrued benefit or account balance of any person who has not performed services for an employer at any time during the 1-year period ending on the determination date shall not be taken into account pursuant to this Section. Any person who received a distribution from a plan (including a plan that has terminated) in the aggregation group during the 1-year period ending on the last day of the preceding Plan Year shall be treated as a Participant in such plan, and any such distribution shall be included in such Participant's account balance or accrued benefit, except that in the case of any distribution made for a reason other than separation from service, death or disability, this sentence shall be applied by substituting "5-year period" for the "1-year period" stated herein.

Section 15.3. Minimum Contribution for Top-Heavy Years.

Notwithstanding any provision of the Plan to the contrary, the sum of the Employer contributions under Article 4 (other than Before-Tax Contributions described in Section 4.1) allocated to the account of each Participant (other than a key Employee) during any Plan Year and the forfeitures allocated to the account of such Participant (other than a key Employee) during any Plan Year for which the Plan is a top-heavy plan shall in no event be less than the lesser of (i) 3% of such Participant's compensation during such Plan Year and (ii) the highest percentage at which contributions are made on behalf of any key Employee for such Plan Year. Notwithstanding the preceding sentence, if the percentage determined pursuant to clause (ii) of the preceding sentence is less than 3%, such percentage shall be recalculated by including Before-Tax Contributions made

on behalf of key employees. Such minimum contribution shall be made even if, under other provisions of the Plan, the Participant would not otherwise be entitled to receive an allocation or would receive a lesser allocation for the year because of (i) the Participant's failure to complete 1,000 Hours of Service, or (ii) compensation of less than a stated amount. If, during any Plan Year for which this Section 15.3 is applicable, a defined benefit plan is included in the aggregation group and such defined benefit plan is a top-heavy plan for such Plan Year, the percentage set forth in clause (i) of the first sentence of this Section shall be 5%. The percentage referred to in clause (ii) of the first sentence of this Section shall be obtained by dividing the aggregate of contributions made pursuant to Article 4 and pursuant to any other defined contribution plan that is required to be included in the aggregation group (other than a defined contribution plan that enables a defined benefit plan that is required to be included in such group to be qualified under section 401(a) of the Code) during the Plan Year on behalf of such key Employee by such key Employee's compensation for the Plan Year. Notwithstanding the above, the provisions of this Section 15.3 shall not apply for any Plan Year with respect to an Eligible Employee who has accrued the defined benefit minimum provided under section 416 of the Code under a qualified defined benefit plan maintained by an Employer or Affiliate.

ARTICLE 16

AMENDMENT, ESTABLISHMENT OF SEPARATE PLAN AND TERMINATION

Section 16.1. Amendment.

The Company may at any time and from time to time amend or modify the Plan by resolution of the Board of Directors of the Company or the Compensation Committee thereof; provided, however, that in the case of any amendment or modification that would not result in an aggregate annual cost to the Company of more than $50,000,000, the Plan may be amended or

modified by action of the Chief Human Resources Officer (with the consent of the Chief Executive Officer in the case of a discretionary amendment or modification expected to result in an increase in annual expense or liability account balance exceeding $250,000) or another executive officer holding title of equivalent or greater responsibility. No amendment shall be made in respect of Eligible Employees who are members of a bargaining unit represented by IBEW Local Union 15 that is inconsistent with that portion of the collective bargaining agreement between such an Employer and IBEW Local Union 15 concerning the Plan.

Section 16.2. Establishment of Separate Plan.

If an Employer withdraws from the Plan under Section 12.2 (relating to withdrawal from participation), the Administrator may determine the portion of the Trust Fund held by the Trustee that is applicable to the Participants and former Participants of such Employer and direct the Trustee to segregate such portion in a separate Trust Fund. Such separate Trust Fund shall thereafter be held and administered as a part of the separate plan of such Employer.

The portion of the Trust Fund applicable to the Participants and former Participants of a particular Employer shall be the sum of:

(a) the total amount credited to all accounts that are applicable to the Participants and former Participants of such Employer and

(b) an amount that bears the same ratio to the excess, if any, of

(i) the total value of the Trust Fund over

(ii) the total amount credited to all accounts

as the total amount credited to the accounts that are applicable to the Participants of such Employer bears to the total amount credited to such accounts of all Participants.

Section 16.3. Termination and Distributions upon Termination of the Plan.

The Company has established the Plan with the bona fide intention and expectation that contributions will be continued indefinitely, but the Company will not have any obligation or

liability whatsoever to maintain the Plan for any given length of time and may terminate the Plan at any time by resolution of the Board of Directors or the Compensation Committee thereof, to that effect, without any liability whatsoever for any such termination. Notwithstanding the preceding sentence, the Plan shall not be terminated in respect of Eligible Employees who are members of a bargaining unit represented by IBEW Local Union 15 if such termination is inconsistent with the portion of the collective bargaining agreement between the Employer of such Eligible Employees and IBEW Local Union 15 concerning the Plan. The Plan will be deemed terminated: (a) if and when the Company is judicially declared bankrupt, or (b) upon dissolution of the Company.

Upon termination of the Plan by the Company or withdrawal from participation in the Plan by any Employer pursuant to Section 12.2 (relating to withdrawal from participation) or the partial termination of the Plan with respect to a group of Employees or complete discontinuance of contributions hereunder, distributions shall be made to each affected Participant or other persons entitled to distributions pursuant to Article 8 (relating to withdrawals and distributions). If the entire Plan is terminating, upon the completion of distribution to all Participants, the Trust will terminate, the Trustee will be relieved from all liability under the Trust, and no Participant or other person will have any claims thereunder, except as required by applicable law.

Notwithstanding the preceding paragraph, no distribution shall be made to any Participant (i) until he or she attains age 59 $^{1}/_{2}$ except as otherwise provided in Section 8.3 (relating to distributions upon termination of employment) or (ii) if a successor plan, as defined in Regulations, is established or maintained by the Participant's Employer.

To the extent that no discrimination in value results, any distribution after termination or partial termination of the Plan may be made, in whole or in part, in cash, in securities or other

assets in kind, or in non-transferable annuity contracts, as the Administrator (in its discretion) may determine. All non-cash distributions shall be valued at fair market value at date of distribution.

If the Internal Revenue Service refuses to issue an initial, favorable determination letter that the Plan and Trust Fund as adopted by an Employer meet the requirements of section 401(a) of the Code and that the Trust Fund is exempt from tax under section 501(a) of the Code, the Employer may terminate its participation in the Plan and shall direct the Trustee to pay and deliver the portion of the Trust Fund applicable to the Participants of such Employer, determined pursuant to Section 16.2 (relating to establishment of separate plan) to such Employer and such Employer shall pay to Participants or their beneficiaries the part of such Employer's portion of the Trust Fund as is attributable to contributions made by Participants.

Notwithstanding any provision of this Plan to the contrary, no distribution shall be made pursuant to this Section 16.3 (relating to termination and distribution upon termination of the Plan) solely due to the termination of this Plan if, within the meaning of applicable Regulations, the employer establishes or maintains an alternative defined contribution plan.

Section 16.4. Trust Fund to Be Applied Exclusively for Participants and Their Beneficiaries.

Subject only to the provisions of Section 4.5 (relating to the limitation on Employer contributions), 7.4 (relating to limitations on allocations imposed by section 415 of the Code) and 16.3 (relating to termination and distributions upon termination of the Plan), and any other provision of the Plan to the contrary notwithstanding, it shall be impossible for any part of the Trust Fund to be used for or diverted to any purpose not for the exclusive benefit of Participants and their Beneficiaries either by operation or termination of the Plan, power of amendment or other means.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized officer on this ______ day of December, 2010.

EXELON CORPORATION

By ______________________________________

Chief Human Resources Officer

ATTEST:

____

Title ______________________________________

SUPPLEMENT I

Transfers from Other Plans

With the consent of the Administrator, whenever a participant in any other qualified savings or profit sharing plan maintained for employees of an entity any of whose assets or stock are acquired by an Employer (the "Other Plan") becomes a Participant in this Plan, then such Participant's interest in the Other Plan may be transferred to the Trustee of this Plan and credited to administrative subaccounts to be held, invested, reinvested and distributed pursuant to the terms of the Plan and the Trust and, as of the date of the transfer of any such Participant's interest in the Other Plan,

(a) there shall be credited to the Before-Tax Contributions Account of such Participant that portion of his interest in the Other Plan which is transferred to the Trustee and which represents the Participant's salary reduction contributions, if any, made to the Other Plan on behalf of the Participant,

(b) there shall be credited to the After-Tax Account of such Participant that portion of his interest in the Other Plan which is transferred to the Trustee and which represents the Participant's after-tax contributions, if any, made to the Other Plan,

(c) there shall be credited to the Employer Matching Contributions Account of such Participant that portion of his interest in the Other Plan which is transferred to the Trustee and which represents the matching contributions and other employer contributions, if any, made to the Other Plan on behalf of the Participant, and

(d) there shall be credited to the Rollover Account of such Participant that portion of his interest in the Other Plan which is transferred to the Trustee and which represents the Participant's rollover contributions, if any, to the Other Plan.

Any amounts credited to a Participant's Before-Tax Contributions Account, After-Tax Contributions Account, Employer Matching Contributions Account and Rollover Account shall be

credited to the administrative subaccounts in accordance with such Participant's investment direction in effect as of the date of such transfer. Any salary reduction contributions credited to the Before-Tax Contributions Account that are designated Roth contributions within the meaning of section 402A of the Code shall be maintained in a manner that satisfies the separate accounting requirement, and any Regulations or other requirements promulgated, under section 402A of the Code. Any special provisions applicable to amounts transferred to the Trustee from any Other Plan shall be set forth in an Exhibit hereto.

SUPPLEMENT II

Elective Transfers Between This Plan and Plans of Affiliates or the TXU 401(k) Plan

A. Transfers to this Plan. Whenever an individual who is employed by an Affiliate that is not an Employer has a change in employment status that results in such individual (a) becoming an Eligible Employee and (b) being ineligible to make additional elective contributions under a plan maintained by such Affiliate (an “Affiliate Plan”), such Eligible Employee may elect to transfer his or her benefits under the Affiliate Plan to this Plan. Such election must be conditioned upon a voluntary, fully-informed election by the Eligible Employee. In the event that the Eligible Employee makes such election, his or her benefits under the Affiliate Plan shall be credited to his account under this Plan, and such benefits shall be subject to the terms of, and paid as prescribed by, this Plan, and the terms of the Affiliate Plan shall not apply with respect to such benefits.

An individual who becomes an Eligible Employee in connection with the Company’s 2002 acquisition of from Texas Utilities, Inc. (“TXU”) may elect to transfer his or her benefits under TXU’s 401(k) plan (the “TXU Plan”) to this Plan. Such election must be conditioned upon a voluntary, fully-informed election by the Eligible Employee. In the event that the Eligible Employee makes such election, his or her benefits under the TXU Plan shall be credited to his account under this Plan, and such benefits shall be subject to the terms of, and paid as prescribed by, this Plan, and the terms of the TXU Plan shall not apply with respect to such benefits.

B. Transfers from this Plan. Whenever a Participant has a change in employment status that results in such Participant (a) ceasing to be an Eligible Employee and (b) becoming eligible to participate in an Affiliate Plan, such Participant may elect to transfer his or her benefits under this Plan to the Affiliate Plan. Such election must be conditioned upon a voluntary, fully-informed election by the Participant. In the event that the Participant makes such

election, the Participant, effective at the time of the transfer, shall not be entitled to any benefits under this Plan and the benefits transferred to the Affiliate Plan shall be subject to the terms of, and paid as prescribed by, the Affiliate Plan, and the terms of this Plan shall not apply with respect to such benefits.

SUPPLEMENT III

Merger of Certain AmerGen Plans into this Plan

Purpose. The purpose of this Supplement III is to reflect the merger of the AmerGen Clinton Employee Savings Plan for Nonbargaining Employees (the "Clinton Plan") and the AmerGen TMI and Oyster Creek Employee Savings Plan for Nonbargaining Employees (collectively, the "AmerGen Plans") into the Plan effective February 1, 2004 (the "Merger Date") and to preserve those provisions of the AmerGenPlans that cannot be eliminated by amendment without violating section 411(d)(6) of the Internal Revenue Code and applicable Treasury regulations thereunder.

Definitions. Unless the context clearly indicates otherwise, a term defined in the Plan shall have the same meanings for purposes of this Supplement III.

Conflicts Between the Plan and this Supplement III. This Supplement III and the Plan together comprise the Plan with respect to AmerGen Plan Participants (as defined below). In case of any conflict between the provisions of the Plan and this Supplement III, the terms and provisions of this Supplement III shall govern to the extent necessary to eliminate such conflict.

AmerGen Plan Participants. This Supplement III shall be applicable to all AmerGen Plan Participants. "AmerGen Plan Participants" are participants in the Plan who were participants in the AmerGen Plans and whose account balances under the AmerGen Plans were merged into the Plan.

Vesting. All AmerGen Plan Participants shall be fully vested in their accounts under the Plan.

Withdrawals of Employer Matching Contributions. Notwithstanding any provision in the Plan to the contrary, an AmerGen Plan Participant who, immediately prior to the Merger Date was a participant in the Clinton Plan ("Clinton Participant") who has completed 60 months as either a participant in the Clinton Plan or a participant in this Plan may elect, in accordance with

procedures established by the Administrator, to receive a distribution of all or any part of his or her Employer Matching Contributions Account that is attributable to contributions made under the Clinton Plan, as adjusted for gains, earnings and losses attributable thereto determined as of the Valuation Date next succeeding the date of receipt of the request for distribution.

Additionally, a Clinton Participant, regardless of his or her period of participation in the Clinton Plan or this Plan, may elect, in accordance with procedures established by the Administrator, to receive a distribution of all or any part of that portion of the Employer Matching Contributions Account that is attributable to contributions made under the Clinton Plan and that is derived from Employer Matching Contributions in excess of Employer Matching Contributions allocated to his or her Employer Matching Contributions Account during the two Plan Years preceding the Plan Year in which the withdrawal takes place, adjusted for gains, earnings and losses attributable thereto determined as of the Valuation Date next succeeding the date of receipt of the request for distribution.

No distribution made pursuant to this paragraph F may be for an amount which is less than the lesser of (i) $200; or (ii) that portion of the Participant's Employer Matching Contributions Account that is attributable to contributions made under the Clinton Plan, as adjusted for gains, earnings and losses attributable thereto. In addition, a Participant may not make more than one withdrawal pursuant to this paragraph F in any Plan Year.

Loans. With respect to any loan to an AmerGen Plan Participant that is outstanding at the Merger Date, the terms of such loan shall continue to be governed by the note evidencing such loan and the terms applicable to such loan as in effect under the AmerGen Plans as of the Merger Date. All loans made after the Merger Date shall be governed by and in accordance with the terms of the Plan and any loan policy issued thereunder by the Administrator.

SUPPLEMENT IV

Merger of New England Plan into this Plan

Purpose. The purpose of this Supplement IV is to reflect the merger of the Exelon New England Union Retirement 401(k) Plan (the “New England Plan”) into the Plan effective November 1, 2004 (the “Merger Date”).

Definitions. Unless the context clearly indicates otherwise, a term defined in the Plan shall have the same meanings for purposes of this Supplement IV.

Conflicts Between the Plan and this Supplement IV. This Supplement IV and the Plan together comprise the Plan with respect to New England Plan Participants (as defined below). In case of any conflict between the provisions of the Plan and this Supplement IV, the terms and provisions of this Supplement IV shall govern to the extent necessary to eliminate such conflict.

New England Plan Participants. This Supplement IV shall be applicable to all New England Plan Participants. “New England Plan Participants” are participants in the Plan who were participants in the New England Plan and whose account balances under the New England Plan were merged into the Plan.

Vesting. All New England Plan Participants shall be fully vested in their accounts under the Plan.

Loans. With respect to any loan to a New England Plan Participant that is outstanding at the Merger Date, the terms of such loan shall continue to be governed by the note evidencing such loan and the terms applicable to such as in effect under the New England Plan as of the Merger Date. All loans made after the Merger Date shall be governed by and in accordance with the terms of the Plan and any loan policy issued thereunder by the Administrator.

SUPPLEMENT V

Transfers from the Exelon Corporation 401(k) Profit Sharing Plan No. 2

A. Purpose. The purpose of this Supplement IV is to reflect the transfer to the Plan of assets allocated to certain accounts under the Exelon Corporation 401(k) Profit Sharing Plan No. 2 (the "InfraSource Plan No. 2"), which was terminated on November 30, 2007.

B. Definitions. All capitalized terms used in this Supplement IV, but not separately defined herein, shall have the same meanings assigned to such terms in the Plan.

C. Applicability. This Supplement shall apply to any individual ("Affected Participant") whose benefit under the InfraSource Plan No. 2 is transferred pursuant to Section D of this Supplement IV. An Affected Participant shall be treated as a Participant under the Plan for all purposes of the Plan except, unless the Affected Participant is otherwise eligible to participate in the Plan, for purposes related to making or receiving contributions as set forth in Articles 4 and 5 of the Plan.

D. Transfer. Notwithstanding any provision in the Plan to the contrary, assets allocated to the InfraSource Plan No. 2 accounts of any individual who, in connection with the termination of the InfraSource Plan No. 2, elected to transfer his or her benefits thereunder to the Plan or who did not make a timely election with respect to his or her benefits under the InfraSource Plan No. 2, shall be transferred to the Plan as soon as administratively practicable after November 30, 2007 and credited to a separate account ("Affected Account") under this Plan.

E. Conflicts Between the Plan and this Supplement IV. This Supplement IV and the Plan together comprise the Plan with respect to Affected Accounts. In case of any conflict between the provisions of the Plan and this Supplement IV, the terms and provisions of this Supplement IV shall govern to the extent necessary to eliminate such conflict.

F. Vesting. Each Affected Participant shall be fully vested in his or her Affected Account.

Exhibit 10.7

EXELON CORPORATION CASH BALANCE PENSION PLAN

Amended and Restated Effective as of January 1, 2010

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ARTICLE 1
TITLE AND PURPOSE

The name of the plan set forth herein shall be the “Exelon Corporation Cash Balance Pension Plan” (the “Plan”). This Plan is an amendment and restatement of the Exelon Corporation Cash Balance Pension Plan as in effect on December 31, 2009 and, except as otherwise provided, shall apply to Employees whose employment is terminated on or after January 1, 2010 and to the Beneficiaries of such Employees. The rights and benefits of Employees whose employment terminates before January 1, 2010 and of the Beneficiaries of such Employees shall be determined under the Exelon Corporation Cash Balance Pension Plan as in effect at the time of such Employees’ termination, including any provisions of this Plan effective at such time; provided, however, that the provisions of Article 8 (relating to limitations on benefits), Article 9 (relating to special participation and distribution rules relating to recommencement of employment and employment by related entities), Article 10 (relating to administration), Article 13 (relating to miscellaneous provisions) and Article 15 (relating to amendment and termination of the Plan) shall be effective for all such persons.

ARTICLE 2
DEFINITIONS

As used herein, the following words and phrases shall have the following respective meanings when capitalized:

(1) Accrued Benefit. Except as provided in Section 9.2 (relating to suspension of benefits), the amount payable under the Plan commencing on the first day of the month coinciding with or next following a Participant’s Normal Retirement Age, determined as of a date not later than such Participant’s Normal Retirement Age as if the Participant had elected Option 1 (the life annuity) under Section 7.2(c) (relating to optional forms of benefit), that is the Actuarial Equivalent of the sum of the balance credited to the Participant’s Cash Balance Account as of the date of determination plus Investment Credits (at the rate in effect under Section 6.1(d) (relating to investment credits) on the date of determination) from the date of

determination until such assumed date of commencement, plus the Additional Credit, if any, determined as of the date of commencement, subject to adjustment pursuant to Section 7.2(d)(2) (relating to special rules regarding pensions). Notwithstanding the preceding sentence, the Participant's Accrued Benefit attributable to his or her Cash Balance Account, determined as of any date prior to the Participant's Normal Retirement Age, shall be the greater of (a) the amount that would be payable with respect to the sum of the Transition Credit, if any, the Service Credits and the Investment Credits credited to such Participant's Cash Balance Account (the "Account Balance") if the Participant had elected Option 1 (the life annuity) under Section 7.2(c) (relating to optional forms of benefit), that is the Actuarial Equivalent of the Account Balance as of the date of determination projected to the Participant's Normal Retirement Age by crediting such Account Balance with interest calculated on the date of determination to the Participant's Normal Retirement Age, and (b) the amount determined pursuant to the preceding sentence. In addition, a Participant's Accrued Benefit shall include the Participant's Accrued Frozen Benefit. Notwithstanding the preceding sentences or anything contained herein to the contrary, a Participant's Accrued Benefit attributable to his or her Cash Balance Account, determined as of any date on or after August 18, 2006, shall be the Participant's Cash Balance Account.

(2) Accrued Frozen Benefit. The meaning given such term in the applicable Schedule.

(3) Actuarial Equivalent. A benefit of value equivalent to the value of the benefit being replaced, computed using the table specified by the Commissioner of Internal Revenue for purposes of section 417(e)(3) of the Code (which, as of the Effective Date, is the 1983 Group Annuity (unisex) Mortality Table (50% male, 50% female) and, as of January 1, 2003, is the 1994 Group Annuity Reserving (GAR) table (unisex basis)) in effect on the date of determination and an interest rate assumption using the "applicable interest rate" as defined in section 417(e)(3) of the Code for the month of November of the Plan Year immediately preceding the Plan Year in which the determination occurs.

(4) Additional Credit. The amount, if any, credited to a Participant's Cash Balance Account pursuant to Section 6.1(e).

(5) Administrator. The Vice President, Compensation & Benefits or such other person appointed pursuant to Section 10.1 (relating to the Administrator, the Investment Fiduciary and the Corporate Investment Committee).

(6) Affiliate. (a) A corporation that is a member of the same controlled group of corporations (within the meaning of section 414(b) of the Code) as an Employer, (b) a trade or business (whether or not incorporated) under common control (within the meaning of section 414(c) of the Code) with an Employer, (c) any organization (whether or not incorporated) that is a member of an affiliated service group (within the meaning of section 414(m) of the Code) that includes (i) an Employer, (ii) a corporation described in clause (a) of this definition or (iii) a trade or business described in clause (b) of this definition, or (d) any other entity that is required to be aggregated with an Employer pursuant to Regulations promulgated under section 414(o) of the Code. A corporation, trade or business entity shall be an Affiliate only for such period or periods of time during which such corporation, trade or business entity is described in the preceding sentence, but not prior to such time.

(7) Beneficiary. The person or persons entitled to receive a benefit under Section 7.2 (relating to form of distribution) or Section 7.3 (relating to death benefits) in the event of the death of a Participant.

(8) Cash Balance Account. The hypothetical account established for each Participant pursuant to Section 6.1(a) (relating to establishment of accounts).

(9) Code. The Internal Revenue Code of 1986, as amended.

(10) ComEd Plan. The Commonwealth Edison Company Service Annuity System under the Exelon Corporation Retirement Program.

(11) Company. Exelon Corporation, a Pennsylvania corporation, and any successor to such Company that shall adopt the Plan pursuant to Article 12 (relating to continuance by successor entities).

(12) Compensation. The regular base salary or base wages, as applicable, paid by an Employer to an Eligible Employee for a Plan Year, increased by all payments made during such Plan Year by an Employer to such Eligible Employee under any of the plans set forth in Exhibit A attached hereto, all nuclear license bonuses paid during such Plan Year by an Employer to such Eligible Employee and all amounts not includible in such Eligible Employee's regular base salary or base wages solely on account of his or her election to have compensation reduced pursuant to any qualified cash or deferred arrangement described in section 401(k) of the Code, a qualified transportation fringe benefit program described in section 132(f) of the Code or a cafeteria plan as described in section 125 of the Code, in each case, maintained by an Employer, but excluding any reimbursements or other allowances for automobile, relocation, travel or education expenses (even if includible in the Employee's regular base salary or base wages) and any amount awarded under the Performance Share Award Program for Power Team Employees under the Exelon Corporation Long Term Incentive Plan (or any predecessor or successor program). Notwithstanding the preceding sentence, an Employee's Compensation in excess of the dollar amount prescribed by section 401(a)(17) of the Code (as adjusted for increases in the cost-of-living) shall not be taken into account for any purposes under the Plan. In the case of a Participant who is absent from employment due to a leave of absence for participation in Military Service, Compensation shall mean, for the period during which the Participant is absent due to Military Service, the Participant's Compensation, as defined above, for the twelve-month period preceding the first day of the Participant's absence. Compensation shall also include lump sum merit increases to base salary paid on or after January 1, 2003.

(13) Corporate Investment Committee. The Committee consisting of the executives or other persons designated from time to time in the charter of such Committee.

(14) Effective Date. January 1, 2010.

(15) Eligible Employee. Except as otherwise provided herein, any Employee who has not, prior to the Effective Date, had an Hour of Service with any Affiliate, has never performed an Hour of Service with an Employer or Affiliate at the Clinton, Three Mile Island or Oyster Creek Facility of the Company and whose first Hour of Service with an Employer is on or after

the Effective Date and who is either receiving regular salary or wages from and rendering services to an Employer or is on authorized absence, and any Employee who is a non-exempt or a part-time exempt employee of the Power Team, regardless of whether such Employee completes his or her first Hour of Service with an Employer or an Affiliate on or after the Effective Date, provided, however, that any individual who became an employee of the Power Team on or after October 20, 2000 and prior to December 31, 2000 shall not be an Eligible Employee. In addition, any full-time exempt Employee of the Power Team who transfers employment to a participating business unit of an Employer shall become an Eligible Employee upon the date of such transfer. Effective January 1, 2002, any individual who (a) is, at any time between January 1, 2002 and March 31, 2002, an Employee the terms of whose employment are not subject to a collective bargaining agreement and (b) was, on December 31, 2000, a participant in either the ComEd Plan (other than a participant the terms of whose employment are subject to a collective bargaining agreement) or the PECO Plan or would have been a participant in the PECO Plan if the age and service requirements for participation in the PECO Plan were disregarded shall be an Eligible Employee. Notwithstanding the preceding sentences, an Eligible Employee shall not include (a) an Employee the terms of whose employment are subject to a collective bargaining agreement that does not provide for participation in this Plan, (b) an Employee paid on the temporary payroll of an Employer who has never completed at least 1,000 Hours of Service in any period of twelve consecutive months beginning with the Employee's date of employment or anniversary thereof, (c) an Employee who executes a written waiver of his or her right to participate in the Plan, (d) an individual rendering services to an Employer who is not on the payroll of any Employer or (e) an Employee employed by Exelon Generation Company, LLC in the Nuclear Security Division or employed by Exelon Corporation Nuclear Security LLC as an hourly non-exempt nuclear security guard. It is expressly intended that an individual rendering services to an Employer pursuant to any of the following agreements shall be excluded from Plan participation pursuant to clause (d) of this subdivision even if a court or administrative agency determines that such individual is an Employee: (i) an agreement providing that such services are to be rendered as an independent contractor, (ii) an agreement with an entity, including a leasing organization within the meaning of section 414(n)(2) of the Code, that is not an Employer or (iii) an agreement that contains a waiver of participation in the Plan. Notwithstanding anything contained in the Plan to the contrary, any Employer may, at any time, designate, with the consent of the Administrator, a specified group of Employees who will be Eligible Employees. In the case of an individual who, as of December 31, 2000, was an Employee of Commonwealth Edison Company and who subsequently transfers employment to employment with the Exelon Power Team and elects to participate in the Plan pursuant to Section 3.1(b) (relating to eligibility for participation for employees other than new hires), such individual shall remain an Eligible Employee through a date not later than December 31, 2002. In the case of Exelon Services Inc., the term "Eligible Employee" shall be limited to those Employees of Exelon Services Inc. who were on the payroll of Unicom Energy Solutions as of April 1, 2001 and are otherwise Eligible Employees who have elected to participate in the Plan pursuant to Section 3.1(b). For the Plan Year beginning January 1, 2003, (a) each Employee who was a Participant on any date in 2003 and who becomes an employee of the Power Team during 2003 in connection with Exelon Way shall continue to be an Eligible Employee, (b) each Employee who was an employee of the Power Team on any date in 2003 and who becomes an employee of a participating business unit of an Employer during 2003 in connection with Exelon Way shall be an Eligible Employee until December 31, 2003 only if such Employee was an

Eligible Employee prior to the date on which such Employee became an employee of a participating business unit of an Employer, (c) each Employee who was an employee of the Power Team on any date in 2003 and who becomes an employee of a participating business unit of an Employer during 2003 in connection with Exelon Way shall not be an Eligible Employee during 2003 if such Employee was not an Eligible Employee prior to the date on which such Employee became an employee of a participating business unit of an Employer, and (d) effective January 1, 2003, each Employee who is an employee of the Power Team but who does not participate in the Exelon Corporation Long Term Incentive Plan (or any predecessor or successor program) during 2003 shall be an Eligible Employee. An Employee described in clause (c) of the preceding sentence shall become an Eligible Employee as of January 1, 2004. In addition, effective as of January 1, 2004, each Employee who is an employee of the Power Team shall be an Eligible Employee.

(16) Employee. An individual whose relationship with an Employer is, under common law, that of an employee.

(17) Employer. The Company, Commonwealth Edison Company, PECO Energy Company, Exelon Generation Company, LLC, Exelon Enterprise, LLC, Exelon Business Services Company, any Affiliate that is a participating employer in the Exelon Corporation Retirement Program as of December 31, 2001, and any other Affiliate that, with the consent of the Company, elects to participate in the Plan in the manner described in Article 11 (relating to participation by other employers) and any successor Affiliate that adopts the Plan pursuant to Article 12 (relating to continuance by successor entities). If any entity described in the preceding sentence withdraws from participation in the Plan pursuant to Section 11.2 (relating to withdrawal from participation) or terminates its participation in the Plan pursuant to Section 15.3 (relating to termination of the Plan by an Employer), such entity shall thereupon cease to be an Employer.

(18) ERISA. The Employee Retirement Income Security Act of 1974, as amended.

(19) Hour of Service. (a) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties (such hours to be credited to the Employee for the computation period or periods in which the duties are performed); (b) each hour for which an Employee is paid, or entitled to payment, on account of a period of time during which no duties are performed (irrespective of whether a Termination of Employment has occurred) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence (such hours to be credited to the Employee for the computation period or periods in which the period of time during which no duties are performed occurs); and (c) each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by an Employer (such hours to be credited to the Employee for the computation period or periods in which the award or agreement pertains rather than the computation period in which the award, agreement or payment is made). Hours of Service shall be computed in accordance with paragraphs (b) and (c) of section 2530.200b-2 of the Department of Labor Regulations.

(20) Investment Credits. The amounts credited to a Participant's Cash Balance Account pursuant to Section 6.1(d).

(21) Investment Fiduciary. The Company acting through the Exelon Investment Office.

(22) Military Service. The performance of duty on a voluntary or involuntary basis in a "uniformed service" (as defined below) under competent authority of the United States government and includes active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty, and a period for which a person is absent from employment for the purpose of an examination to determine the fitness of the person to perform any such duty. For purposes of the preceding sentence, the term "uniformed service" means the Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty, the commissioned corps of the Public Health Service, and any other category of persons designated by the President of the United States in time of war or emergency.

(23) Normal Retirement Age. With respect to a Participant's Cash Balance Account, (a) for periods prior to May 23, 2007, the earlier of (a) the date the Participant completes five years of Vesting Service and (b) the later of (i) the Participant's 65th birthday, and (ii) the fifth anniversary of the date the Participant commenced participation in the Plan; and (b) for periods beginning on and after May 23, 2007, the later of (i) the Participant's 62nd birthday, and (ii) the fifth anniversary of the date the Participant commenced participation in the Plan.

(24) Participant. An Eligible Employee who has satisfied the requirements set forth in Article 3 (relating to participation). An Eligible Employee who becomes a Participant shall cease to be a Participant upon the distribution of his or her entire vested benefit under the Plan. Any Participant who upon his or her Termination of Employment has not satisfied the Vesting Requirement shall cease to be a Participant upon such Termination of Employment.

(25) PECO Plan. The Service Annuity Plan of PECO Energy Company under the Exelon Corporation Retirement Program.

(26) Pension. A monthly payment continuing for the lifetime of the payee.

(27) Pension Starting Date. The first day as of which an amount becomes payable to a Participant or Beneficiary in accordance with Article 7 (relating to distributions). A Participant or Beneficiary shall have only one Pension Starting Date with respect to the Participant's Accrued Benefit.

(28) Period of Severance. Any twelve-month period commencing on the date an Employee terminates employment or any twelve-month period beginning on the anniversary of such date during which the Employee does not perform any Hours of Service for an Employer. For purposes of this definition, an Employee shall be credited with Hours of Service for any period of absence from an Employer during which such Employee (a) is in Military Service, provided that the Employee returns to the employ of an Employer within the period prescribed by laws relating to the reemployment rights of persons in Military Service, (b) is on an uncompensated leave of absence duly granted by an Employer, or (c) is absent from work for a maximum of twenty-four consecutive months because of (i) the pregnancy of the Employee, (ii) the birth of the Employee's child, (iii) the placement of a child with the Employee in connection

with the Employee's adoption of such child, or (iv) the need to care for any such child for a period beginning immediately following such birth or placement. Notwithstanding the foregoing, no Hours of Service shall be credited to an Employee under clause (c) of this subdivision unless the Employee timely furnishes to the Administrator a certificate of birth, proof of adoption or other appropriate legal documentation setting forth parentage or adoption.

(29) Plan. The plan herein set forth and as from time to time amended.

(30) Plan Year. The calendar year.

(31) Qualified Domestic Relations Order. Any domestic relations order which the Administrator has determined, in accordance with procedures established by the Administrator to be a "qualified domestic relations order" defined in section 414(p) of the Code.

(32) Qualified Joint and Survivor Annuity. The form of distribution described in Section 7.2(b) (relating to manner of distribution with respect to married Participants).

(33) Regulations. Written temporary or final regulations of (i) the Department of Labor construing ERISA or (ii) the Treasury Department construing the Code.

(34) Schedule. If a Participant's accrued benefit under the ComEd Plan was transferred to the Plan pursuant to Section 3.1(c) (relating to transfer of benefits and assets to Plan) or Section 9.1 (relating to recommencement of employment by terminated employee), Schedule A and, if a Participant's accrued benefit under the PECO Plan was transferred to the Plan pursuant to Section 3.1(c) or Section 9.1, Schedule B.

(35) Schedule Equivalent. A benefit of value equivalent to the value of the benefit being replaced, computed using the actuarial factors and rules set forth in the applicable Schedule.

(36) Service Credits. The amounts, if any, credited to a Participant's Cash Balance Account pursuant to Section 6.1(c).

(37) Spouse. The individual who is the husband or wife of a Participant as a result of the legal union between one man and one woman, within the meaning of the Defense of Marriage Act, on the Participant's Pension Starting Date or, if earlier, on the date of the Participant's death. While the Spouse is living and, except as otherwise provided in a qualified domestic relations order as described in Section 13.2(b) (relating to exception to nonassignability in the case of a qualified domestic relations order) or Section 7.4(h) (relating to automatic cancellation of elections), such Spouse shall be treated as the Participant's Spouse for all purposes of the Plan without regard to whether such Spouse remains married to the Participant after the Participant's Pension Starting Date.

(38) Target Income. (a) In the case of a Participant who participated in the ComEd Plan prior to becoming a Participant, Target Income means the sum of (i) the total of the Participant's "basic compensation" as defined in the ComEd Plan for all pay periods ending during calendar year 2001 (for a Participant who was on an authorized leave of absence during calendar year 2001, basic compensation for any pay period during which such Participant did not

receive compensation shall be the Participant's average base pay rate per pay period for the twelve-month period preceding the first day of the Participant's leave of absence) and (ii) "incentive pay" as defined in the ComEd Plan, except that incentive pay shall equal 100% of the target incentive pay the Participant would receive for calendar year 2002 under the applicable plans if the target goals were achieved during 2002, except that incentive pay shall equal 100% of the target incentive pay the Participant would receive for calendar year 2002 under the applicable plans if the target goals were achieved during 2002.

(b) In the case of a Participant who participated in the PECO Plan prior to becoming a Participant, Target Income means the sum of (i) the Participant's "annual base salary" for 2001 determined in accordance with Section 3.1(b) of the PECO Plan (for a Participant who was on an authorized leave of absence during calendar year 2001, annual base salary for 2001 shall be determined by assuming that for any pay period during which such Participant did not receive compensation, the Participant was paid the base rate in effect immediately prior to the start of the Participant's leave of absence) and (ii) incentive pay under any Employer's incentive pay plan (excluding the Performance Share Award Program for Power Team Employees under the Exelon Corporation Long Term Incentive Plan), except that incentive pay shall equal 100% of the target incentive pay the Participant would receive for calendar year 2002 under the applicable plans if the target goals were achieved during 2002.

In determining "incentive pay" for purposes of the preceding subparagraphs, (i) if the Participant's incentive pay is determined by multiplying his or her compensation by a percentage, the target percentage for 2002 (based on pay-grade in effect as of December 31, 2001) shall be used for such Participant and such target percentage shall be multiplied by the Participant's 2001 "basic compensation" or "annual base salary", as applicable, (ii) if the Participant's incentive pay is defined as a flat dollar amount, the Participant's incentive pay shall be the 2002 target incentive pay, (iii) if the Participant's incentive pay is determined by adding quarterly bonus targets and an annual target incentive, the Participant's incentive pay shall equal the sum of the target quarterly bonuses for calendar year 2002 and the target annual incentive for calendar year 2002, and (iv) if any limits apply to the payment of incentive compensation to a Participant under any applicable incentive pay plan, such limits will apply for purposes of this Plan.

(39) Termination of Employment. A Participant's ceasing to be an Employee of all Employers and all Affiliates. A transfer between employment by an Employer and employment by an Affiliate or between employment by Employers or Affiliates shall not constitute a Termination of Employment.

(40) Transition Credit. An amount equal to the product of the following: (a) a Participant's "credited service" under the ComEd Plan or the Participant's "benefit years" under the PECO Plan, as applicable, determined as of December 31, 2001, (b) the percentage applicable to the Participant determined pursuant to Table T and (c) the Participant's Target Income. Notwithstanding the preceding sentence, in no event shall a Participant's Transition Credit exceed 100% of his or her Target Income.

(41) Trust. The Directed Retirement Trust under the Exelon Corporation Cash Balance Pension Plan, as from time to time amended and, effective November 1, 2010, the Exelon Corporation Pension Master Retirement Trust.

(42) Trust Fund. All money and property of every kind held by the Trustee pursuant to the terms of the agreement governing the Trust.

(43) Trustee. The trustee provided for in Article 5 (relating to the Trust) or any successor trustee or, if there is more than one such trustee acting at any time, all of such trustees collectively.

(44) Vesting Requirement. For periods beginning prior to May 23, 2007, a Participant's attainment, during the time such Participant is an Employee, of his or her Normal Retirement Age. For periods beginning on and after May 23, 2007, the earlier of (a) the date a Participant completes the applicable years of Vesting Service described in the following sentence and (b) the date the Participant's attains, during the time such Participant is an Employee, his or her Normal Retirement Age. For purposes of the preceding sentence, the applicable years of Vesting Service are, for Plan Years beginning before January 1, 2008, five years, and for Plan Years beginning on and after January 1, 2008, three years.

(45) Vesting Service. The period of an Employee's employment which is used to determine whether the Employee has satisfied the Vesting Requirement. An Employee's Vesting Service includes the aggregate of the periods during which the Employee is employed by an Employer or an Affiliate beginning on the day on which the Employee first performs an Hour of Service with an Employer or Affiliate, provided that in the case of an Employee who has no vested right to any benefits under this Plan, such Employee's periods of employment before and after a period of absence from employment shall be aggregated only when the Employee's number of consecutive one-year Periods of Severance is less than five and the Employee has at least one year of Vesting Service after such period of absence from employment. For purposes of the preceding sentence, an Employee shall be deemed to be employed by an Employer or an Affiliate during (a) any period of absence from employment by an Employer or an Affiliate which is of less than twelve months' duration, (b) the first twelve months of any period of absence from employment for any reason other than the Employee's quitting, retiring or being discharged, (c) the period during which the Employee is not rendering services to any Employer or Affiliate as a result of a disability during which period the Employee is receiving benefits under any Employer's or Affiliate's long-term disability plan and (d) any period during which the Employee is in Military Service, provided that the Employee returns to the employ of an Employer or an Affiliate within the period prescribed by laws relating to the reemployment rights of persons in Military Service. The Administrator may require certification from an Employee, as a condition of granting Vesting Service under this subdivision, that the leave was taken for one of the reasons enumerated in the preceding sentence. Notwithstanding the preceding sentences, in determining an Employee's period of absence from employment by an Employer or an Affiliate, the following shall be disregarded: the first twenty-four months of any period of absence from employment by reason of (i) the Employee's pregnancy, (ii) the birth of the Employee's child, (iii) the placement of a child with the Employee in connection with the adoption of such child by such Employee or (iv) caring for such child for a period beginning immediately following such birth or placement. Notwithstanding anything in this definition to the contrary, the Vesting Service for a Participant who elects to participate in the Plan pursuant to Section 3.1(b) (relating to eligibility for participation for employees other than new hires) and whose accrued benefit under the PECO Plan is transferred to the Plan pursuant to Section 3.1(c) (relating to transfer of benefits and assets to Plan) shall be (a) for periods prior to January 1,

2002, the vesting service credited to the Participant under the terms of the PECO Plan, as in effect on December 31, 2001, and (b) for the Participant's "eligibility computation period" (as defined in the PECO Plan) that ends during the 2002 Plan Year, the greater of (i) the Vesting Service, for such period, determined pursuant to this subdivision and (ii) the vesting service, for such period, determined pursuant to the terms of the PECO Plan.

ARTICLE 3
PARTICIPATION

Section 3.1 Eligibility for Participation. (a) General. Each Eligible Employee who immediately before the Effective Date was a Participant in the Plan shall continue to be a Participant as of the Effective Date. Each other Eligible Employee who has not, prior to the Effective Date, had an Hour of Service with any Affiliate and whose first Hour of Service with an Employer is on or after the Effective Date shall become a Participant as of the first day that such Eligible Employee completes an Hour of Service with an Employer as an Eligible Employee.

(b) Other Employees Prior to the Effective Date. Each individual who (a) is, at any time between January 1, 2002 and April 30, 2002, an Employee and (b) was, on December 31, 2000, a participant in either the ComEd Plan (other than a participant the terms of whose employment are subject to a collective bargaining agreement) or the PECO Plan, or would have been a participant in the PECO Plan if the age and service requirements for participation in the PECO Plan were disregarded, shall be permitted to elect, in the time and manner prescribed by the "Committee," as such term was defined in the Plan prior to June 1, 2006, to either (i) continue participating in the ComEd Plan or the PECO Plan, as the case may be, on and after January 1, 2002 (or begin participating in the PECO Plan, in the case of an Employee who will satisfy the eligibility and age and service requirements for participation in such plan on January 1, 2002) or (ii) cease participating in the applicable Plan described in clause (i) hereof as of

December 31, 2001 and begin participating in the Plan as of January 1, 2002 (or, if later, his or her employment or reemployment date). Each such Eligible Employee who affirmatively elects to participate in the Plan in lieu of participation in the ComEd Plan or the PECO Plan shall become a Participant as of January 1, 2002 (or, if later, his or her employment or reemployment date), unless such Participant receives a notification (the "Notice") from an Employer that his or her employment with the Employers and their Affiliates will be terminated on or before December 31, 2002 and that such Participant is eligible for severance benefits under the Exelon Corporation Merger Separation Plan for Designated Management Employees or any other severance plan maintained by an Employer or an Affiliate. An Eligible Employee who receives a Notice shall not become a Participant, notwithstanding such Eligible Employee's election to participate in the Plan. An Eligible Employee (i) who receives a Notice, but whose employment does not terminate on or before December 31, 2002, or (ii) whose employment terminates before December 31, 2002 without the Employee receiving a Notice shall become a Participant as of January 1, 2002 (or, if later, his or her employment or reemployment date) if such Employee elects, in the time and manner prescribed by the "Committee," as such term was defined in the Plan prior to June 1, 2006, to participate in the Plan.

In the case of an Eligible Employee who became an employee of the Power Team during 2003 pursuant to Exelon Way, such Eligible Employee shall continue to be a Participant. In addition, each Eligible Employee who was an employee of the Power Team on any date in 2003 and who became an employee of a participating business unit of an Employer during 2003 in connection with Exelon Way shall continue to be a Participant only if such Employee was a Participant prior to the date on which such Employee became an employee of a participating business unit of an Employer. Effective as of January 1, 2004, each individual (i) who either (A)

is an employee of the Power Team or (B) transferred employment from the Power Team to a participating business unit of an Employer during 2003 pursuant to Exelon Way, (ii) who became an Eligible Employee on or after January 1, 2004 and (iii) who either (A) has a frozen accrued benefit under this Plan or (B) does not have an accrued benefit under either the ComEd Plan or the PECO Plan shall become a Participant as of the later of January 1, 2004 and the date the Eligible Employee completes an Hour of Service with an Employer as an Eligible Employee. In addition, each Eligible Employee (i) who either (A) is an employee of the Power Team or (B) transferred employment from the Power Team to a participating business unit of an Employer during 2003 pursuant to Exelon Way, (ii) who became an Eligible Employee on January 1, 2004, (iii) who has an accrued benefit under either the ComEd Plan or the PECO Plan, (iv) who is not described in the preceding sentence and (v) who did not previously make a valid election pursuant to the preceding paragraph shall be permitted to elect, in the time and manner prescribed by the "Committee," as such term was defined in the Plan prior to June 1, 2006, to either (A) resume or continue participation in the ComEd Plan or the PECO Plan, as the case may be, as of January 1, 2004 or (B) participate in the Plan as of January 1, 2004. Each such Eligible Employee who affirmatively elects to participate in the Plan in lieu of participation in the ComEd Plan or the PECO Plan shall become a Participant as of January, 1, 2004.

(c) Transfer of Benefits and Assets to Plan. If an Employee described in paragraph (b) above elects to participate in the Plan in lieu of participating in the ComEd Plan or the PECO Plan, as the case may be, the Employee's accrued benefit under either such plan, determined as of December 31, 2001, or December 31, 2003, as the case may be, in accordance with the provisions of the applicable plan, shall be transferred to the Plan. An amount of assets that is equal to the present value of the Employee's accrued benefit described in the preceding sentence

determined using the methods and assumptions prescribed by section 4044 of ERISA shall also be transferred to the Plan. Such transfer of benefits and assets related thereto shall occur as soon as practicable after the Eligible Employee makes the election described in paragraph (b) above. Each Participant whose benefits are so transferred shall be permitted to have his or her Accrued Frozen Benefit paid in any of the optional forms of benefit listed in the applicable Schedule in lieu of the forms provided hereunder. The provisions set forth in the applicable Schedule shall govern all matters relating to a Participant's Accrued Frozen Benefit.

In the event that an Eligible Employee whose accrued benefit under the ComEd Plan or the PECO Plan, and related assets, is transferred to the Plan receives a Notice and has a Termination of Employment on or before December 31, 2002, the accrued benefit, and related assets, transferred to the Plan shall be transferred back to the ComEd Plan or the PECO Plan, as the case may be, and the amount of the pension benefit accrued by such Employee during 2002 (if any) shall be determined under the terms of the ComEd Plan or the PECO Plan, as applicable, rather than the Plan. Such transfer shall occur as soon as administratively practicable.

Section 3.2 Transfer to Affiliates. If a Participant is transferred from one Employer to another Employer or from an Employer to an Affiliate that is not an Employer, then such transfer shall not terminate the Participant's participation in the Plan and the Participant shall continue to participate in the Plan until an event occurs that would have entitled the Participant to a complete distribution of the Participant's vested Pension had the Participant continued to be employed by an Employer until the occurrence of such event. Nevertheless, except to the extent provided in Section 9.3 (relating to employment by related entities) or Section 9.7 (relating to change in employment status or transfer to affiliate), a Participant shall not be entitled to receive Service Credits under Section 6.1(c) (relating to Service Credits) during any period of employment by

any Affiliate that is not an Employer, and periods of employment with an Affiliate that is not an Employer shall be taken into account only to the extent set forth in Section 9.3 (relating to employment by related entities) or Section 9.7 (relating to change in employment status or transfer to affiliate).

Section 3.3 Cessation of Participation. An individual's participation in the Plan shall cease upon the date the individual is no longer eligible to receive a benefit from this Plan or upon the individual's Termination of Employment if the individual has not satisfied the Vesting Requirement upon the date of his or her Termination of Employment.

Section 3.4 Rehired Participants. Notwithstanding anything contained herein to the contrary, if a Participant terminates employment and is reemployed as an Employee under circumstances that satisfy the applicable conditions for continuation of payment of retirement benefits set forth in the Company's policy regarding the rehiring of retirees, including that the Participant waives participation in, or additional benefits and accruals under the Plan, such Participant shall not be entitled to receive any Service Credits under Section 6.1(c) (relating to Service Credits) during such period of reemployment.

ARTICLE 4
SOURCE OF CONTRIBUTIONS

Section 4.1 Source of Contributions. The Employers intend to make contributions to the Trust of amounts which, in the aggregate over a period of time, shall be sufficient to finance the benefits provided by the Plan. Any such contributions shall be in such amounts and shall be made in such manner and at such time as the Company may from time to time determine in accordance with the funding policy it establishes and consistent with minimum funding standards under section 412 of the Code, provided, however, that all contributions made by the Employers

for any Plan Year shall be made prior to the due date, including extensions thereof, of the Employers' federal income tax return for the taxable year of the Employers which coincides with such Plan Year. The Company may rely on the advice of actuaries in establishing and carrying out a funding policy. Forfeitures arising under the Plan for any reason shall be applied to reduce the cost of the Plan, not to increase the benefits otherwise payable to the Participants.

Section 4.2 Limitation on Contributions. The contributions of an Employer for any Plan Year shall not exceed the maximum amount for which a deduction is allowable to such Employer for federal income tax purposes for the taxable year of such Employer that ends with or within such Plan Year. Any contribution made by an Employer by reason of a good faith mistake of fact, or the portion of any contribution made by an Employer that exceeds the maximum amount for which a deduction is currently allowable to such Employer for federal income tax purposes, shall upon the request of such Employer be returned by the Trustee to the Employer. An Employer's request and the return of any such contribution must be made within one year after such contribution was mistakenly made or after the deduction of such excess portion of such contribution was disallowed, as the case may be. The amount to be returned to an Employer pursuant to this Section shall be the excess of (i) the amount contributed over (ii) the amount that would have been contributed had there not been a mistake of fact or the maximum amount that is so deductible, as the case may be. Earnings attributable to the mistaken contribution shall not be returned to the Employer, but losses attributable thereto shall reduce the amount to be so returned.

ARTICLE 5
TRUST

A trust (the "Trust") has been created by the execution of a trust agreement between the Company and a trustee (the "Trustee") for purposes of holding and administering the assets of the Plan. All contributions under the Plan shall be paid to the Trustee. The Trustee shall hold all monies and other property received by it and invest and reinvest the same, together with the income therefrom, on behalf of the Participants collectively in accordance with the provisions of such trust agreement. The Trustee shall make distributions from the Trust Fund at such time or times to such person or persons and in such amounts as the Administrator directs in accordance with the Plan.

ARTICLE 6
PARTICIPANT ACCOUNTS

Section 6.1 Cash Balance Accounts. (a) Establishment of Accounts. A separate Cash Balance Account shall be established for each Participant. Each such account shall have an initial balance of zero until credited with any Transition Credit, if applicable, or Service Credit as provided herein. Each such account shall be for accounting purposes only, and there shall be no segregation of assets among such accounts. A Participant's Cash Balance Account shall cease to be maintained as of the Participant's Pension Starting Date (except to the extent such Pension Starting Date is required by Section 7.1(b) (relating to distributions to five percent owners)), in which case the Participant's Cash Balance Account shall cease to be maintained as of the first January 1 following the Participant's Termination of Employment).

(b) Transition Credit. A Participant's Cash Balance Account shall be credited, as of the first day of the Plan Year in which such Participant becomes a Participant, with an amount equal to the Participant's Transition Credit, provided that (a) the Participant is an Employee on January 1, 2002 and becomes a Participant pursuant to Section 3.1(b) (relating to eligibility for

participation for employees who are not new hires) and (b) the Participant is not an employee of the Power Team. An Employee who becomes a Participant pursuant to Section 3.1(a) (relating to eligibility for participation for new hires) shall not be credited with a Transition Credit at any time and a rehired Employee who becomes a Participant pursuant to Section 9.1 (relating to recommencement of employment by terminated employee) shall not be credited with a Transition Credit at the time of his or her rehire.

(c) Service Credits. A Participant's Cash Balance Account shall be credited, as of the last day of each Plan Year during which the Participant is a Participant and an Eligible Employee, with an amount equal to the following percentage of Compensation received by such Participant during such portion of such Plan Year that the Participant was an Eligible Employee: (i) for each Plan Year beginning before January 1, 2008 and, in the case of a Participant whose employment is subject to a collective bargaining agreement that provides for participation in this Plan, for each Plan Year thereafter, 5.75%, and (ii) for each Plan Year beginning on and after January 1, 2008 if the Participant's employment is not subject to a collective bargaining agreement, 7.00%. Notwithstanding the foregoing, if a Participant's Pension Starting Date occurs other than on the last day of a Plan Year and if the Participant is entitled to have an amount credited to his or her Cash Balance Account for such Plan Year pursuant to the preceding sentence, such amount shall be credited to the Participant's Cash Balance Account as of the last day of the month before such Pension Starting Date (and prior to the crediting of any Investment Credit for such Plan Year). No amount shall be credited pursuant to this paragraph (c) to the Cash Balance Account of a Participant who is not rendering services to any Employer or Affiliate as a result of a disability, regardless of whether such Participant is receiving benefits under any Employer's or Affiliate's long-term disability plan.

(d) Investment Credits. For each Plan Year beginning before January 1, 2008, a Participant's Cash Balance Account shall be credited, as of the last day of each Plan Year during which the Participant is a Participant, whether or not such Participant is an Eligible Employee during such Plan Year, with an amount equal to the product of (i) the "Pre-2008 Plan Interest Rate" (as defined below) multiplied by (ii) the balance of such Participant's Cash Balance Account as of the first day of such Plan Year. For each Plan Year beginning on and after January 1, 2008, such Participant's Cash Balance Account shall be credited, as of the last day of each Plan Year during which the Participant is a Participant, whether or not such Participant is an Eligible Employee during such Plan Year, with an amount equal to the sum of the following amounts: (i) the product of (A) the "Pre-2008 Plan Interest Rate" (as defined below) multiplied by (B) the balance of such Participant's Cash Balance Account as of December 31, 2007, if any; and (ii) the product of (A) the "Post-2007 Plan Interest Rate" (as defined below) multiplied by (B) the portion of such Participant's Cash Balance Account attributable to Service Credits credited after December 31, 2007, determined as of the first day of such Plan Year. A Participant who is not rendering Services to any Employer or Affiliate as a result of a disability with respect to which such Participant is receiving benefits under any Employer's or Affiliate's long-term disability plan shall be credited with the amount described in the first and second sentences of this paragraph (d), as applicable. Notwithstanding the preceding sentences, if a Participant's Pension Starting Date occurs other than on the last day of a Plan Year, the amount to be credited to the Participant's Cash Balance Account pursuant to this paragraph (d) for the Plan Year in which the Participant's Pension Starting Date occurs shall be equal to the product of (i) 4% (or, for Plan Years beginning on and after January 1, 2008, the "Post-2007 Plan Interest Rate," as defined below, for the immediately preceding Plan Year) multiplied by (ii) a fraction,

the numerator of which is the number of whole calendar months during such Plan Year prior to and including the month which contains the date immediately preceding the Participant's Pension Starting Date and the denominator of which is twelve, and such Investment Credit shall be made as of the last day of the month before such Pension Starting Date prior to the crediting of any Service Credit for such year. Except to the extent provided in Section 7.2(d)(2) (relating to special rules regarding pensions), a Participant's Cash Balance Account shall not be credited with Investment Credits after the Participant's Pension Starting Date.

For purposes of this Section, the "Pre-2008 Plan Interest Rate" for any Plan Year shall mean a percentage equal to the greater of (i) 4% and (ii) the average of (A) the "applicable interest rate" as defined in section 417(e)(3) of the Code for the month of November of such Plan Year and (B) the annual percentage rate of return for the S&P 500 Stock Index for the 12-month period ending on December 31 of such Plan Year, as reported in The Wall Street Journal on the first business day of the succeeding year. For purposes of this Section, the "Post-2007 Plan Interest Rate" for any Plan Year shall mean a percentage equal to the third segment rate of interest on long-term investment grade corporate bonds, as provided for in section 430(h)(2)(C)(iii) of the Code for the month of November of such Plan Year.

(e) Additional Credit. If, as of a Participant's Pension Starting Date, the amount described in (1) below exceeds the amount described in (2) below, an amount equal to the difference between such amounts shall be credited the Participant's Cash Balance Account as of the day before such Pension Starting Date:

(1) The cumulative amount that would have been credited to the Participant's Cash Balance Account if the Plan Interest Rate described in Section 6.1(d) of the Plan (relating to Investment Credits) were credited to the Participant's "Opening Credit" (as defined below) for

each Plan Year during which the Participant is a Participant at the Plan Interest Rate then in effect, whether or not such Participant is an Eligible Employee during such Plan Year.

(2) The cumulative amount that would have been credited to the Participant's Cash Balance Account if 6.5% interest were credited to the Participant's "Opening Credit" (as defined below) for all Plan Years during which the Participant is a Participant, whether or not such Participant is an eligible Employee during such Plan Year.

If the amount described in (1) above is equal to or less than the amount described in (2) above, no amount shall be credited to the Participant's Cash Balance Account pursuant to this paragraph (e). In addition, no amount shall be credited pursuant to this paragraph (e) if a Participant does not have an Accrued Frozen Benefit.

For purposes of this paragraph (e), "Opening Credit" shall mean an amount equal to the present value of a Participant's Accrued Frozen Benefit determined as of December 31, 2001 using a 6.5% discount rate and the 1983 Group Annuity (unisex) Mortality Table (50% male, 50% female) assuming the Accrued Frozen Benefit otherwise payable at the Schedule A Retirement Date would commence at the later of the Participant's attained age as of December 31, 2001 or age 60.

ARTICLE 7
DISTRIBUTIONS

Section 7.1 Time of Distribution. (a) In General. A Participant who has satisfied the Vesting Requirement shall be entitled to receive a distribution of the aggregate of the balance of his or her Cash Balance Account and his or her Accrued Frozen Benefit in the manner provided by Section 7.2 (relating to form of distribution) commencing as soon as practicable after the first day of the month immediately following the date on which the Participant's Termination of Employment occurs. Notwithstanding the preceding sentence, a Participant whose Termination of Employment occurs prior to such Participant's attainment of age 70- 1/2 shall be deemed to

have elected to defer receipt of his or her Cash Balance Account and Accrued Frozen Benefit until the April 1 next following the date the Participant attains age 70- 1/2, unless the Participant elects, in the time and manner described in the following sentence, to receive a distribution prior to such date. The Participant may elect to commence such distribution by giving the Administrator not less than 30 nor more than 90 days advance written notice of the Pension Starting Date desired by the Participant; provided, however, that the Administrator may waive such advance written notice requirement if the Participant submits the appropriate form to the Administrator in accordance with the requirements set forth in Section 7.4(d) (relating to notice of availability of optional forms of benefit). A Participant who has satisfied the Vesting Requirement and who does not make an election as described in the preceding sentence prior to such Participant's attainment of age 70- 1/2 shall receive a distribution of the aggregate of the balance of his or her Cash Balance Account and his or her Accrued Frozen Benefit in the manner provided by Section 7.2 (relating to form of distribution) commencing no later than April 1 next following the date the Participant attains age 70- 1/2.

(b) Distributions to Five Percent Owners. Notwithstanding any provision of the Plan to the contrary, if a Participant who has satisfied the Vesting Requirement and who is a "five percent owner" (as described in section 416(i) of the Code) remains employed by an Employer through April 1 of the year following the year in which the Participant attains age 70 1/2, distribution of the balance of the Participant's Cash Balance Account and his or her Accrued Frozen Benefit shall commence on such April 1 (or such later date as may be provided by the Code or Regulations). Any other Participant who remains in such employment shall not be permitted to commence distribution of such Participant's Cash Balance Account or Accrued

Frozen Benefit at the time specified in the preceding sentence unless required by the Code or Regulations.

(c) Immediate Distribution of Small Benefits. Notwithstanding any provision of the Plan to the contrary, if, as of the date of a Participant's Termination of Employment (including on account of death), the aggregate of the balance of the Participant's Cash Balance Account and the lump sum Schedule Equivalent of the Participant's Accrued Frozen Benefit does not exceed $5,000 or, for distributions occurring on or after March 28, 2005, $1,000, such Participant or, in the event of the Participant's death, such Participant's Beneficiary or Beneficiaries, shall receive a distribution in the amount and in the form described in Option 2 of Section 7.2(c) (relating to lump sum distribution) as soon as practicable following such Termination of Employment in satisfaction of all benefits to which the Participant or his or her Beneficiaries, as the case may be, is entitled under the Plan.

(d) Deemed Distributions. If a Participant has not satisfied the Vesting Requirement upon his or her Termination of Employment, such Participant's vested interest in his or her benefit under the Plan shall have a value of zero, such Participant shall be deemed to have received immediately after such termination a lump sum distribution of such vested interest and concurrent therewith shall forfeit all benefits hereunder, and the Participant's Cash Balance Account and Accrued Frozen Benefit shall no longer be maintained.

Section 7.2 Form of Distribution. (a) Manner of Distribution With Respect to Unmarried Participants. A Participant who is not married on his or her Pension Starting Date shall have the Actuarial Equivalent of the Participant's Accrued Benefit attributable to his or her Cash Balance Account and the Schedule Equivalent of his or her Accrued Frozen Benefit, if any,

distributed in the form of a Pension for the life of the Participant unless the Participant elects an optional form of distribution described in paragraph (c) of this Section (relating to optional forms of distributions) at the time and in the manner described in Section 7.4 (relating to election and waiver procedures).

(b) Manner of Distribution With Respect to Married Participants. A Participant who is married on his or her Pension Starting Date shall have the Actuarial Equivalent of the Participant's Accrued Benefit attributable to his or her Cash Balance Account and the Schedule Equivalent of his or her Accrued Frozen Benefit, if any, distributed in the form of a Pension payable to the Participant for the life of the Participant and, thereafter, if the Participant's Spouse survives the Participant, a Pension payable to the Spouse during the remaining lifetime of such Spouse equal to 50% of the Pension payable to the Participant during the Participant's lifetime. Notwithstanding the preceding sentence, the Participant, with the consent of his or her Spouse, may elect an optional form of distribution described in paragraph (c) of this Section (relating to optional forms of distributions) at the time and in the manner described in Section 7.4 (relating to election and waiver procedures).

(c) Optional Forms of Distribution. Upon written request to the Administrator made at the time and in the manner prescribed in Section 7.4 (relating to election and waiver procedures), a Participant may elect to receive a distribution of the Participant's benefit under the Plan in one of the following optional forms in lieu of the form described in paragraph (a) or (b) of this Section (relating to manner of distribution with respect to unmarried Participants and married Participants, respectively):

Option 1: Life Annuity. If the Participant is married on his or her Pension Starting Date, a Pension payable for the life of the Participant in an

amount that is the Actuarial Equivalent of the Participant's Accrued Benefit attributable to his or her Cash Balance Account and the Schedule Equivalent of his or her Accrued Frozen Benefit, if any.

Option 2: Lump Sum Distribution. Except as otherwise provided in Section 7.8 (relating to special rules applicable to calculations of lump sum distributions), a single, lump sum distribution in an amount equal to the sum of (a) the balance credited to the Participant's Cash Balance Account as of the last day of the month immediately preceding the date of such distribution and (b) the lump sum Schedule Equivalent of the Participant's Accrued Frozen Benefit.

Option 3: Survivor Annuity. A reduced Pension payable to the Participant during the Participant's lifetime and, thereafter, if the designated Beneficiary survives the Participant, a Pension equal to 100%, 75% or 50% (whichever is specified when this option is elected) of such reduced Pension payable to the Designated Beneficiary during the remaining lifetime of such Designated Beneficiary, the aggregate amount of which are the Actuarial Equivalent of the Participant's Accrued Benefit attributable to his or her Cash Balance Account and the Schedule Equivalent of his or her Accrued Frozen Benefit, if any.

(d) Special Rules Regarding Pensions.

(1) If a Participant's spouse dies before the Participant's Pension Starting Date and the Participant has not elected an optional form of distribution described in paragraph (c) of this Section (relating to optional forms of distribution), the Participant shall again be entitled to make an election under this Section.

(2) If a Pension commences pursuant to Section 7.1(b) (relating to distributions to five percent owners) while a Participant remains employed by an Employer, such Pension shall be actuarially adjusted as of January 1 following the end of each calendar year during which such Participant remains employed by an Employer to reflect any additional Service Credits and Investment Credits credited to the Participant's Cash Balance Account as of December 31 of the preceding calendar year.

(3) If a Participant elects Option 3 under Section 7.2(c) and the Participant's Beneficiary is other than the Participant's Spouse, the Pension payable to the Participant and to the Beneficiary shall be adjusted as is necessary to satisfy the incidental benefit requirement under section 401(a)(9) of the Code.

Section 7.3 Death Benefits. (a) Eligibility. If a Participant who has satisfied the Vesting Requirement dies prior to his or her Pension Starting Date, the Participant's surviving Beneficiary shall be entitled to receive a benefit under this Section. In addition, if a Participant

dies while an Employee, the Participant's surviving Beneficiary shall be entitled to receive a benefit under this Section, regardless of whether the Participant has satisfied the Vesting Requirement.

(b) Form of Payment. A surviving Beneficiary who is entitled to a distribution of the Participant's benefit under this Section shall receive the following, as applicable:

(1) Lump Sum Payment. Except as otherwise provided in Section 7.8 (relating to special rules applicable to calculations of lump sum distributions), a lump sum payment that is equal to the sum of (a) the balance credited to the Participant's Cash Balance Account as of the last day of the month immediately preceding the date of such distribution and (b) the lump sum Schedule Equivalent of the Participant's Accrued Frozen Benefit shall be payable to the Participant's surviving Beneficiary not later than the fifth anniversary of the Participant's death, except that if the Participant's surviving Beneficiary is the Participant's surviving Spouse, distribution to such surviving Spouse may commence at the same time as described in subparagraph (2). Notwithstanding the foregoing, should any benefit be payable pursuant to subparagraph (2) of this Section 7.3(b) (relating to statutory surviving Spouse's benefit), the amount of any benefit payable pursuant to this subparagraph (1) shall be reduced by the Actuarial Equivalent of the benefit payable pursuant to such subparagraph (2).

(2) Statutory Surviving Spouse's Benefit. If the Participant is survived by a Spouse to whom the Participant was married throughout the one-year period ending on the date of the Participant's death, then, unless such Participant has with his or her Spouse's consent waived the benefit described herein in the manner described in Section 7.4(e) (relating to waiver of statutory surviving Spouse's benefit), such Spouse shall be entitled to receive a survivor's Pension commencing as of any January 1 coinciding with or following the date of the Participant's death or any succeeding January 1 (but not later than the January 1 immediately preceding or coinciding with the date the Participant would have attained age 70- 1/2 had he or she survived) and continuing for the lifetime of such Spouse in an amount equal to the Pension such Spouse would have received pursuant to a Qualified Joint and Survivor Annuity if the Participant had survived until such day and such Qualified Joint and Survivor Annuity had commenced on such day and the Participant had died immediately after such annuity commenced, but determined without regard to any Service Credits that would have been credited to the Participant's Cash Balance Account with respect to any periods subsequent to the Participant's Termination of Employment.

(c) The death benefits provided by this Section shall not be effective to the extent required to comply with the terms of a Qualified Domestic Relations Order.

Section 7.4 Election and Waiver Procedures. (a) Election of Optional Form of Benefit. Subject to paragraph (c) of this Section (relating to spousal consent to election of optional form of benefit or beneficiary designation), a Participant may elect, change or revoke any form of distribution provided under Section 7.2 (relating to forms of distribution) at any time during the 90-day period ending on the later of the Participant's Pension Starting Date and the date the Participant's benefit is paid or commences. Such an election, change or revocation shall be made by the Participant delivering a written notice describing the election, change or revocation to the Administrator on a form provided by the Administrator for this purpose.

(b) Beneficiary Designation. Subject to paragraph (e) below (relating to waiver of statutory surviving spouse's benefit), each Participant may designate one or more Beneficiaries to receive any payment pursuant to Section 7.3(b)(1) (relating to lump sum pre-retirement death benefit) in the event of his or her death. A Participant may from time to time, without the consent of any Beneficiary, change or cancel any such designation. Such designation and each change therein shall be made in the form prescribed by the Administrator and shall be filed with the Administrator. If no Beneficiary has been designated by a deceased Participant, or the designated Beneficiary has predeceased the Participant, any payment pursuant to Section 7.3(b)(1) (relating to lump sum pre-retirement death benefit) shall be made by the Trustee at the direction of the Administrator (i) to the surviving Spouse of such deceased Participant, if any, or (ii) if there shall be no surviving Spouse, to the surviving children of such deceased Participant, if any, in equal shares, or (iii) if there shall be no surviving Spouse or surviving children, to the executor or administrator of the estate of such deceased Participant, or (iv) if no executor or administrator shall have been appointed for the estate of such deceased Participant within six months following the date of the Participant's death, in equal shares to the person or persons who

would be entitled under the intestate succession laws of the state of the Participant’s domicile to receive the Participant’s personal estate. The marriage of a Participant shall be deemed to revoke any prior designation of a Beneficiary made by him or her and a divorce shall be deemed to revoke any prior designation of the Participant’s divorced Spouse if written evidence of such marriage or divorce shall be received by the Administrator before distribution shall have been made in accordance with such designation. If, within a period of three years following any Participant’s death or other termination of employment by an Employer, the Administrator in the exercise of reasonable diligence has been unable to locate the person or persons entitled to benefits under this Article in respect of such Participant, the rights of such person or persons shall be forfeited and the Administrator shall direct the Trustee to pay such benefit or benefits to the person or persons next entitled thereto under the succession prescribed by this Section.

(c) Spousal Consent to Election of Optional Form of Benefit or Beneficiary Designation. If a Participant is married on his or her Pension Starting Date, and if after giving effect to an election, revocation or change described in paragraph (a) of this Section (relating to election of optional form of benefit) the Participant’s Spouse would not be entitled to receive a survivor’s benefit at least equal to that provided by Section 7.2(b) (relating to manner of distribution with respect to married Participants), such election, revocation or change shall not be effective unless it shall have been consented to at the time of such election, revocation or change in writing by the Participant’s Spouse and such consent acknowledges the effect of such election and is witnessed by a notary public. The consent of a Spouse to such an election, revocation or change shall not be required if it is established to the satisfaction of the Administrator that such consent cannot be obtained because there is no Spouse, the Spouse cannot be located or such other circumstances as may be prescribed in Regulations. If the Spouse is legally incompetent to

give consent, the consent may be executed by the Spouse's legal guardian (including the Participant, if the Participant is the legal guardian). An election of an optional form of distribution shall be deemed a rejection of the distribution form provided by paragraph (a) or (b) of Section 7.2 (relating to manner of distribution with respect to unmarried Participants and manner of distribution with respect to married Participants). The consent of a Spouse otherwise required by this paragraph shall not be necessary for a distribution required by a Qualified Domestic Relations Order.

(d) Notice of Availability of Optional Forms of Benefit. No less than 30 days (or such shorter period as may be permitted by applicable law) and no more than 90 days before the later of a Participant's Pension Starting Date and the date the Participant's benefit is paid or commences, the Administrator shall give the Participant by mail or personal delivery written notice in non-technical language that he or she may elect an optional form of distribution set forth in Section 7.2 (relating to form of distribution); provided, however, that the Participant may waive (with applicable spousal consent) such 30-day notice period as long as the Participant's distribution commences not less than eight days after such notice is provided. Such notice shall include a general description of the eligibility conditions and other material features of the optional forms of distribution provided under the Plan; the circumstances under which the basic forms of distribution set forth in Section 7.2 (relating to form of distribution) will be provided unless a Participant, with the consent of the Participant's Spouse, elects otherwise; the Participant's right to revoke any such election; and information regarding the financial effect, in terms of dollars per payment, upon his or her distribution if he or she elects an optional form of distribution or revokes any prior election. Notwithstanding the foregoing, the notice described in the previous paragraph may be provided to the Participant subsequent to the Participant's

Pension Starting Date, if the Participant so elects, provided that the following conditions are satisfied:

(i) the date on which the first payment to be received by the Participant is made (the “initial payment date”) shall be no earlier than thirty (30) days following the date that the notice is furnished to the Participant, except that the initial payment date may be as early as the eighth day after such notice is provided if (i) such notice clearly indicates that the Participant has a right to a period of thirty (30) days after receiving the notice to consider to waive the basic forms of distribution provided under the Plan and to elect (with spousal consent) an optional form of benefit, (ii) the Participant affirmatively elects a form of distribution with the consent of his or her spouse (if required) to commence as of the initial payment date, and (iii) the Participant is permitted to revoke such election until the initial payment date;

(ii) the notice shall be provided to the Participant no more than ninety (90) days before the initial payment date, however, the Plan will not fail to satisfy the ninety (90)-day requirement if the delay in providing the distribution is due solely to an administrative delay;

(iii) the Participant is not permitted to elect a Pension Starting Date that precedes the date upon which the Participant could have otherwise started receiving benefits under the terms of the Plan as in effect on the Pension Starting Date;

(iv) to the extent that a Participant has not received any payments for the period from the Pension Starting Date to the initial payment date, the Participant shall receive a one-time payment to reflect any such missed payments (a “make-up payment”). Such make-up payment shall be adjusted for interest from the period beginning on the Pension Starting Date and ending on the initial payment date, which shall be calculated with respect to such payments that would have been received prior to the initial payment date. The interest rate used to compute the adjustment described in the preceding sentence shall equal the 30 Year Treasury rate for December of the preceding Plan Year. For purposes of Section 8.1 (relating to statutory limits), the limitations set forth therein shall comply with the adjustments required thereto pursuant to Treasury Regulation 1.417(e)-1 with respect to any Pension Starting Date described in this paragraph which is a “retroactive annuity starting date” as defined for purposes of such Regulation; and

(v) if a Participant who is married elects to commence the Participant’s benefit as of the initial payment date pursuant to this paragraph, then the Participant’s spouse (including an alternate payee who is treated as the Participant’s spouse under a qualified domestic relations order), determined as of the initial payment date, must consent to such election if the survivor benefits

payable as of the Pension Starting Date are less than the survivor benefits payable under the benefit described in Option 3 of Section 7.2(b) of the Plan as of the initial payment date.

(e) Waiver of Statutory Surviving Spouse's Benefit. A Participant may waive the statutory surviving spouse's benefit provided by Section 7.3(b)(2) at any time prior to the Participant's death, provided, however, that if such waiver is made prior to the Plan Year in which the Participant attains age 35, such waiver shall become invalid on the first day of such year unless the Participant has terminated employment by the Employers prior to such day. A Participant whose waiver becomes invalid pursuant to the preceding sentence may elect, at any time after the waiver becomes invalid, to again waive the statutory surviving spouse's benefit provided by Section 7.3(b)(2). A waiver made pursuant to this paragraph (e) shall be made by delivering a written notice thereof to the Administrator on a form provided by the Administrator for this purpose with a written consent of the Participant's Spouse which satisfies the requirements of paragraph (b) of this Section (relating to beneficiary designation) (unless it is determined pursuant to paragraph (c) of this Section that such consent is not needed). Such a waiver shall cease to be effective if, subsequent to the execution of such waiver, the Participant shall make any other Beneficiary designation pursuant to paragraph (b) of this Section (relating to beneficiary designation) which diminishes the rights or contingent rights of the Participant's Spouse, which are specified in the Beneficiary designation in effect at the time such Spouse consented to such waiver, to all or part of the benefit provided under Section 7.3(b) (relating to form of payment of pre-retirement death benefits), provided, however, that in no event shall such other Beneficiary designation affect the effectiveness of such waiver if such Spouse shall have so specified at the time of consent. A waiver described in this paragraph shall cease to be effective on (i) the date on which the Participant is subsequently married to a person other than the Spouse

who consented to such waiver, (ii) the Participant's Pension Starting Date, or (iii) the date of the Participant's revocation of such waiver.

(f) Notice of Right to Waive Statutory Surviving Spouse's Benefit. Not later than twelve months after the day on which an Employee has become a Participant, the Administrator shall give the Participant by mail or personal delivery written notice in nontechnical language that he or she may waive the statutory surviving spouse's benefit provided by Section 7.3(b)(2). Such notice shall include a general description of terms and conditions of such benefit and the circumstances under which it will be provided unless waived and the Participant's right to revoke any such waiver and general information on the relative financial effect, if any, upon the Participant's Pension of such benefit and its waiver. Such notice shall also advise the Participant that, upon written request to the Administrator prior to the end of the waiver period set forth in paragraph (e) of this Section (relating to waiver of statutory surviving spouse's benefit), he or she will be given a written explanation in nontechnical language of the terms and conditions of such benefit and the financial effect, in terms of dollars per payment, upon his or her other death benefits if he or she does not waive such benefit. Such explanation shall be mailed or personally delivered to the Participant within 30 days from the date his or her written request is received by the Administrator.

(g) Election of Optional Form of Statutory Surviving Spouse's Benefit. A surviving Spouse may elect to have the statutory surviving spouse's benefit provided by Section 7.3(b)(2) payable in the form of Option 2 of Section 7.2(c) (relating to optional forms of distribution). Such an election may be made at any time prior to the commencement of such benefit and not thereafter. Such an election shall be made by delivering a written notice thereof to the Administrator on a form provided by the Administrator for this purpose.

(h) Automatic Cancellation of Elections. If a Participant's Pension is payable in the form of a joint and survivor annuity and if, prior to the Participant's Pension Starting Date, the Participant's Spouse dies or the Participant and such Spouse divorce, the Participant's election or deemed election to receive a joint and survivor annuity shall, upon the Participant's notice to the Administrator of such death or divorce, be automatically cancelled, unless, subsequent to such Spouse's death or the Participant's divorce and prior to the Participant's Pension Starting Date, the Participant remarries and notice of such new marriage is timely received by the Administrator.

Section 7.5 Distributions to Minor and Disabled Distributees. Any distribution under this Article that is payable to a distributee who is a minor or to a distributee who, in the opinion of the Administrator, is unable to manage his or her affairs by reason of illness or mental incompetency may be made to or for the benefit of any such distributee at such time consistent with the provisions of Section 7.2 (relating to form of distribution) and in such of the following ways as the legal representative of such distributee shall direct: (i) directly to any such minor distributee if, in the opinion of such legal representative, he or she is able to manage his or her affairs, (ii) to such legal representative, (iii) to a custodian under a Uniform Gifts to Minors Act for any such minor distributee, or (iv) directly in payment of expenses of support or maintenance of such person. Neither the Administrator nor the Trustee shall be required to see to the application by any third party other than the legal representative of a distributee of any distribution made to or for the benefit of such distributee pursuant to this Section.

Section 7.6 Direct Rollover Distributions. In the case of a distribution under this Plan that is an "eligible rollover distribution" within the meaning of section 402 of the Code and that is at least $200, an eligible distributee (as defined below) may elect that all or any portion of

such distribution to which such eligible distributee is entitled shall be directly transferred as a rollover contribution from the Plan to (i) an individual retirement account described in section 408(a) of the Code, (ii) an individual retirement annuity described in section 408(b) of the Code, (iii) an annuity plan described in section 403(a) of the Code, (iv) a retirement plan qualified under section 401(a) of the Code, (v) an annuity contract described in section 403(b) of the Code, (vi) an eligible plan under section 457(b) of the Code which is maintained by an eligible employer described in section 457(e)(1)(A) of the Code (the terms of which permit the acceptance of rollover contributions) or (vii) effective January 1, 2008, a Roth IRA described in section 408A of the Code; provided, however, that (x) with respect to a plan described in clause (vii), for transfers occurring before January 1, 2010, the Participant (or surviving spouse of a Participant or a former spouse who is an alternate payee under a qualified domestic relations order as defined in section 414(p) of the Code) meets the requirements of section 408A(c)(3)(B) of the Code and (y) with respect to a distribution (or portion of a distribution) to a person who is not the Participant or the surviving spouse or former spouse of the Participant, "eligible retirement plan" shall mean only a plan described in clause (i), (ii) or (vii) that, in either case, is established for the purpose of receiving such distribution on behalf of such person. For purposes of this Section, "eligible distributee" shall include the Participant, his or her spouse or his or her former spouse who is an alternate payee under a qualified domestic relations order within the meaning of section 414(p) of the Code and, effective January 1, 2010, the Participant's Beneficiary who is not the Participant's spouse or former spouse. Notwithstanding the foregoing, an eligible distributee shall not be entitled to elect to have less than the total amount of such distribution transferred as a rollover contribution unless the amount to be transferred equals at least $500.

Section 7.7 Withholding Requirements. Any benefit payment made under the Plan will be subject to any applicable income tax withholding requirements.

Section 7.8 Special Rules Applicable to Calculations of Lump Sum Distributions. Notwithstanding anything contained herein to the contrary, if a lump sum distribution is paid to a Participant prior to the Participant's Normal Retirement Age and prior to May 23, 2007, the portion of any lump sum payment made under Section 7.2(c), Option 2, or Section 7.3(b)(1) that, in either case, is attributable to the Participant's Cash Balance Account shall be the greater of (x) the balance credited to the Participant's Cash Balance Account as of the last day of the month immediately preceding the date of such distribution and (y) the Actuarial Equivalent of the Participant's Accrued Benefit.

Section 7.9 Participant's Death During Qualified Military Service. Effective January 1, 2007, in the case of a Participant who dies while performing Military Service, the Beneficiaries of such Participant shall be entitled to any additional benefits, if any (other than benefit accruals relating to the period of Military Service), provided under the Plan had the Participant resumed employment with an Employer and then terminated such employment on account of such Participant's death.

ARTICLE 8
LIMITATIONS ON BENEFITS

Section 8.1 Statutory Limits. The provisions of this Section shall be effective for any "Limitation Year" (as defined below) solely to the extent required by the Code or Regulations for such year.

Notwithstanding any other provision of the Plan to the contrary, the amount of the Participant's annual benefit (as defined below) accrued, distributable or payable at any time under the Plan shall be limited to an amount such that such annual benefit and the aggregate annual benefit of the Participant under all other defined benefit plans maintained by the Employer or any other Affiliate does not exceed the lesser of:

(i) $160,000 (as increased to reflect the cost of living adjustments provided under section 415(d) of the Code), multiplied by a fraction (not exceeding 1 and not less than 1/10th), the numerator of which is the Participant's years of participation (within the meaning of Treasury Regulation section 1.415(b)-1(g)(1)(ii)) and the denominator of which is 10; or

(ii) an amount equal to 100% of the Participant's average compensation for the three consecutive calendar years in which his or her compensation was the highest (as determined in accordance with Treasury Regulation section 1.415(b)-1(a)(5)) and which are included in his or her years of service (within the meaning of Treasury Regulation section 1.415(b)-1(g)(2)(ii)) with the Employers multiplied by a fraction (not exceeding 1 and not less than 1/10th), the numerator of which is the Participant's years of service and the denominator of which is 10.

The dollar amount set forth in clause (i) of the preceding paragraph shall be actuarially reduced in accordance with Treasury Regulation section 1.415(b)-1(d) if the Participant's Pension Starting Date occurs prior to the Participant's attainment of age 62. If the Participant's Pension Starting Date occurs after the Participant attains age 65, such dollar amount shall be actuarially increased in accordance with Treasury Regulation section 1.415(b)-1(e).

A Participant's "annual benefit" shall mean the Participant's accrued benefit payable annually in the form of a straight life annuity, as determined in, and accordance with, Treasury Regulation section 1.415(b)-1(b). If the annual benefit is payable in a form other than a single life annuity, the annual benefit shall be adjusted to the Actuarial Equivalent of a single life annuity using the assumptions of the following sentences; provided, however, that no adjustment

shall be required for survivor benefits payable to a surviving Spouse under a Qualified Joint and Survivor Annuity (as described in Section 7.2(b)) to the extent such benefits would not be payable if the Participant's annual benefit were paid in another form.

Effective for Plan Years beginning January 1, 2004 and January 1, 2005, for any form of benefit subject to section 417(e)(3) of the Code, a Participant's annual benefit shall be the greater of (i) the amount computed using the interest rate and mortality table specified under subdivision (3) of Article 2 (relating to definition of Actuarial Equivalent) as in effect and (ii) the amount computed using an interest rate assumption of 5.5% and the applicable mortality table under Treasury Regulation section 1.417(e)-1(d)(2) (the "Applicable Mortality Table"). Effective for Plan Years beginning on or after January 1, 2006, for any form of benefit subject to section 417(e)(3) of the Code, a Participant's annual benefit shall be the greatest of (i) the amount computed using the interest rate and mortality table specified under subdivision (3) of Article 2 (relating to definition of Actuarial Equivalent) as in effect, (ii) the amount computed using an interest rate assumption of 5.5% and the Applicable Mortality Table and (iii) the amount computed using the applicable interest rate under Treasury Regulation section 1.417(e)-1(d)(3) and the Applicable Mortality Table, divided by 1.05. Effective for Plan Years beginning on or after January 1, 2006, for any form of benefit not subject to section 417(e)(3) of the Code, a Participant's annual benefit shall be determined in accordance with Treasury Regulation section 1.415(b)-1(c). An individual's "annual benefit" under any other defined benefit plan maintained by the Employer and Affiliate shall be as determined pursuant to the provisions of section 415 of the Code and the Regulations issued thereunder the terms of such plan.

Notwithstanding the foregoing provisions of this Section, the limitation provided by this Section shall not apply to a Participant who has not at any time participated in a defined

contribution plan maintained by any Employer and whose annual benefit under the Plan does not exceed $10,000 multiplied by a fraction (not exceeding 1 and not less than 1/10th) the numerator of which is the Participant's years of service (within the meaning of Treasury Regulation section 1.415(b)-1(g)(2)(ii))) and the denominator of which is 10.

For purposes of this Section, the term "compensation" shall have the meaning set forth in section 415(c)(3) of the Code and the applicable Regulations, the term "defined contribution plan" shall have the meaning set forth in Treasury Regulation section 1.415(c)-1(a)(2), the term "defined benefit plan" shall have the meaning set forth in Treasury Regulation section 1.415(b)-1(a)(2) and the term "Employer" shall include the Employers and all corporations and entities required to be aggregated with any of the Employers pursuant to section 414(b) and (c) of the Code as modified by section 415(h) of the Code.

Section 8.2 Restrictions on Benefits. (a) The annual Plan payments to a Participant in the Restricted Group (as defined below) for any Plan Year may not exceed an amount equal to the annual payments that would be made to or on behalf of the Participant under:

(i) a single life annuity that is equal to the Participant's Accrued Benefit and any other Benefits (as defined below) to which the Participant is entitled under the Plan (disregarding any Social Security supplement within the meaning of section 1.411(a)-7(c)(4)(ii) of the Treasury Regulations), plus

(ii) the amount of any payment to which the Participant is entitled as a Social Security supplement under the Plan.

(b) Application of Restriction. The restriction set forth in paragraph (a) of this Section (relating to restrictions on benefits) shall not apply to any payment if any of the following conditions is satisfied at the date as of which the payment is to be made:

(i) after reduction to reflect the present value of all Benefits payable to or on behalf of the Participant under the Plan, the value of the Plan's assets would equal or exceed 110% of the value of the Plan's current liabilities, as defined in section 412(l)(7) of the Code;

(ii) the present value of the Benefits payable to or on behalf of the Participant under the Plan is less than 1% of the value of the Plan's current liabilities, as defined in section 412(l)(7) of the Code; or

(iii) the present value of the Benefits payable to or on behalf of the Participant under the Plan does not exceed $5,000 (or such greater amount as may be set forth in section 411(a)(11)(A) of the Code).

(c) Plan Termination Rule. In the event of termination of the Plan, the benefit of any Participant in the Restricted Group shall be limited to a benefit that is nondiscriminatory under section 401(a)(4) of the Code.

(d) Definitions. For purposes of this Section:

(i) "Restricted Group" consists of the highly compensated employees and highly compensated former employees (within the meaning of section 414(q) of the Code) of the Employer and its Affiliates, but the total number in the Restricted Group for any calendar year shall be limited to 25 and shall consist of those highly compensated active and highly compensated former employees with the greatest compensation in the current or any prior year for which compensation information is available.

(ii) The term "Benefit" includes, without limitation, any periodic income from the Plan, any withdrawal values payable to a living employee under the Plan, any Plan loans in excess of the amounts set forth in section 72(p)(2)(A) of the Code and any Plan death benefits not provided for by insurance on the employee's or former employee's life.

(iii) The "current liability" of the Plan as of any date may be based on the current liability reported on Schedule B of the Plan's most recent, timely-filed Form 5500 or 5500 C/R. For purposes of this Section, the value of the Plan's assets shall be determined on the same date as of which the current liability is determined.

(e) Effective Date. The restrictions set forth in this Section shall cease to be in effect when (i) a condition set forth in subparagraph (b)(i), (b)(ii) or (b)(iii) above is satisfied, (ii) the Participant is not in the Restricted Group, (iii) the Plan is terminated and the benefit received by

the Participant is nondiscriminatory or (iv) such restrictions are not required to be applied to such payment under the Code or Regulations.

Section 8.3 Benefit Restrictions as a Result of Funding. (a) Notwithstanding any provision of the Plan to the contrary, the following benefit restrictions shall apply if the Plan's "Adjusted Funding Target Attainment Percentage" (the "AFTAP"), as defined in section 436(j) of the Code, is at or below the following levels.

(i) If the Plan's AFTAP is 60% or greater but less than 80% for a Plan Year, the Plan shall not pay any prohibited payment (as defined in subparagraph (a)(iv) below) after the valuation date for the Plan Year to the extent the amount of the payment exceeds the lesser of (x) 50% of the amount of the payment which could be made without regard to the restrictions under this Section and (y) the present value (determined pursuant to guidance prescribed by the Pension Benefit Guaranty Corporation, using the interest and mortality assumptions under section 417(e) of the Code) of the maximum guarantee with respect to the Participant under section 4022 of ERISA. Notwithstanding the preceding sentence, only one such prohibited payment may be made with respect to any Participant during any period of consecutive Plan Years to which the limitations under either clause (x) or (y) of the preceding sentence apply. For purposes of this subparagraph, a Participant, his or her Beneficiary and any alternate payee (as defined in section 414(p)(8) of the Code) shall be deemed a single "Participant."

(ii) If the Plan's AFTAP is less than 60% for a Plan Year, the Plan shall not pay any prohibited payment after the valuation date for the Plan Year.

(iii) During any period in which the Company is a debtor in a case under Title 11, United States Code (or similar federal or state law), the Plan shall not make any prohibited payment. The preceding sentence shall not apply on or after the date on which the Plan's enrolled actuary certifies that the AFTAP is not less than 100%.

(iv) For purposes of this subparagraph (a), the term "prohibited payment" means (x) any payment, in excess of the monthly amount paid under a single life annuity (plus any social security supplements payable with respect to the Participant's Accrued Frozen Benefit), to a Participant or Beneficiary whose annuity starting date (as defined in section 417(f)(2) of the Code and any regulations promulgated thereunder) occurs during any period a limitation under subparagraph (a)(ii) or (iii) is in effect, (y) any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or (z) any other payment specified by the Secretary of the Treasury by regulations.

(b) In any Plan Year in which the Plan's AFTAP for such Plan Year is less than 60%, benefit accruals under the Plan shall cease as of the valuation date for the Plan Year. This restriction shall cease to apply with respect to any Plan Year, effective as of the first day of the Plan Year, upon payment by the Company or the Employers of a contribution (in addition to any minimum required contribution under section 430 of the Code) equal to the amount sufficient to result in an AFTAP of 60%.

(c) No amendment which has the effect of increasing Plan liabilities by reason of increases in benefits, establishment of new benefits, changing the rate of benefit accruals or the rate at which benefits become nonforfeitable shall take effect during any Plan Year if the Plan's AFTAP for such Plan Year is less than 80% or would be less than 80% after taking into account such amendment; provided, however, that the preceding restriction shall not apply to an amendment which provides for an increase in benefits under a formula which is not based on a Participant's compensation if the rate of such increase is not in excess of the contemporaneous rate of increase in average wages of Participants covered by the amendment; and provided, further, that such restriction shall cease to apply with respect to any Plan Year, effective as of the first day of the Plan Year (or if later, the effective date of the amendment), upon payment by the Company or the Employers of a contribution as described in section 436(c)(2) of the Code.

(d) The Plan shall not provide an unpredictable contingent event benefit payable with respect to any event occurring during any Plan Year if the AFTAP for such Plan Year is less than 60% or would be less than 60% after taking into account such occurrence; provided, however, such restriction shall cease to apply with respect to any Plan Year, effective as of the first day of the Plan Year, upon payment by the Company or the Employers of a contribution as described in section 436(b)(2) of the Code. For purposes of this subparagraph (d), the term "unpredictable

contingent event benefit" means any benefit payable solely by reason of a plant shutdown (or similar event, as determined by the Secretary of the Treasury), or any event other than the attainment of any age, performance of any service, receipt or derivation of any compensation, or occurrence of death or disability.

(e) To avoid benefit restrictions, the Company may take any action permitted by section 436 of the Code and the regulations promulgated thereunder.

(f) The provisions of this Section are intended to comply with section 436 of the Code and any regulations promulgated thereunder, and shall be construed to comply therewith.

ARTICLE 9
SPECIAL PARTICIPATION AND DISTRIBUTION RULES RELATING TO RECOMMENCEMENT OF EMPLOYMENT AND EMPLOYMENT BY RELATED ENTITIES

Section 9.1 Recommencement of Employment by a Terminated Employee. (a) Rehire Date Before Absence of 5 Years. If an Employee who has a Termination of Employment recommences employment with an Employer before having a Period of Severance of five years and, on the date of his or her rehire, the terms of such Employee's employment are not subject to a collective bargaining agreement that does not provide for participation in this Plan, then either: (1) if such Employee was a Participant on the date his or her employment terminated, such Employee shall be Participant in the Plan as of his or her rehire date if he or she is then an Eligible Employee or (2) if such Employee was not a Participant on the date his or her employment terminated, such Employee shall not be an Eligible Employee and shall not become a Participant. Notwithstanding clause (1) of the preceding sentence, if an Employee described in the preceding sentence who first became an employed by an Employer prior to January 1, 2001 was not at any time permitted to make the election described in Section 3.1(b) (relating to

eligibility for participation for employees who are not new hires) or was permitted to make such election and elected to participate in the Plan but such election was not given effect as a result of such Employee's Termination of Employment, such Eligible Employee shall be permitted to elect, in the time and manner prescribed by the Administrator, to either (1) participate in the Plan as of his or her rehire date or (2) participate in the ComEd Plan or the PECO Plan, as applicable, at the time prescribed therein and have his or her accrued benefit under the ComEd Plan or PECO Plan, as applicable, and related assets transferred to the Plan in the manner described in Section 3.1(c) (relating to transfer of benefits and assets to Plan). If an Employee makes the election described in clause (1) of the preceding sentence, (a) the applicable Schedule shall apply with respect to the Participant's Accrued Frozen Benefit and (b) such Employee shall not be entitled to a Transition Credit.

(b) Rehire Date After Absence of at Least 5 Years. If a Participant who has a vested benefit under the Plan has a Termination of Employment and thereafter is rehired by an Employer, such Participant shall remain a Participant upon his or her rehire. If an Employee who has a Termination of Employment did not have a vested benefit under the Plan or under either the ComEd Plan or the PECO Plan recommences employment with an Employer after having a Period of Severance of at least five years, such Employee shall become a Participant as of the date of his or her rehire if he or she is then an Eligible Employee. If an Employee who has a Termination of Employment had a vested benefit under either the ComEd Plan or the PECO Plan recommences employment with an Employer after having a Period of Severance of at least five years, such Employee shall not be an Eligible Employee and shall not become a Participant upon such recommencement of employment. Notwithstanding the preceding sentence, if an Employee described in the preceding sentence who first became employed by an Employer prior

to January 1, 2001 was not at any time permitted to make the election described in Section 3.1(b) (relating to eligibility for participation for employees who are not new hires) or was permitted to make such election and elected to participate in the Plan but such election was not given effect as a result of such Employee's Termination of Employment, such Eligible Employee shall be permitted to elect, in the time and manner prescribed by the Administrator, to either (1) participate in the Plan as of his or her rehire date or (2) participate in the ComEd Plan or the PECO Plan, as applicable, at the time prescribed therein and have his or her accrued benefit under the ComEd Plan or PECO Plan, as applicable, transferred to the Plan in the manner described in Section 3.1(c) (relating to transfer of benefits and assets to Plan). The accrued benefit under the ComEd Plan or the PECO Plan, as applicable, of an Employee who elects to participate in the Plan shall be transferred to the Plan, along with an appropriate amount of assets, and (a) the applicable Schedule shall apply with respect to the Participant's Accrued Frozen Benefit and (b) such Employee shall not be entitled to a Transition Credit.

(c) Reestablishment of Cash Balance Account for Rehired Participant. If a Participant whose Termination of Employment occurs before his or her satisfaction of the Vesting Requirement recommences employment with an Employer and becomes a Participant pursuant to paragraph (a) above, such Participant's Cash Balance Account shall be reinstated and credited with Investment Credits for the Participant's Period of Severance. If a Participant whose Termination of Employment occurs after his or her satisfaction of the Vesting Requirement receives a complete distribution of his or her benefit under the Plan and subsequently recommences employment with an Employer as an Employee and becomes a Participant pursuant to paragraph (b) above, a new Cash Balance Account shall be established for such Participant as of such recommencement of employment. Such new Cash Balance

Account shall have an initial balance of zero and shall be credited with Service Credits and Investment Credits solely for the Participant's period of employment thereafter.

Section 9.2 Suspension of Benefits. (a) Generally. If a Participant continues employment by an Employer beyond the Participant's Normal Retirement Age or, except as provided in paragraph (b) below, if a former Employee again becomes an Employee after his or her Normal Retirement Age, such Participant shall not be entitled to receive any Pension during such employment. If such a Participant was receiving a Pension, the Participant's Cash Balance Account as of his or her Pension Starting Date shall be restored and thereafter credited with Service Credits and Investment Credits with respect to such period of employment and Investment Credits from the Participant's prior Pension Starting Date to the date the Participant's Cash Balance Account is so restored. Upon the Participant's Termination of Employment or subsequent Termination of Employment, as the case may be, the Participant's Accrued Benefit shall be the larger of (i) the Participant's Accrued Benefit as of the first day of the month coinciding with or next following the Participant's date of rehire, or Normal Retirement Age, as the case may be, actuarially increased to reflect the later termination date (for purposes of this clause (i), the Investment Credits described in Section 6.1(d) with respect to such period of employment shall be the actuarial increase to the Participant's Accrued Benefit), and (ii) the Actuarial Equivalent of the Participant's Cash Balance Account, and the Accrued Frozen Benefit, as of the Participant's Termination of Employment, or subsequent Termination of Employment, as the case may be, reduced in either case by the sum of any Pension previously paid to the Participant plus interest thereon at the rate described in subdivision (3) of Article 2 (relating to definition of Actuarial Equivalent).

(b) Circumstances under which a Rehired Employee's Pension Payments may Continue. Notwithstanding paragraph (a) above, a reemployed Participant who is employed under circumstances that satisfy the applicable conditions for continuation of payment of retirement benefits set forth in the Company's policy regarding the rehiring of retirees shall not have his or her Pension suspended under this Section nor shall such reemployed Participant be prohibited from commencing his or her Pension if he or she is otherwise eligible to commence such Pension.

Section 9.3 Employment by Related Entities. If an individual is employed by an entity that is an Affiliate, then any period of employment by such entity (but only after such entity became an Affiliate) shall be taken into account solely for the purpose of determining when or whether and when such individual is eligible to participate in the Plan under Article 3 (relating to eligibility), measuring such individual's years of Vesting Service for purposes of the Vesting Requirement and determining when such individual's Termination of Employment occurs for purposes of Article 7 (relating to distributions) to the same extent such period would have been taken into account had such employment been with an Employer.

Section 9.4 Leased Employees. If an individual who performed services as a leased employee (within the meaning of section 414(n)(2) of the Code) of an Affiliate becomes an Employee, or if an Employee becomes such a leased employee, then any period as a leased employee shall be taken into account solely for the purposes of determining whether and when such individual is eligible to participate in the Plan under Article 3 (relating to eligibility), measuring such individual's years of Vesting Service for purposes of the Vesting Requirement and determining when such individual's Termination of Employment occurs for purposes of Article 7 (relating to distributions) to the same extent such period would have been taken into

account had such service or employment been with an Employer. In addition, any contributions or benefits provided under another plan to such leased employee by his or her leasing organization shall be treated as provided under this Plan and shall be taken into account under Section 8.1 (relating to statutory limits) to the extent required under Treasury Regulation section 1.415(a)-1(f)(3). This Section shall not apply to any period during which such a leased employee was covered by a plan described in section 414(n)(5) of the Code and leased employees do not constitute more than 20% of the Employer's nonhighly compensated work force. Notwithstanding the preceding sentences, an individual who performed services only as a leased employee prior to January 1, 2001 shall be treated as not performing an Hour of Service prior to January 1, 2001 solely for the purposes of determining whether such individual qualifies as an Eligible Employee under subdivision (15) of Article 2.

Section 9.5 Employees who Become Eligible Employees as a Result of Ceasing to be Represented by IBEW Local Union 15. If an Employee who, on the day he or she first performed an Hour of Service with an Employer, was a member of a collective bargaining unit represented by IBEW Local Union 15 and who first became employed by an Employer prior January 1, 2001 later ceases to be a member of a collective bargaining unit represented by IBEW Local Union 15, such Employee shall be permitted to elect, in the time and manner prescribed by the Administrator, to either (a) continue to participate in the ComEd Plan or (b) participate in this Plan as of the date he or she ceases to be a member of a collective bargaining unit represented by IBEW Local Union 15 and have his or her accrued benefit under the ComEd Plan and related assets transferred to the Plan in the manner described in Section 3.1(c) (relating to transfer of benefits and assets to Plan). If an Employee who, on the day he or she first performed an Hour of Service with an Employer, was a member of a collective bargaining unit represented by IBEW

Local Union 15 and who first became employed by an Employer on or after January 1, 2001 and participated in the Exelon Corporation Pension Plan for Bargaining Unit Employees later becomes an Eligible Employee as a result of ceasing to be a member of a collective bargaining unit represented by IBEW Local Union 15, such Employee shall become a Participant as of the date he or she ceases to be a member of a collective bargaining unit represented by IBEW Local Union 15 and shall have his or her accrued benefit under the Exelon Corporation Pension Plan for Bargaining Unit Employees and related assets transferred to the Plan. If an Employee who, on the day he or she first performed an Hour of Service with an Employer, was a member of a collective bargaining unit represented by IBEW Local Union 15 and who first became employed by an Employer on or after January 1, 2001 and who was a participant in the Commonwealth Edison Company Service Annuity System later becomes a member of a collective bargaining unit represented by IBEW Local Union 15, such Employee shall not become a Participant in this Plan.

Section 9.6 Employees who Cease to be Eligible Employees as a Result of Becoming Represented by IBEW Local Union 15. If an Employee ceases to be an Eligible Employee as a result of becoming a member of a collective bargaining unit represented by IBEW Local Union 15 and becomes a participant in the Exelon Corporation Pension Plan for Bargaining Unit Employees or the Commonwealth Edison Company Service Annuity System, such Employee shall have his or her accrued benefit under this Plan and related assets transferred to the applicable plan.

Section 9.7 Change in Employment Status or Transfer to Affiliate. Except as otherwise provided herein, if an Employee who was a Participant transfers employment to or is reemployed by an Employer or an Affiliate in a job classification with respect to which similarly situated

employees of such Employer or Affiliate are not eligible to participate in the Plan but are instead either eligible to participate in another plan maintained by such Employer or Affiliate or are not eligible to participate in any plan, then such individual shall upon such transfer or reemployment participate in the plan, if any, determined pursuant to rules established by the Company, which rules may be set forth in a Supplement hereto.

ARTICLE 10
ADMINISTRATION

Section 10.1 The Administrator, the Investment Fiduciary and the Corporate Investment Committee.

(a) The Administrator. The Company's Vice President, Compensation & Benefits, or such other person or committee appointed by the Chief Human Resources Officer from time to time (such vice president or other person or committee, the "Administrator"), shall be the "administrator" of the Plan, within the meaning of such term as used in ERISA. In addition, the Administrator shall be the "named fiduciary" of the Plan, within the meaning of such term as used in ERISA, solely with respect to administrative matters involving the Plan and not with respect to any investment of the Plan's assets. The Administrator shall have the following duties, responsibilities and rights:

(i) The Administrator shall have the duty and discretionary authority to interpret and construe this Plan in regard to all questions of eligibility, the status and rights of Participants, Beneficiaries and other persons under this Plan, and the manner, time, and amount of payment of any distributions under this Plan. The determination of the Administrator with respect to an Employee's years of Vesting Service, the amount of the Employee's Compensation, and any other matter affecting payments under the Plan shall be final and binding. Benefits under the Plan shall be paid to a Participant or Beneficiary only if the Administrator, in his or her discretion, determines that such person is entitled to benefits.

(ii) Each Employer shall, from time to time, upon request of the Administrator, furnish to the Administrator such data and information as the Administrator shall require in the performance of his or her duties.

(iii) The Administrator shall direct the Trustee to make payments of amounts to be distributed from the Trust Fund under Article 7 (relating to distributions). In addition, it shall be the duty of the Administrator to certify to the Trustee the names and addresses of all Participants, the amounts of all Pensions, the dates of death of Participants and all proceedings and acts of the Administrator necessary or desirable for the Trustee to be fully informed as to the Pension to be paid out of the Trust Fund.

(iv) The Administrator shall have all powers and responsibilities necessary to administer the Plan, except those powers that are specifically vested in the Investment Fiduciary, the Corporate Investment Committee or the Trustee.

(v) The Administrator may require a Participant or Beneficiary to complete and file certain applications or forms approved by the Administrator and to furnish such information requested by the Administrator. The Administrator and the Plan may rely upon all such information so furnished to the Administrator.

(vi) The Administrator shall be the Plan's agent for service of legal process and forward all necessary communications to the Trustee.

(b) Removal of Administrator. The Chief Human Resources Officer shall have the right at any time, with or without cause, to remove the Administrator (including any member of a committee that constitutes the Administrator). The Administrator may resign and the resignation shall be effective upon delivery of the written resignation to the Chief Human Resources Officer. Upon the resignation, removal or failure or inability for any reason of the Administrator to act hereunder, the Chief Human Resources Officer shall appoint a successor. Any successor Administrator shall have all the rights, privileges and duties of the predecessor, but shall not be held accountable for the acts of the predecessor. None of the Company, any member of the board of directors of the Company who is not the Chief Human Resources Officer, nor any other person shall have any responsibility regarding the retention or removal of the Administrator.

(c) The Investment Fiduciary. The Company, acting through the Exelon Investment Office, shall be the Investment Fiduciary and the "named fiduciary" of the Plan, within the meaning of such term as used in ERISA, solely with respect to matters involving the investment of assets of the Plan and, any contrary provision of the Plan notwithstanding, in all events subject to the limitations contained in section 404(a)(2) of ERISA and all other applicable limitations. The Investment Fiduciary shall have the following duties, responsibilities and rights:

(i) The Investment Fiduciary shall be the "named fiduciary" for purposes of directing the Trustee as to the investment of amounts held in the Trust Fund and for purposes of appointing one or more investment managers as described in ERISA.

(ii) The Investment Fiduciary shall submit to the Corporate Investment Committee annual manager review results and such other reports and documents as may be necessary for the Corporate Investment Committee to monitor the activities and performance of the Investment Fiduciary.

(iii) Each Employer shall, from time to time, upon request of the Investment Fiduciary, furnish to the Investment Fiduciary such data and information as the Investment Fiduciary shall require in the performance of its duties.

(d) The Corporate Investment Committee. The Corporate Investment Committee shall be responsible for overall monitoring of the performance of the Investment Fiduciary. The Corporate Investment Committee shall have the following duties, responsibilities and rights:

(i) The Corporate Investment Committee shall monitor the activities and performance of the Investment Fiduciary and shall review annual manager review results and any other reports and documents submitted by the Investment Fiduciary.

(ii) The Corporate Investment Committee shall have authority to approve asset allocation recommendations of the Investment Fiduciary, and approve the retention or firing of any investment consultant (but not any investment manager), custodian or trustee, as recommended by the Investment Fiduciary.

(iii) The Corporate Investment Committee shall have the right at any time, with or without cause, to remove one or more employees of the Exelon Investment Office or to appoint another person or committee to act as Investment Fiduciary. Any successor Investment Fiduciary shall have all the rights, privileges and duties of the predecessor, but shall not be held accountable for the acts of the predecessor.

The power and authority of the Corporate Investment Committee with respect to the Plan shall be limited solely to the monitoring and removal of the Investment Fiduciary and approval of the recommendations specified in clause (ii) above. The Corporate Investment Committee shall have no responsibility for making investment decisions, appointing or firing investment managers or for any other duties or responsibilities with respect to the Plan, other than those specifically listed herein.

(e) Status of Administrator, the Investment Fiduciary and the Corporate Investment Committee. The Administrator, any person acting as, or on behalf of, the Investment Fiduciary, and any member of the Corporate Investment Committee may, but need not, be an Employee, trustee or officer of an Employer and such status shall not disqualify such person from taking any action hereunder or render such person accountable for any distribution or other material advantage received by him or her under this Plan, provided that no Administrator, person acting as, or on behalf of, the Investment Fiduciary, or any member of the Corporate Investment Committee who is a Participant shall take part in any action of the Administrator or the Investment Fiduciary on any matter involving solely his or her rights under this Plan.

(f) Notice to Trustee of Members. The Trustee shall be notified as to the names of the Administrator and the person or persons authorized to act on behalf of the Investment Fiduciary.

(g) Allocation of Responsibilities. Each of the Administrator, the Investment Fiduciary and the Corporate Investment Committee may allocate their respective responsibilities and may designate any person, persons, partnership or corporation to carry out any of such responsibilities with respect to the Plan. Any such allocation or designation shall be reduced to writing and such writing shall be kept with the records of the Plan.

(h) General Governance. Each of the Administrator, the Investment Fiduciary and the Corporate Investment Committee may act at a meeting or by written consent approved by a majority of its respective members, as applicable. The Corporate Investment Committee shall elect one of its members as chairman and appoint a secretary, who may or may not be a member of such Committee. The secretary of the Corporate Investment Committee shall keep a record of all meetings and forward all necessary communications to the Employers or the Trustee. All decisions of the Corporate Investment Committee shall be made by the majority, including actions taken by written consent. The Administrator, the Investment Fiduciary and the Corporate Investment Committee may adopt such rules and procedures as it deems desirable for the conduct of its affairs, provided that any such rules and procedures shall be consistent with the provisions of the Plan.

(i) Indemnification. The Employers hereby jointly and severally indemnify the Administrator, the persons employed in the Exelon Investment Office, the members of the Corporate Investment Committee, the Chief Human Resources Officer, and the directors, officers and employees of the Employers and each of them, from the effects and consequences of their acts, omissions and conduct in their official capacity with respect to the Plan (including but not limited to judgments, attorney fees and costs with respect to any and all related claims, subject to the Company’s notice of and right to direct any litigation, select any counsel or advisor, and

approve any settlement), except to the extent that such effects and consequences result from their own willful misconduct. The foregoing indemnification shall be in addition to (and secondary to) such other rights such persons may enjoy as a matter of law or by reason of insurance coverage of any kind.

(j) No Compensation. None of the Administrator, any person employed in the Exelon Investment Office nor any member of the Corporate Investment Committee may receive any compensation or fee from the Plan for services as the Administrator, Investment Fiduciary or a member of the Corporate Investment Committee; provided, however that nothing contained herein shall preclude the Plan from reimbursing the Company or any Affiliate for compensation paid to any such person if such compensation constitutes “direct expenses” for purposes of ERISA. The Employers shall reimburse the Administrator, the persons employed in the Exelon Investment Office and the members of the Corporate Investment Committee for any reasonable expenditures incurred in the discharge of their duties hereunder.

(k) Employ of Counsel and Agents. The Administrator, the Investment Fiduciary and the Corporate Investment Committee may employ such counsel (who may be counsel for an Employer) and agents and may arrange for such clerical and other services as each may require in carrying out its respective duties under the Plan.

Section 10.2 Claims Procedure. Any Participant or distributee who believes he or she is entitled to benefits in an amount greater than those which he or she is receiving or has received may file a claim with the Administrator. Such a claim shall be in writing and state the nature of the claim, the facts supporting the claim, the amount claimed, and the address of the claimant. The Administrator shall review the claim and, unless special circumstances require an extension

of time, within 90 days after receipt of the claim, give notice to the claimant, either in writing by registered or certified mail or in an electronic notification, of the Administrator's decision with respect to the claim. Any electronic notice delivered to the claimant shall comply with the standards imposed by applicable Regulations. If the Administrator determines that special circumstances require an extension of time for processing the claim, the claimant shall be so advised in writing within the initial 90-day period and in no event shall such an extension exceed 90 days. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Administrator expects to render the benefit determination. The notice of the decision of the Administrator with respect to the claim shall be written in a manner calculated to be understood by the claimant and, if the claim is wholly or partially denied, the Administrator shall notify the claimant of the adverse benefit determination and shall set forth the specific reasons for the adverse determination, the references to the specific Plan provisions on which the determination is based, a description of any additional material or information necessary for the claimant to perfect the claim, an explanation of why such material or information is necessary, and a description of the claim review procedure under the Plan and the time limits applicable to such procedures, including a statement of the claimant's right (subject to the limitations described in Section 13.11 (relating to statute of limitations for actions under the Plan) and 13.12 (relating to forum for legal actions under the Plan)) to bring a civil action under section 502 of ERISA following an adverse benefit determination on review. The Administrator shall also advise the claimant that the claimant or the claimant's duly authorized representative may request a review by the Chief Human Resources Officer (or such other officer designated from time to time by the Chief Human Resources Officer) of the adverse benefit determination by filing with such officer, within 60 days after receipt of a notification of an

adverse benefit determination, a written request for such review. The claimant shall be informed that, within the same 60-day period, he or she (a) may be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits and (b) may submit to the officer written comments, documents, records and other information relating to the claim for benefits. If a request is so filed, review of the adverse benefit determination shall be made by the officer within, unless special circumstances require an extension of time, 60 days after receipt of such request, and the claimant shall be given written notice of the officer's final decision. If the officer determines that special circumstances require an extension of time for processing the claim, the claimant shall be so advised in writing within the initial 60-day period and in no event shall such an extension exceed 60 days. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the officer expects to render the determination on review. The review of the officer shall take into account all comments, documents, records and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The notice of the final decision shall include specific reasons for the determination and references to the specific Plan provisions on which the determination is based and shall be written in a manner calculated to be understood by the claimant.

Section 10.3 Notices to Participants, Etc. All written notices, reports and statements given, made, delivered or transmitted to a Participant or Beneficiary or any other person entitled to or claiming benefits under the Plan shall be deemed to have been duly given, made or transmitted when mailed by first class mail with postage prepaid and addressed to the Participant or Beneficiary or such other person at the address last appearing on the records of the

Administrator. A Participant or Beneficiary or other person may record any change of his or her address from time to time by written notice filed with the Administrator.

Section 10.4 Responsibility to Advise Administrator of Current Address. Each person entitled to receive a payment under the Plan shall file with the Administrator in writing his or her complete mailing address and each change therein. A check or communication mailed to any person at his or her address on file with the Administrator shall be deemed to have been received by such person for all purposes of the Plan, and neither the Administrator, the Employers nor the Trustee shall be obliged to search for or ascertain the location of any person. If the Administrator shall be in doubt as to whether payments are being received by the person entitled thereto, it shall, by registered mail addressed to the person concerned at his or her last address known to the Administrator, notify such person that all future Pension payments will be withheld until such person submits to the Administrator evidence of his or her continued life and his or her proper mailing address.

Section 10.5 Notices to Employers or Administrator. Written directions, notices and other communications from Participants or Beneficiaries or any other persons entitled to or claiming benefits under the Plan to the Employers or the Administrator shall be deemed to have been duly given, made or transmitted either when delivered to such location as shall be specified upon the form prescribed by the Administrator for the giving of such directions, notices and other communications or when mailed by first class mail with postage prepaid and addressed to the addressee at the address specified upon such forms.

Section 10.6 Responsibility to Furnish Information and Sign Documents. Each person entitled to a payment under the Plan shall furnish such information and data, including birth

certificates or other evidence of age satisfactory to the Administrator, and sign such documents as may reasonably be requested by the Administrator or the Trustee in connection with the administration of the Plan.

Section 10.7 Records. Each of the Administrator, the Investment Fiduciary and the Corporate Investment Committee shall keep a record of all of their respective proceedings, if any, and shall keep or cause to be kept all books of account, records and other data as may be necessary or advisable in their respective judgment for the administration of the Plan, the administration of the investments of the Plan or the monitoring of the investment activities of the Plan, as applicable.

Section 10.8 Actuary to be Employed. The Company or the Investment Fiduciary shall engage an actuary to do such technical and advisory work as the Company or the Investment Fiduciary may request, including analyses of the experience of the Plan from time to time, the preparation of actuarial tables for the making of computations thereunder, and the submission to the Company or the Investment Fiduciary of an annual actuarial report, which report shall contain information showing the financial condition of the Plan, a statement of the contributions to be made by the Employers for the ensuing year, and such other information as may be requested by the Company or the Investment Fiduciary.

Section 10.9 Funding Policy. The Company shall establish a funding policy and method consistent with the objectives of the Plan and the requirements of Title I of ERISA and shall communicate such policy and method, and any changes in such policy and method, to the Investment Fiduciary.

Section 10.10 Electronic Media. Notwithstanding any provision of the Plan to the contrary and for all purposes of the Plan, to the extent permitted by the Administrator and any applicable law or Regulation, the use of electronic technologies shall be deemed to satisfy any written notice, consent, delivery, signature, disclosure or recordkeeping requirement under the Plan, the Code or ERISA to the extent permitted by or consistent with applicable law and Regulations. Any transmittal by electronic technology shall be deemed delivered when successfully sent to the recipient, or such other time specified by the Administrator.

Section 10.11 Correction of Error. If it comes to the attention of the Administrator that an error has been made in the amount of benefits payable, or paid, to any Participant or Beneficiary under the Plan, the Administrator shall be permitted to correct such error by whatever means that the Administrator, in its sole discretion determines, including by offsetting future benefits payable to the Participant or Beneficiary or requiring repayment of benefits to the Plan, except that no adjustment need be made with respect to any Participant or Beneficiary whose benefit has been distributed in full prior to the discovery of such error.

ARTICLE 11
PARTICIPATION BY OTHER EMPLOYERS

Section 11.1 Adoption of Plan. With the consent of the Company, any entity may become a participating Employer under the Plan with respect to all or a designated group of its employees by taking such action as shall be necessary or desirable to adopt the Plan and executing and delivering such instruments as may be necessary or desirable to put the Plan into effect with respect to such entity.

Section 11.2 Withdrawal from Participation. Any Employer shall terminate its participation in the Plan at any time, under such circumstances as the Company may provide, by

delivering to the Company a duly certified copy of a resolution of its board of directors (or other governing body) to that effect, or by ceasing to be a member of the same controlled group as the Company (within the meaning of section 1563(a) of the Code).

Section 11.3 Company and Administrator as Agent for Employers. Each entity which shall become a participating Employer pursuant to Section 11.1 (relating to adoption of the Plan) or Article 12 (relating to continuance by a successor) by so doing shall be deemed to have appointed the Company and the Administrator its agent to exercise on its behalf all of the powers and authorities hereby conferred upon the Company and the Administrator by the terms of the Plan, including, but not by way of limitation, the power to amend and terminate the Plan. The authority of the Company and the Administrator to act as such agent shall continue unless and until the portion of the Trust held for the benefit of Employees of the particular Employer and their Beneficiaries is set aside in a separate trust as provided in Section 15.2 (relating to establishment of separate plan).

ARTICLE 12
CONTINUANCE BY A SUCCESSOR

In the event that an Employer is reorganized by way of merger, consolidation, transfer of assets or otherwise, so that another entity succeeds to all or substantially all of the Employer’s business, such successor entity may be substituted for the Employer under the Plan by adopting the Plan and becoming a party to the Trust agreement. If, within 90 days following the effective date of any such reorganization, such successor entity shall not have elected to become a party to the Plan, or if the Employer adopts a plan of complete liquidation other than in connection with a reorganization, the Plan shall be automatically terminated with respect to Employees of such Employer as of the close of business on the 90th day following the effective date of such

reorganization or as of the close of business on the date of adoption of such plan of complete liquidation, as the case may be. If such successor entity is substituted for the Employer by electing to become a party to the Plan as described above, then, for all purposes of the Plan, employment with such successor entity and compensation paid by such successor entity shall be considered to be employment with, and Compensation paid by, an Employer.

ARTICLE 13
MISCELLANEOUS

Section 13.1 Expenses. The expenses of the Trustee in the administration of the Trust Fund, including compensation, if any, to the Trustee for its services, shall be paid by the Company or the Employers. All costs and expenses incurred in the operation of the Trust Fund, to the extent not described in the preceding sentence, and all costs and expenses incurred in the operation of the Plan or the Trust Fund, as applicable, including, but not limited to, “direct expenses” incurred in administering the Plan and the Trust Fund (including compensation paid to any employee of an Employer or an Affiliate who is engaged in the administration of the Plan or the Trust Fund), the expenses of the Administrator, the Investment Fiduciary and the Corporate Investment Committee, the fees of counsel and any agents for the Trustee, the Administrator, the Investment Fiduciary or the Corporate Investment Committee, and the fees of investment managers that manage assets of the Trust Fund, as applicable, shall be paid by the Trustee from the Trust Fund in such proportion as the Investment Fiduciary, in its sole discretion, shall determine, to the extent such expenses are not paid by the Employers and to the extent permitted under ERISA, Regulations and other applicable laws. Notwithstanding the foregoing, the Administrator or the Investment Fiduciary may authorize an Employer to act as an agent of the Plan to pay any expenses, and the Employer shall be reimbursed from the Trust Fund for such payments.

Section 13.2 Non-Assignability. (a) In General. It is a condition of the Plan, and all rights of each Participant and Beneficiary shall be subject thereto, that no right or interest of any Participant or Beneficiary in the Plan shall be assignable or transferable in whole or in part, either directly or by operation of law or otherwise, including, but not limited to, by way of limitation, execution, levy, garnishment, attachment, pledge or bankruptcy, but excluding devolution by death or mental incompetency, and no right or interest of any Participant or Beneficiary in the Plan shall be liable for, or subject to, any obligation or liability of such Participant or Beneficiary, including claims for alimony or the support of any Spouse.

(b) Exception for Qualified Domestic Relations Orders. Notwithstanding any provision of the Plan to the contrary, if a Participant's Accrued Benefit under the Plan, or any portion thereof, shall be the subject of one or more Qualified Domestic Relations Orders, such Accrued Benefit or portion thereof shall be paid to the person and at the time and in the manner specified in any such order. The Administrator or its agent, in its sole discretion, shall determine whether any order constitutes a Qualified Domestic Relations Order under this paragraph (b). A domestic relations order shall not fail to constitute a Qualified Domestic Relations Order under this paragraph (b) solely because such order provides for immediate payment to an alternate payee of the portion of the Participant's Accrued Benefit assigned to the alternate payee under the terms of such order.

Section 13.3 Employment Non-Contractual. Neither this Plan nor any action taken by the Administrator or the Investment Fiduciary confers any right upon an Employee to continue in employment with any Employer.

Section 13.4 Limitation of Rights. A Participant or distributee shall have no right, title or claim in or to any specific asset of the Trust Fund, but shall have the right only to distributions from the Trust Fund on the terms and conditions he or she herein provided. Neither this Plan nor any action taken by the Administrator or the Investment Fiduciary shall obligate any Employer to make contributions to the Trust in excess of the contributions authorized by the board of directors of the Company or create any liability on an Employer for the payment of Pensions under this Plan.

Section 13.5 Merger or Consolidation with Another Plan. A merger or consolidation with, or transfer of assets or liabilities to, any other plan shall not be effected unless the terms of such merger, consolidation or transfer are such that each Participant, distributee, Beneficiary or other person entitled to receive benefits from the Plan would, if the Plan were to terminate immediately after the merger, consolidation or transfer, receive a benefit equal to or greater than the benefit such person would be entitled to receive if the Plan were to terminate immediately before the merger, consolidation, or transfer.

Section 13.6 Construction. (a) General. Wherever used in the Plan, words in the masculine gender shall include masculine or feminine gender, and, unless the context otherwise requires, words in the singular shall include the plural, and words in the plural shall include the singular. All references to employment or the rehire or termination thereof shall refer to employment by any and all Employers, and to the extent provided herein, and, to the extent required by Section 3.2 (relating to transfers to affiliates) and Section 9.3 (relating to employment by related entities), any and all Affiliates, unless the context requires otherwise.

(b) Definition of "Highly Compensated Employee". Wherever applicable for purposes of satisfying legal requirements applicable to the Plan, the term "highly compensated employee" shall mean any Employee who performs service in the determination year and who (a) is a 5%-owner (as determined under section 416(i)(1)(A)(iii) of the Code) at any time during the Plan Year or the preceding Plan Year or (b) both (1) is paid compensation in excess of $80,000 (as adjusted for increases in the cost of living in accordance with section 414(q)(1)(B)(ii) of the Code) from an Employer for the preceding Plan Year, and (2) is in the group of employees consisting of the top 20% of the employees of the Employer and its Affiliates when ranked on the basis of compensation paid during such preceding Plan Year.

Section 13.7 Applicable Law. Except to the extent preempted by applicable federal law or otherwise provided under the terms of the Plan, the Plan and all rights hereunder shall be governed by and construed in accordance with the laws of the State of Illinois.

Section 13.8 Severability. If a provision of the Plan shall be held illegal or invalid, the illegality or invalidity shall not affect the remaining parts of the Plan and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included in the Plan.

Section 13.9 No Guarantee. None of the Administrator, the Investment Fiduciary, the Corporate Investment Committee, the Employers, nor the Trustee in any way guarantees the Trust from loss or depreciation nor the payment of any money that may be or become due to any person from the Trust Fund or pursuant to the Plan. Nothing herein contained shall be deemed to give any Participant, distributee, or Beneficiary an interest in any specific part of the Trust Fund or any other interest, right or claim except the right to receive benefits out of the Trust Fund in accordance with the provisions of the Plan and the Trust Fund.

Section 13.10 Military Service. Notwithstanding any provision of the Plan to the contrary, contributions, benefits and Service with respect to Military Service shall be provided in accordance with section 414(u) of the Code.

Section 13.11 Statute of Limitations for Actions under the Plan. Except for actions to which the statute of limitations prescribed by section 413 of ERISA applies, (a) no legal or equitable action relating to a claim for benefits under section 502 of ERISA may be commenced later than one year after the claimant receives a final decision from the Chief Human Resources Officer (or such other officer designated from time to time by the Chief Human Resources Officer) in response to the claimant's request for review of the adverse benefit determination and (b) no other legal or equitable action involving the Plan may be commenced later than two years from the time the person bringing an action knew, or had reason to know, of the circumstances giving rise to the action. This provision shall not be interpreted to extend any otherwise applicable statute of limitations, nor to bar the Plan or its fiduciaries from recovering overpayments of benefits or other amounts incorrectly paid to any person under the Plan at any time or bringing any legal or equitable action against any party.

Section 13.12 Forum for Legal Actions under the Plan. Any legal action involving the Plan that is brought by any Participant, any Beneficiary or any other person shall be litigated in the federal courts located in the Northern District of Illinois or the Eastern District of Pennsylvania, whichever is most convenient, and no other federal or state court.

Section 13.13 Legal Fees. Any award of legal fees in connection with an action involving the Plan shall be calculated pursuant to a method that results in the lowest amount of fees being paid, which amount shall be no more than the amount that is reasonable. In no event

shall legal fees be awarded for work related to (a) administrative proceedings under the Plan, (b) unsuccessful claims brought by a Participant, Beneficiary or any other person, or (c) actions that are not brought under ERISA. In calculating any award of legal fees, there shall be no enhancement for the risk of contingency, nonpayment or any other risk nor shall there be applied a contingency multiplier or any other multiplier. In any action brought by a Participant, Beneficiary or any other person against the Plan, the Administrator, any member of the Exelon Investment Office, any member of the Corporate Investment Committee, the Chief Human Resources Officer, any Plan fiduciary, the Company, its affiliates or their respective officers, directors, employees, or agents (the "Plan Parties"), legal fees of the Plan Parties in connection with such action shall be paid by the Participant, Beneficiary or other person bringing the action, unless the court specifically finds that there was a reasonable basis for the action.

ARTICLE 14
TOP-HEAVY PLAN REQUIREMENTS

Section 14.1 Top-Heavy Plan Determination. If as of the determination date (as hereinafter defined) for any Plan Year the aggregate present value of (i) the accrued benefits under the Plan and under all other defined benefit plans in the aggregate group (as hereinafter defined) and (ii) the aggregate account balances under all defined contribution plans in such aggregation group, in each case with respect to all participants in such plans who are key employees (as defined in section 416(i) of the Code) for such Plan Year, exceeds 60% of the aggregate present value of accrued benefits and the account balances of all participants in all such plans as of the determination date, then the Plan shall be a top-heavy plan for such Plan Year and the requirements of Sections 14.3 (relating to minimum benefits for top-heavy years) and 14.4 (relating to top-heavy vesting requirements) shall be applicable for such Plan Year as of the first day thereof. If the Plan shall be a top-heavy plan for any Plan Year, such requirements

shall not be applicable for such subsequent Plan Year except to the extent provided in Section 14.3 (relating to minimum benefits for top-heavy years).

Section 14.2 Definitions and Special Rules. (a) Definitions. For purposes of this Article, the following definitions shall apply:

(i) Determination Date. The determination date for all plans in the aggregation group shall be the last day of the preceding plan year, and the valuation date applicable to a determination date shall be (a) in the case of a defined contribution plan, the date as of which account balances are determined that is coinciding with or immediately precedes the determination date, and (b) in the case of a defined benefit plan, the date as of which the most recent actuarial valuation for the plan year that includes the determination date is prepared, except that if any such plan specifies a different determination or valuation date, such different date shall be used with respect to such plan.

(ii) Aggregation Group. The aggregation group shall consist of (a) each plan of an Employer in which a key employee is a participant, (b) each other plan that enables such a plan to be qualified under section 401(a) of the Code, and (c) any other plans of an Employer that the Company designates as part of the aggregation group.

(iii) Key Employee. Key employee shall have the meaning set forth in section 416(i) of the Code.

(iv) Top-Heavy Compensation. Top-heavy compensation shall have the meaning set forth in section 1.415(c)-2 of the Treasury Regulations.

(b) Special Rules. For the purpose of determining the accrued benefit or account balance of a participant, the accrued benefit or account balance of any person who has not been actively at work with an Employer at any time during the one-year period ending on the determination date shall not be taken into account pursuant to this Section, and any person who received a distribution from a plan (including a plan that has terminated) in the aggregation group during the one-year period ending on the determination date shall be treated as a participant in such plan, and any such distribution shall be included in such participant's account balance or accrued benefit, as the case may be; provided, however, that in the case of a

distribution made for a reason other than a Participant's severance from employment, death or disability, this sentence shall be applied by substituting "five-year period" for "one-year period".

Section 14.3 Minimum Benefit for Top-Heavy Years. (a) The Pension to which a Participant is entitled at Normal Retirement Age under Section 7.2 (relating to form of distribution) shall in no event be less than two percent of the Participant's highest average compensation (as hereinafter defined) multiplied by the number of the Participant's years of Vesting Service, determined as provided below, not in excess of ten. For purposes of this Section, (i) a Participant's years of Vesting Service shall mean his or her years of Vesting Service but excluding any year of Vesting Service completed in a Plan Year for which the Plan was not a top-heavy plan, and (ii) a Participant's highest average compensation shall be the annual average of his or her top heavy compensation for the period of consecutive calendar years not exceeding 5 during which the Participant's top heavy compensation was the greatest, except that calendar years after the last Plan Year for which the Plan was top-heavy shall be disregarded.

(b) The provisions of paragraph (a) of this Section shall not apply with respect to a Participant if, for each year in which the Plan is a top-heavy plan, (i) the eligible employee's Employer also maintains a defined contribution plan which is included in the aggregation group for such year and (ii) under such plan, contributions made and forfeitures allocated to each eligible employee (other than key employees) equal 5% of such Participant's top heavy compensation for each Plan Year the Plan is top-heavy.

Section 14.4 Top-Heavy Vesting Requirements. If a Participant's Termination of Employment shall occur during a Plan Year for which a Plan is a top-heavy plan as defined in section 416(i) of the Code and after the Participant shall have completed at least three years of

Vesting Service, the Participant shall be deemed to have satisfied the Vesting Requirement and shall be entitled to the Pension described in Section 7.2 (relating to form of distribution).

ARTICLE 15
AMENDMENT, ESTABLISHMENT OF SEPARATE PLAN AND TERMINATION

Section 15.1 Amendment. The board of directors of the Company (or a committee thereof) may at any time and from time to time amend or modify this Plan in any manner deemed by the board of directors of the Company to be necessary or desirable, provided, however, that in the case of any amendment or modification that would not result in an aggregate annual cost to the Company of more than $50,000,000, the Plan may be amended or modified by action of the Chief Human Resources Officer (with the consent of the Chief Executive Officer in the case of a discretionary amendment or modification expected to result in an increase in annual expense or liability account balance exceeding $250,000) or another executive officer holding title of equivalent or greater. Any such amendment or modification shall become effective on such date as the board (or committee thereof) or executive shall determine and may apply to Participants in this Plan at the time thereof as well as to future Participants, provided, however, that, unless permitted by applicable law, no such amendment or modification which reduces the basis for the computation of Pensions shall be retroactive as to service prior to the date of such amendment or modification.

Section 15.2 Establishment of Separate Plan. If an Employer shall withdraw from this Plan under Section 11.2 (relating to withdrawal from participation), the Investment Fiduciary shall determine the portion of the Trust Fund held by the Trustee which is applicable to the Participants of such Employer and direct the Trustee to segregate such portion in a separate trust.

Such separate trust shall thereafter be held and administered as a part of the separate plan of such Employer.

Section 15.3 Termination of the Plan by an Employer. The Company may at any time, by resolution adopted by its board of directors, terminate this Plan in its entirety. In addition, any Employer may at any time terminate its participation in this Plan by resolution adopted by its board of directors to that effect. Contributions of an Employer to the Plan are conditioned on the receipt from the Internal Revenue Service of an initial favorable determination letter that this Plan and the Trust Fund as adopted by the Company meets the requirements of section 401(a) of the Code and that the Trust Fund is exempt from tax under section 501(a) of the Code, and if the Internal Revenue Service shall refuse to issue such letter, any Employer may terminate its participation in this Plan and direct the Trustee to pay and deliver to that Employer the portion of the Trust Fund applicable to its contributions.

Section 15.4 Vesting and Distribution Upon Termination or Partial Termination. Upon termination or partial termination of the Plan, the benefit as of the date of termination or partial termination, as the case may be, of all affected Participants shall be fully vested; provided, however, that full vesting shall be required with respect to a termination or partial termination only to the extent the Plan is then funded.

Allocation and distribution of the terminated portion of the Trust Fund shall thereafter be made in accordance with the applicable requirements of ERISA and the Code and with any applicable approval of the Pension Benefit Guaranty Corporation (the “PBGC”). If the Administrator is notified by PBGC that PBGC is unable to determine that the Trust Fund is sufficient to discharge when due all obligations of the Plan with respect to benefits guaranteed by

PBGC pursuant to section 4022 of ERISA, then the allocation and distribution of such portion of the Trust Fund shall be made only under the direction of PBGC or a United States district court pursuant to section 4044 of ERISA.

In the event that, after the termination of the Plan, any assets remain after such allocation, such assets shall be paid to the Company. The portion of the assets allocated to provide benefits to any person or group of persons may be applied for the benefit of such person or persons by the distribution of cash, continuance of the Trust Fund, establishment of a new Trust Fund, purchase of annuities from an insurance company, or otherwise, as determined by the Investment Fiduciary in its sole discretion; provided, however, that the benefit of any Participant or former Participant who is married and has satisfied the Vesting Requirement shall, unless such person shall elect otherwise, be paid in the form set forth in Section 7.2(b) (relating to manner of distribution with respect to married Participants) and, if the surviving Spouse of a deceased Participant or deceased former Participant is entitled to receive a benefit pursuant to Section 7.2(b) (relating to manner of distribution with respect to married Participants) or Section 7.3 (relating to pre-retirement death benefits), as the case may be, such benefit shall, unless such person shall elect otherwise, be paid in the form set forth therein.

Contributions of an Employer to the Plan are conditioned on the receipt from the Internal Revenue Service of an initial favorable determination letter that the Plan and Trust Fund as adopted by the Company meet the requirements of section 401(a) of the Code and that the Trust Fund is exempt from tax under section 501(a) of the Code, and, in the event that the Internal Revenue Service shall refuse to issue such letter, the Company may terminate the Plan and shall direct the Trustee to pay and deliver the Trust Fund to the Company.

Section 15.5 Trust Fund to Be Applied Exclusively for Participants and Their Beneficiaries. Subject only to the provisions of Section 4.2 (relating to limitation on contributions) and 15.4 (relating to vesting and distribution upon termination or partial termination), and any other provision of the Plan to the contrary notwithstanding, it shall be impossible for any part of the Trust Fund to be used for or diverted to any purpose not for the exclusive benefit of Participants and their beneficiaries and the payment of expenses in accordance with Section 13.1 (relating to expenses) either by operation or termination of the Plan, power of amendment or otherwise.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized officer on this __ day of December, 2010.

EXELON CORPORATION

By ______________________________

Chief Human Resources Officer

ATTEST:

____

Title ______________________________

Exhibit A

Incentive Pay Plans

Exelon Corporation Annual Incentive Award Plan (or the equivalent cash incentive award program applicable to employees in salary band VII or higher)

Exelon Corporation Quarterly Incentive Award Program

Table T

Transition Credit Factors

Age on 12/31/2001	Percentage	Age on 12/31/2001	Percentage
<31	2.0	41	4.6
31	2.4	42	4.7
32	2.8	43	4.8
33	3.2	44	4.9
34	3.6	45	5.0
35	4.0	46	5.2
36	4.1	47	5.4
37	4.2	48	5.6
38	4.3	49	5.8
39	4.4	50+	6.0
40	4.5		

SCHEDULE A

**PROVISIONS APPLICABLE TO
ACCRUED FROZEN BENEFIT
UNDER THE COMMONWEALTH EDISON COMPANY
SERVICE ANNUITY SYSTEM**

1. APPLICATION

This Schedule shall apply only to a Participant who elects to participate in the Plan pursuant to Section 3.1(b) of the Plan (relating to eligibility for participation for employees other than new hires) or Section 9.1 of the Plan (relating to recommencement of employment by terminated employee) and whose accrued benefit under the ComEd Plan is transferred to the Plan pursuant to Section 3.1(c) of the Plan (relating to transfer of benefits and assets to Plan) or Section 9.1 of the Plan. The provisions of this Schedule shall govern with respect to all matters relating to such a Participant's Accrued Frozen Benefit.

2. DEFINED TERMS

For purposes of this Schedule A, capitalized terms used herein shall have their respective meanings set forth in the Plan, except that the following words and phrases shall have the following respective meanings when capitalized unless the context clearly indicates otherwise:

A. Accrued Frozen Benefit. The amount payable with respect to a Participant's accrued benefit under the ComEd Plan determined as of December 31, 2001 commencing on the first day of the month coinciding with or next following a Participant's Schedule A Normal Retirement Age, determined as if such amount were payable in the form of a single life annuity for the life of the Participant.

B. Child. A Participant's natural child born prior to the Participant's Pension Starting Date or a child adopted by a Participant prior to the Participant's Pension Starting Date.

C. Consumer Price Index. The United States Bureau of Labor Statistics Consumer Price Index (U.S. City Average 1967 = 100). Such term shall also mean such index as it may from time to time be changed or, if it shall be discontinued, the most nearly comparable index, appropriately adjusted to yield results comparable with those which would have been produced if the index as defined in the preceding sentence had been used, as determined by the Investment Fiduciary.

D. Credited Service. A Participant's Credited Service includes the Participant's "credited service" as of the date he or she becomes a Participant, determined in accordance with the provisions of the ComEd Plan as in effect on such date, and the period beginning on the date the Participant becomes a Participant during which the Participant shall have been an Employee, including, (a) any period

during which the Participant is in Military Service, provided that the Participant returns to the employ of an Employer within the period prescribed by laws relating to the reemployment rights of persons in Military Service, (b) any period for which back pay is awarded to the Participant and pursuant to which award the Participant is required to receive credited service under the Plan, (c) the period following Termination of Employment on account of a total and permanent disability during which the Participant is receiving benefits under any Employer's long term disability plan and (d) as and to the extent provided by resolutions of the board of directors of the Company, (i) any period of employment by Affiliates or other companies, and (ii) any period of authorized absence from such employment or from employment as an Eligible Employee. A Participant's periods of Credited Service before and after a Period of Severance that is not included in the Participant's Credited Service pursuant to the preceding sentences shall be aggregated only if (i) the Participant completes at least one year of Credited Service after such period of absence and (ii) the number of years of such Period of Severance is less than five.

E. Dependent Minor Child. A Child who, as of the time of the Participant's retirement or death, is under the age of 21 and qualifies as a dependent of the Participant within the meaning of Section 152 of the Code.

F. Dependent Disabled Child. A Child who, as of the time of the Participant's retirement or death, has a permanent physical or mental disability, as certified by the medical director of the Company or by such other licensed physician designated by the Administrator, that causes such Child to be unable to engage in substantial gainful employment, and is a dependent of the Participant within the meaning of Section 152 of the Code (determined by disregarding any age limitation contained in Section 152 of the Code).

G. Early Retirement Date. The date on which a Participant completes at least ten years of Credited Service and attains at least age 50.

H. Schedule A Actuarial Factors. The table specified by the Commissioner of Internal Revenue for purposes of section 417(e)(3) of the Code (which, as of the Effective Date, is the 1983 Group Annuity (unisex) Mortality Table (50% male, 50% female)) in effect on the date a determination hereunder occurs and an interest rate assumption using the "applicable interest rate" as defined in section 417(e)(3) of the Code for the month of November of the Plan Year immediately preceding the Plan Year in which a determination hereunder occurs.

I. Schedule A Normal Retirement Age. A Participant's 65th birthday.

3. SPECIAL RULES REGARDING COMPUTATION OF BENEFIT

A. Factors to Calculate Pension Paid Before Schedule A Normal Retirement Age

1. Pension Starting Date on or After Early Retirement Date and Prior to Schedule A Normal Retirement Age. The Pension attributable to the

Accrued Frozen Benefit of a Participant whose Termination of Employment occurs on or after his or her Early Retirement Date and whose Pension commences prior to his or her Schedule A Normal Retirement Age shall be computed by multiplying such Participant's Accrued Frozen Benefit by the applicable factor from Table B-1.

2. Pension Starting Date After Attainment of Age 60 but Prior to Early Retirement Date. The Pension attributable to the Accrued Frozen Benefit of a Participant whose Pension Starting Date occurs on or after such Participant's attainment of age 60 but prior to such Participant's attainment of his or her Early Retirement Date shall be such Participant's Accrued Frozen Benefit without any actuarial reduction.

3. Pension Starting Date After Completion of Ten Years of Credited Service but Prior to Attainment of Age 60. The Pension attributable to the Accrued Frozen Benefit of a Participant whose Pension Starting Date occurs prior to such Participant's attainment of age 60 and prior to his or her attainment of his or her Early Retirement Date, but after the Participant has completed at least ten years of Credited Service, shall be (a) if the Participant's Pension Starting Date occurs on or after his or her attainment of age 50, the amount determined by multiplying such Participant's Accrued Frozen Benefit by the applicable factor in Table F and (b) if the Participant's Pension Starting Date occurs prior to his or her attainment of age 50, the amount determined by actuarially reducing the Participant's Accrued Frozen Benefit using the factors in Table F to reduce the Accrued Frozen Benefit from age 60 to age 50 and using the Schedule A Actuarial Factors to reduce the Accrued Frozen Benefit to the Participant's Pension Starting Date.

4. Pension Starting Date Prior to Attainment of Age 60 and Prior to Completion of Ten Years of Credited Service. The Pension attributable to the Accrued Frozen Benefit of a Participant whose Pension Starting Date occurs prior to such Participant's attainment of age 60 and prior to such Participant's completion of ten years of Credited Service shall be computed by reducing the Participant's Accrued Frozen Benefit by using the Schedule A Actuarial Factors to reduce the Accrued Frozen Benefit to the Pension Starting Date.

B. Distribution with Respect to Married Participants. Notwithstanding Section 7.2(b) of the Plan, if a Participant will receive his or her Accrued Benefit in the form of a Qualified Joint and Survivor Annuity, the payments attributable to the Participant's Accrued Frozen Benefit shall be calculated and paid as follows:

1. Pension Starting Date After Attainment of Age 50. Annuity payments will be made during the Participant's lifetime in an amount equal to the annual Accrued Frozen Benefit the Participant would have received if the Participant's Accrued Frozen Benefit were payable in the form of a single

life annuity for the Participant's lifetime reduced by the product of (i) 50% of the annual amount of Accrued Frozen Benefit the Participant would have received if the Participant's Accrued Frozen Benefit were payable in the form of a single life annuity for the Participant's lifetime multiplied by (ii) 40% of the applicable factor set forth in Table D.

Thereafter, if the Participant's Spouse shall survive the Participant, such Spouse shall receive during the remainder of the Spouse's lifetime an annual amount, payable monthly, equal to 50% of the annual amount the Participant would have received if the Participant's Accrued Frozen Benefit were payable as a single life annuity for the Participant's lifetime.

If the Participant survives the Spouse, such Participant shall receive during the remainder of the Participant's lifetime an annual amount payable monthly equal to the annual amount the Participant would have received if the Participant's Frozen Benefit were payable as a single life annuity for the Participant's lifetime.

2. Pension Starting Date Prior to Attainment of Age 50. Annuity payments will be made during the Participant's lifetime in an amount equal to the annual Accrued Frozen Benefit the Participant would have received if the Participant's Accrued Frozen Benefit were payable in the form of a single life annuity for the Participant's lifetime multiplied by (i) an applicable factor determined by using the Schedule A Actuarial Factors.

Thereafter, if the Participant's Spouse shall survive the Participant, such Spouse shall receive during the remainder of the Spouse's lifetime an annual amount, payable monthly, equal to 50% of the annuity payment prior to the Participant's death.

If the Participant survives the Spouse, the monthly annuity will continue to be paid without any further adjustments during the remainder of the Participant's lifetime.

C. Post Retirement Adjustments. If a Participant's Pension Starting Date occurs on or after his or her 50th birthday and the Participant's Accrued Frozen Benefit is paid in a form other than a lump sum distribution, the annual Accrued Frozen Benefit payable pursuant to this Schedule shall, subject to the limitations set forth in this paragraph C., be adjusted each October 1 for the twelve-month period then beginning by adding a post-retirement cost of living adjustment computed by applying an adjustment percentage to the appropriate base specified in this paragraph C. A Participant whose Pension Starting Date occurs prior to his or her 50th birthday or who receives his or her Accrued Frozen Benefit in the form of a lump sum distribution shall not be entitled to any post-retirement cost of living adjustment under this Schedule. In addition, the post-retirement cost of living adjustment shall apply only to the portion of a Participant's Accrued Benefit that is attributable to his or her Accrued Frozen Benefit.

1. The adjustment percentage shall equal, for each October 1, the percentage by which the Consumer Price Index for the July immediately preceding such October 1 exceeds the Consumer Price Index for the July immediately preceding the twelve-month period beginning October 1 in which the Participant terminated employment or payment of a Pension commenced; provided, however, that:

   (a) If, as of such October 1, there shall be no such excess, the adjustment percentage shall be deemed to be zero for the twelve-month period beginning on such October 1.

   (b) There shall be no negative adjustment percentage.

   (c) The aggregate adjustment percentage for any twelve-month period beginning October 1 shall never be lower than the aggregate adjustment percentage for the preceding such period.

   (d) If the percentage increase in the Consumer Price Index computed for the twelve-month period beginning on October 1 does not exceed the aggregate adjustment percentage for the preceding twelve-month period by at least three percentage points, the aggregate adjustment percentage for the preceding twelve-month period shall continue in effect during such twelve-month period beginning on October 1.

   (e) The aggregate adjustment percentage for any twelve-month period beginning on October 1 shall not be more than seven percentage points greater than that for the preceding twelve-month period. If the aggregate adjustment percentage for any twelve-month period beginning on October 1 exceeds by more than seven percentage points the aggregate adjustment percentage for the preceding twelve-month period, the excess shall be carried over to succeeding twelve-month periods until such excess is reduced to zero.

   (f) The adjustment percentage for the twelve-month period beginning with the October 1 next following the date the Participant's Pension Starting Date shall be the adjustment percentage determined in accordance with the preceding provisions of this paragraph C. multiplied by a fraction the numerator of which shall be the number of full calendar months between such date and such October 1 and the denominator of which shall be twelve.

2. To determine the amount of the monthly cost of living adjustment, the adjustment percentage shall be applied to the first $500 per month of a Participant's Accrued Frozen Benefit, subject to a maximum monthly adjustment of $500 or, if the monthly amount of such Accrued Frozen Benefit is less than $500 per month, subject to a maximum monthly adjustment equal to the monthly Accrued Frozen Benefit payment. To

determine the amount of the adjustment made in the case of a Qualified Joint and Survivor Annuity or surviving Spouse annuity payable pursuant to Section 7.3 of the Plan to the surviving Spouse of a deceased Participant, a family pension payable pursuant to Section 4.B. of this Schedule to a surviving Dependent Minor Child or Children of a deceased Participant or a surviving dependent's pension payable pursuant to Section 4.C. of this Schedule to a surviving Dependent Disabled Child or Children of a deceased Participant, the adjustment percentage shall be applied to the first $250 per month of such annuity or pension, subject to a maximum monthly adjustment of $175 ($250 in the case of a Qualified Joint and Survivor Annuity) or, if the monthly amount of such annuity or pension is less than $175 ($250 in the case of a Qualified Joint and Survivor Annuity), subject to a maximum monthly adjustment equal to the monthly Accrued Frozen Benefit payment.

D. Lump Sum Value. If a Participant elects to receive his or her Accrued Frozen Benefit in the form of a lump sum distribution as described in Option 2 of Section 7.2(c) of the Plan, the amount of the lump sum attributable to the Participant's Accrued Frozen Benefit shall be the greater of:

1. the lump sum actuarial equivalent of the Participant's Accrued Frozen Benefit determined using the Schedule A Actuarial Factors, and

2. an amount equal to the present value of the Participant's Accrued Frozen Benefit determined as of December 31, 2001 using a 6.5% discount rate and the 1983 Group Annuity (unisex) Mortality Table (50% male, 50% female), assuming the Accrued Frozen Benefit otherwise payable at the Schedule A Normal Retirement Age would commence at the later of the Participant's attained age at December 31, 2001 or age 60 and credited with 6.5% interest for each Plan Year subsequent to December 31, 2001 during which the Participant is a Participant, whether or not such Participant is an Eligible Employee during such Plan Year.

With respect to a Participant's lump sum value determined under subparagraph 1. above, if the Participant's Pension Starting Date occurs on or after his or her 50th birthday, the actuarial equivalent of the Participant's Accrued Frozen Benefit shall reflect the post retirement adjustments, if any, defined in Paragraph 3.C of this Schedule.

4. OPTIONAL FORMS OF BENEFIT PAYABLE UPON RETIREMENT

In lieu of the forms of benefit available under Section 7.2 of the Plan, a Participant may elect to have the portion of his or her Accrued Benefit attributable to his or her Accrued Frozen Benefit paid in the following forms, subject to Section 7.4 (relating to election and waiver procedures):

A. Optional Qualified Joint and Survivor Annuity: A Participant who is married on the Participant's Pension Starting Date may elect to receive a Qualified Joint and

Survivor Annuity described in Section 7.2(b) of the Plan (relating to manner of distribution with respect to married Participants) with the portion of the Pension payable to the Participant's Spouse that is attributable to the Participant's Accrued Frozen Benefit of a percentage less than 50 of the Pension the Participant would have received if the Participant's Pension attributable to his or her Accrued Frozen Benefit were payable in the form of a single-life annuity for the Participant's lifetime. A Qualified Joint and Survivor Annuity described in this paragraph shall be payable at the same time and in the same manner as described in Section 7.2(b) of the Plan (relating to manner of distribution with respect to married Participant) and shall be computed in the same manner as described in Section 3.B. of this Schedule (relating to special rules regarding computation of benefits), except that the lesser percentage of Pension designated by the Participant shall be used.

B. Family Pension: A Participant who is not married on the Participant's Pension Starting Date and who, as of such date, has a Dependent Minor Child or Dependent Minor Children may elect to receive his or her Accrued Frozen Benefit in the form of a family pension payable in monthly payments for the Participant's lifetime and, thereafter, payable in monthly payments in equal shares to each of the Participant's Dependent Minor Children who have not yet attained age 21. The annual amount of the family pension payable to the Participant shall be the annual Accrued Frozen Benefit the Participant would have received if the Participant's Pension were payable in the form of a single life annuity for the Participant's lifetime, reduced by the product of (1) the annual amount of the family pension designated by the Participant for the Participant's surviving Dependent Minor Child or Children which amount shall be a percentage, not to exceed 50, of the annual amount of the Participant's Pension payable in the form of a single life annuity for the Participant's lifetime multiplied by (2) (i) if the Participant is at least age 50 on his or her Pension Starting Date, the applicable factor set forth in Table E or (ii) if the Participant is not at least age 50 on his or her Pension Starting Date, the applicable factor determined by using the Schedule A Actuarial Factors. The annual amount of the family pension payable after the Participant's death to the Participant's Dependent Minor Child or Children who have not yet attained age 21 shall equal the percentage designated by the Participant, not to exceed 50, of the annual amount of the Pension the Participant would have received if the Participant's Pension were payable in the form of a single life annuity for the Participant's lifetime.

C. Surviving Dependent's Pension: A Participant who is not married on the Participant's Pension Starting Date and who, as of such date, has a Dependent Disabled Child or Dependent Disabled Children may elect to receive his or her Accrued Frozen Benefit in the form of a surviving dependent's pension payable in monthly payments for the Participant's lifetime and, thereafter, payable in monthly payments in equal shares to each of the Participant's Dependent Disabled Children who remain disabled. The annual amount of the surviving dependent's pension payable to the Participant shall be the annual Accrued Frozen Benefit the Participant would have received if the Participant's Pension were payable in the

form of a single life annuity for the Participant's lifetime, reduced by the product of (1) the annual amount of the surviving dependent's pension designated by the Participant for the Participant's Dependent Disabled Child or Children, which amount shall be a percentage, not to exceed 50, of the annual amount of the Participant's Pension payable in the form of a single life annuity for the Participant's lifetime multiplied by (2) (i) if the Participant is at least age 50 on his or her Pension Starting Date, 50% of the applicable factor set forth in Table D, such factor to be determined based on the age of the other parent of such Child or Children, at the Participant's Pension Starting Date or the age such other parent would have attained had such other parent survived or if, in either case, the age of such other parent cannot be determined, the age of the Participant or (ii) if the Participant is not at least age 50 on his or her Pension Starting Date, the applicable factor determined by using the Schedule A Actuarial Factors. The annual amount of the surviving dependent's pension payable after the Participant's death to the Participant's Dependent Disabled Child or Children who remain disabled shall equal the percentage designated by the Participant, not to exceed 50, of the annual amount of the Pension the Participant would have received if the Participant's Pension were payable in the form of a single life annuity for the Participant's lifetime.

D. 75% Marital Annuity: A Participant who is married on the Participant's Annuity Starting Date may elect to receive a 75% marital annuity with a Service Annuity payable to the Participant's Spouse, if the Participant predeceases such Spouse, of a percentage equal to 75 of the Service Annuity the Participant would have received under Article 5 (relating to Service Annuities) if the Participant's Service Annuity were payable in semi-monthly payments for the Participant's lifetime. A 75% marital annuity described in this Section 6.2 shall be payable at the same time and in the same manner as described in paragraph (b) of Section 6.1 (relating to annuities payable to married Participants) and shall be the actuarial equivalent of the Service Annuity the Participant would have received under Article 5 (relating to Service Annuities), determined by using the annual interest rate specified under section 417(e) of the Code for the November preceding the calendar year in which such distribution is made or commences, and the mortality table prescribed for purposes of section 417(e)(3)(A)(ii)(I) of the Code.

Table B1
Early Retirement Service Factors
Applicable Monthly Payments to Age 65

For purposes of Schedule A, in the case of a Pension commencing after a Participant's Early Retirement Date but prior to his or her Schedule A Normal Retirement Age, the following factors shall be applied to determine the reductions applicable to the benefit accrued while a Participant is not a member of IBEW Local Union 15 and, for purposes of Schedule B, in the case of a Pension commencing after a Participant's Early Retirement Date but prior to his or her Schedule B Normal Retirement Age, the following factors shall be applied to determine the reductions applicable to the Participant's benefit accrued under the PECO Plan*:

AGE	0	1	2	3	4	5	6	7	8	9	10	11
50	.7200	.7225	.7250	.7275	.7300	.7325	.7350	.7375	.7400	.7425	.7450	.7475
51	.7500	.7525	.7550	.7575	.7600	.7625	.7650	.7675	.7700	.7725	.7750	.7775
52	.7800	.7825	.7850	.7875	.7900	.7925	.7950	.7975	.8000	.8025	.8050	.8075
53	.8100	.8125	.8150	.8175	.8200	.8225	.8250	.8275	.8300	.8325	.8350	.8375
54	.8400	.8425	.8450	.8475	.8500	.8525	.8550	.8575	.8600	.8625	.8650	.8675
55	.8700	.8725	.8750	.8775	.8800	.8825	.8850	.8875	.8900	.8925	.8950	.8975
56	.9000	.9025	.9050	.9075	.9100	.9125	.9150	.9175	.9200	.9225	.9250	.9275
57	.9300	.9325	.9350	.9375	.9400	.9425	.9450	.9475	.9500	.9525	.9550	.9575
58	.9600	.9617	.9633	.9650	.9667	.9683	.9700	.9717	.9733	.9750	.9767	.9783
59*	.9800	.9817	.9833	.9850	.9867	.9883	.9900	.9917	.9933	.9950	.9967	.9983
60	1.0000											

*** Effective January 1, 2002, for Craft, Craft/Technical, Technical Support and Professional Support Employees with an accrued benefit under the PECO Plan, factor shall be 1.0000 at ages 59 and above**

For purposes of Schedule A, in the case of a Pension commencing after a Participant's Early Retirement Date but prior to his or her Schedule A Normal Retirement Age, the following factors shall be applied to determine the reductions applicable to the benefit accrued while the Participant is a member of IBEW Local Union 15:

AGE	0	1	2	3	4	5	6	7	8	9	10	11
50	.7900	.7925	.7950	.7975	.8000	.8025	.8050	.8075	.8100	.8125	.8150	.8175
51	.8200	.8225	.8250	.8275	.8300	.8325	.8350	.8375	.8400	.8425	.8450	.8475
52	.8500	.8525	.8550	.8575	.8600	.8625	.8650	.8675	.8700	.8725	.8750	.8775
53	.8800	.8825	.8850	.8875	.8900	.8925	.8950	.8975	.9000	.9025	.9050	.9075
54	.9100	.9125	.9150	.9175	.9200	.9225	.9250	.9275	.9300	.9325	.9350	.9375
55	.9400	.9425	.9450	.9475	.9500	.9525	.9550	.9575	.9600	.9625	.9650	.9675
56	.9700	.9725	.9750	.9775	.9800	.9825	.9850	.9875	.9900	.9925	.9950	.9975
57	1.0000											

Table D
Qualified Joint and Survivor Annuity Factors

YOUNGER (-) OR OLDER (+) THAN EMPLOYEE AT RETIREMENT	AGE OF EMPLOYEE AT RETIREMENT															
	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65
-20	.1334	.1432	.1537	.1650	.1771	.1901	.2040	.2189	.2349	.2520	.2703	.2897	.3103	.3322	.3554	.3799
-19	.1324	.1420	.1524	.1636	.1756	.1884	.2022	.2169	.2326	.2495	.2675	.2866	.3070	.3285	.3514	.3754
-18	.1312	.1408	.1511	.1621	.1739	.1866	.2002	.2147	.2302	.2469	.2646	.2835	.3035	.3247	.3471	.3707
-17	.1301	.1395	.1496	.1605	.1722	.1847	.1981	.2124	.2277	.2441	.2616	.2801	.2998	.3206	.3427	.3658
-16	.1288	.1381	.1481	.1589	.1704	.1827	.1959	.2100	.2250	.2412	.2583	.2766	.2959	.3164	.3380	.3607
-15	.1275	.1367	.1465	.1571	.1685	.1806	.1936	.2074	.2222	.2381	.2550	.2729	.2918	.3119	.3331	.3553
-14	.1261	.1351	.1448	.1553	.1664	.1784	.1911	.2048	.2193	.2349	.2514	.2690	.2876	.3073	.3280	.3498
-13	.1246	.1335	.1431	.1533	.1643	.1761	.1886	.2020	.2162	.2315	.2478	.2650	.2832	.3024	.3227	.3440
-12	.1231	.1318	.1412	.1513	.1621	.1736	.1859	.1990	.2130	.2280	.2439	.2608	.2786	.2974	.3172	.3379
-11	.1214	.1301	.1393	.1492	.1598	.1711	.1831	.1960	.2097	.2244	.2399	.2564	.2738	.2921	.3115	.3317
-10	.1198	.1282	.1373	.1470	.1574	.1684	.1802	.1928	.2062	.2206	.2358	.2519	.2688	.2867	.3056	.3253
-9	.1180	.1263	.1352	.1447	.1548	.1657	.1772	.1895	.2026	.2166	.2315	.2472	.2637	.2812	.2995	.3187
-8	.1162	.1243	.1330	.1423	.1522	.1628	.1741	.1861	.1989	.2126	.2271	.2424	.2585	.2755	.2933	.3120
-7	.1143	.1222	.1307	.1398	.1495	.1599	.1709	.1826	.1951	.2084	.2225	.2374	.2531	.2696	.2869	.3051
-6	.1123	.1201	.1284	.1372	.1467	.1568	.1676	.1790	.1911	.2041	.2178	.2323	.2475	.2636	.2804	.2980
-5	.1103	.1178	.1259	.1346	.1438	.1537	.1641	.1752	.1871	.1997	.2130	.2271	.2419	.2575	.2738	.2909
-4	.1082	.1155	.1234	.1319	.1409	.1504	.1606	.1714	.1829	.1951	.2081	.2217	.2361	.2512	.2671	.2836
-3	.1060	.1132	.1209	.1291	.1378	.1471	.1570	.1675	.1786	.1905	.2031	.2163	.2302	.2449	.2602	.2762
-2	.1038	.1108	.1182	.1262	.1347	.1437	.1533	.1635	.1743	.1858	.1980	.2108	.2243	.2385	.2533	.2687
-1	.1015	.1083	.1155	.1233	.1315	.1403	.1496	.1594	.1699	.1811	.1928	.2053	.2183	.2320	.2463	.2612
0	.0992	.1057	.1128	.1203	.1283	.1367	.1457	.1553	.1654	.1762	.1876	.1996	.2122	.2254	.2393	.2536
+ 1	.0968	.1032	.1100	.1172	.1250	.1332	.1419	.1511	.1609	.1713	.1824	.1939	.2061	.2188	.2322	.2460
+ 2	.0944	.1005	.1071	.1142	.1216	.1296	.1380	.1469	.1563	.1664	.1771	.1882	.1999	.2122	.2250	.2383
+ 3	.0919	.0979	.1042	.1110	.1182	.1259	.1340	.1426	.1517	.1615	.1717	.1825	.1938	.2056	.2179	.2307
+ 4	.0894	.0952	.1013	.1079	.1148	.1222	.1300	.1383	.1471	.1565	.1664	.1767	.1876	.1989	.2107	.2230
+ 5	.0869	.0925	.0984	.1047	.1114	.1185	.1261	.1340	.1425	.1515	.1610	.1709	.1813	.1922	.2036	.2153
+ 6	.0844	.0897	.0954	.1015	.1080	.1148	.1221	.1297	.1379	.1465	.1556	.1652	.1751	.1856	.1964	.2077
+ 7	.0819	.0870	.0925	.0983	.1045	.1111	.1181	.1254	.1332	.1415	.1503	.1594	.1690	.1789	.1893	.2000
+ 8	.0793	.0843	.0895	.0951	.1011	.1074	.1141	.1211	.1286	.1366	.1449	.1537	.1628	.1724	.1823	.1924
+ 9	.0768	.0815	.0866	.0920	.0977	.1037	.1101	.1169	.1240	.1316	.1396	.1480	.1567	.1658	.1752	.1848
+10	.0742	.0788	.0836	.0888	0943	.1001	.1062	.1126	.1195	.1267	.1344	.1423	.1506	.1593	.1682	.1773
+11	.0717	.0761	.0807	.0856	.0909	.0964	.1022	.1084	.1149	.1219	.1292	.1367	.1446	.1528	.1612	.1698
+12	.0692	.0734	.0778	.0825	.0875	.0928	.0984	.1042	.1105	.1171	.1240	.1312	.1386	.1463	.1543	.1624
+13	.0667	.0707	.0749	.0794	.0842	.0892	.0945	.1001	.1060	.1123	.1189	.1257	.1327	.1400	.1474	.1550
+14	.0643	.0680	.0721	.0764	.0809	.0857	.0907	.0960	.1016	.1076	.1138	.1202	.1268	.1337	.1407	.1479
+15	.0618	.0654	.0693	.0733	.0776	.0822	.0870	.0920	.0973	.1029	.1088	.1148	.1210	.1274	.1341	.1408
+16	.0594	.0629	.0665	.0704	.0744	.0788	.0833	.0881	.0931	.0983	.1038	.1095	.1153	.1214	.1276	.1340
+17	.0571	.0603	.0638	.0674	.0713	.0754	.0797	.0841	.0888	.0938	.0990	.1043	.1098	.1155	.1214	.1275
+18	.0547	.0578	.0611	.0646	.0682	.0721	.0761	.0803	.0847	.0894	.0942	.0992	.1044	.1098	.1154	.1212
+19	.0525	.0554	.0585	.0618	.0652	.0688	.0726	.0765	.0806	.0850	.0895	.0943	.0991	.1042	.1096	.1151
+20	.0502	.0530	.0559	.0590	.0622	.0656	.0691	.0728	.0767	.0808	.0850	.0895	.0941	.0989	.1040	.1093

FACTORS FOR AGE COMBINATIONS NOT SHOWN ARE COMPUTED ON THE SAME ACTUARIAL BASIS AS THAT USED FOR COMPUTATION OF THE FACTORS STATED IN THE ABOVE TABLE. AS PROVIDED IN SECTION 3.B. OF SCHEDULE A, 40% OF THE APPROPRIATE FACTOR PROVIDED FOR BY THIS TABLE IS TO BE USED IN DETERMINING THE AMOUNT OF THE QUALIFIED JOINT AND SURVIVOR ANNUITY ATTRIBUTABLE TO A PARTICIPANT'S ACCRUED FROZEN BENEFIT.

Table E
Family Annuity Factors

AGE OF YOUNGEST CHILD	AGE OF EMPLOYEE AT RETIREMENT															
	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65
20	.0012	.0014	.0016	.0018	.0020	.0023	.0027	.0030	.0034	.0038	.0043	.0049	.0055	.0063	.0071	.0080
19	.0033	.0037	.0041	.0046	.0052	.0058	.0065	.0072	.0081	.0090	.0102	.0114	.0128	.0143	.0161	.0181
18	.0055	.0061	.0068	.0076	.0084	.0094	.0104	.0116	.0129	.0145	.0162	.0181	.0203	.0227	.0255	.0287
17	.0078	.0086	.0096	.0106	.0118	.0131	.0146	.0162	.0180	.0201	.0225	.0252	.0282	.0315	.0354	.0398
16	.0101	.0112	.0124	.0138	.0153	.0170	.0188	.0209	.0233	.0260	.0291	.0325	.0364	.0408	.0458	.0514
15	.0126	.0139	.0153	.0170	.0189	.0209	.0233	.0259	.0288	.0322	.0360	.0402	.0450	.0504	.0565	.0634
14	.0151	.0166	.0184	.0204	.0226	.0251	.0279	.0310	.0345	.0386	.0431	.0482	.0540	.0604	.0677	.0758
13	.0176	.0195	.0215	.0238	.0264	.0294	.0326	.0363	.0405	.0452	.0505	.0565	.0632	.0708	.0792	.0886
12	.0203	.0224	.0247	.0274	.0304	.0338	.0376	.0418	.0466	.0521	.0582	.0651	.0728	.0815	.0911	.1016
11	.0230	.0254	.0281	`.0311	.0346	.0384	.0427	.0475	.0530	.0592	.0662	.0740	.0827	.0924	.1032	.1149
10	.0258	.0285	.0315	.0350	.0388	.0431	.0480	.0534	.0596	.0666	.0744	.0832	.0929	.1036	.1154	.1284
9	.0287	.0317	.0351	.0389	.0432	.0480	.0534	.0595	.0664	.0742	.0828	.0925	.1032	.1149	.1279	.1419
8	.0316	.0350	.0387	.0430	.0477	.0531	.0591	.0658	.0734	.0819	.0915	.1020	.1136	.1264	.1404	.1556
7	.0347	.0383	.0425	.0471	.0524	.0583	.0649	.0722	.0805	.0899	.1002	.1116	.1241	.1379	.1530	.1694
6	.0378	.0418	.0463	.0514	.0572	.0636	.0708	.0788	.0878	.0979	.1090	.1213	.1347	.1495	.1656	.1831
5	.0410	.0454	.0503	.0559	.0621	.0691	.0768	.0855	.0952	.1060	.1179	.1310	.1453	.1611	.1782	.1969
4	.0443	.0490	.0544	.0604	.0671	.0746	.0830	.0923	.1027	.1142	.1268	.1407	.1559	.1726	.1908	.2105
3	.0476	.0528	.0585	.0650	.0722	.0803	.0892	.0991	.1101	.1223	.1357	.1504	.1669	.1841	.2032	.2240
2	.0511	.0566	.0628	.0697	.0774	.0860	.0955	.1060	.1176	.1305	.1446	.1601	.1770	.1954	.2155	.2372
1	.0546	.0605	.0671	.0745	.0826	.0917	.1018	.1128	.1251	.1386	.1534	.1696	.1873	.2066	.2275	.2501

FACTORS FOR AGE COMPUTATIONS NOT SHOWN ARE COMPUTED ON THE SAME ACTUARIAL BASIS AS THAT USED FOR COMPUTATION OF THE FACTORS STATED IN THE ABOVE TABLE. AS PROVIDED IN SECTION 4.B. OF SCHEDULE A, 100% OF THE APPROPRIATE FACTOR PROVIDED FOR BY THIS TABLE IS TO BE USED IN DETERMINING THE AMOUNT OF THE FAMILY ANNUITY ATTRIBUTABLE TO A PARTICIPANT’S ACCRUED FROZEN BENEFIT.

Table F
Deferred Vesting Schedule

AGE AT TERMINATION	AGE THAT VESTED BENEFITS BEGIN										
	50	51	52	53	54	55	56	57	58	59	60
49	70.0%	73.0%	76.0%	79.0%	82.0%	85.0%	88.0%	91.0%	94.0%	97.0%	100%
48	69.0%	72.1%	75.2%	78.3%	81.4%	84.5%	87.6%	90.7%	93.8%	96.9%	100%
47	68.0%	71.2%	74.4%	77.6%	80.8%	84.0%	87.2%	90.4%	93.6%	96.8%	100%
46	67.0%	70.3%	73.6%	76.9%	80.2%	83.5%	86.8%	90.1%	93.4%	96.7%	100%
45	66.0%	69.4%	72.8%	76.2%	79.6%	83.0%	86.4%	89.8%	93.2%	96.6%	100%
44	65.0%	68.5%	72.0%	75.5%	79.0%	82.5%	86.0%	89.5%	93.0%	96.5%	100%
43	64.0%	67.6%	71.2%	74.8%	78.4%	82.0%	85.6%	89.2%	92.8%	96.4%	100%
42	63.0%	66.7%	70.4%	74.1%	77.8%	81.5%	85.2%	88.9%	92.6%	96.3%	100%
41	62.0%	65.8%	69.6%	73.4%	77.2%	81.0%	84.8%	88.6%	92.4%	96.2%	100%
40	61.0%	64.9%	68.8%	72.7%	76.6%	80.5%	84.4%	88.3%	92.2%	96.1%	100%
39	60.0%	64.0%	68.0%	72.0%	76.0%	80.0%	84.0%	88.0%	92.0%	96.0%	100%
38	59.0%	63.1%	67.2%	71.3%	75.4%	79.5%	83.6%	87.7%	91.8%	95.9%	100%
37	58.0%	62.2%	66.4%	70.6%	74.8%	79.0%	83.2%	87.4%	91.6%	95.8%	100%
36	57.0%	61.3%	65.6%	69.9%	74.2%	78.5%	82.8%	87.1%	91.4%	95.7%	100%
35	56.0%	60.4%	64.8%	69.2%	73.6%	78.0%	82.4%	86.8%	91.2%	95.6%	100%
34	55.0%	59.5%	64.0%	68.5%	73.0%	77.5%	82.0%	86.5%	91.0%	95.5%	100%
33	54.0%	58.6%	63.2%	67.8%	72.4%	77.0%	81.6%	86.2%	90.8%	95.4%	100%
32	53.0%	57.7%	62.4%	67.1%	71.8%	76.5%	81.2%	85.9%	90.6%	95.3%	100%
31	52.0%	56.8%	61.6%	66.4%	71.2%	76.0%	80.8%	85.6%	90.4%	95.2%	100%
30	51.0%	55.9%	60.8%	65.7%	70.6%	75.5%	80.4%	85.3%	90.2%	95.1%	100%
29	50.0%	55.0%	60.0%	65.0%	70.0%	75.0%	80.0%	85.0%	90.0%	95.0%	100%
28	49.0%	54.1%	59.2%	64.3%	69.4%	74.5%	79.6%	84.7%	89.8%	94.9%	100%
27	48.0%	53.2%	58.4%	63.6%	68.8%	74.0%	79.2%	84.4%	89.6%	94.8%	100%
26	47.0%	52.3%	57.6%	62.9%	68.2%	73.5%	78.8%	84.1%	89.4%	94.7%	100%
25	46.0%	51.4%	56.8%	62.2%	67.6%	73.0%	78.4%	83.8%	89.2%	94.6%	100%
24	45.0%	50.5%	56.0%	61.5%	67.0%	72.5%	78.0%	83.5%	89.0%	94.5%	100%
23	44.0%	49.6%	55.2%	60.8%	66.4%	72.0%	77.6%	83.2%	88.8%	94.4%	100%
22	43.0%	48.7%	54.4%	60.1%	65.8%	71.5%	77.2%	82.9%	88.6%	94.3%	100%
21	42.0%	47.8%	53.6%	59.4%	65.2%	71.0%	76.8%	82.6%	88.4%	94.2%	100%
20	41.0%	46.9%	52.8%	58.7%	64.6%	70.5%	76.4%	82.3%	88.2%	94.1%	100%

NOTE: EMPLOYEES MUST HAVE 5 YEARS OF SERVICE TO QUALIFY FOR VESTING

SCHEDULE INDICATES PERCENTAGE OF VESTED BENEFIT PAYABLE
INTERPOLATION WILL BE MADE TO THE NEAREST MONTH

SCHEDULE B

**PROVISIONS APPLICABLE TO
ACCRUED FROZEN BENEFIT
UNDER THE SERVICE ANNUITY PLAN
OF PECO ENERGY COMPANY**

1. APPLICATION

This Schedule shall apply only to a Participant who elects to participate in the Plan pursuant to Section 3.1(b) of the Plan (relating to eligibility for participation for employees other than new hires) or Section 9.1 of the Plan (relating to recommencement of employment by terminated employee) and whose accrued benefit under the PECO Plan is transferred to the Plan pursuant to Section 3.1(c) of the Plan (relating to transfer of benefits and assets to Plan) or Section 9.1 of the Plan. The provisions of this Schedule shall govern with respect to all matters relating to such a Participant's Accrued Frozen Benefit.

2. DEFINED TERMS

For purposes of this Schedule B, capitalized terms used herein shall have their respective meanings set forth in the Plan, except that the following words and phrases shall have the following respective meanings when capitalized unless the context clearly indicates otherwise:

A. Accrued Frozen Benefit. The amount payable with respect to a Participant's accrued benefit under the PECO Plan determined as of December 31, 2001 commencing on the first day of the month coinciding with or next following a Participant's Schedule B Normal Retirement Age, determined as if such amount were payable in the form of a single life annuity for the life of the Participant.

B. Benefit Years. For periods prior to January 1, 2002, a Participant's Benefit Years includes the Participant's "benefit years" as of the date he or she becomes a Participant, determined in accordance with the provisions of the PECO Plan as in effect on December 31, 2001. For the Participant's 12 month "benefit accrual computation period" (as defined in the PECO Plan) that ends during the 2002 Plan Year, the greater of (i) the Vesting Service, for such period, determined pursuant to subdivision (45) of Article 2 of the Plan (relating to definition of Vesting Service) and (ii) the "benefit years", for such period, determined pursuant to the terms of the PECO Plan as in

effect on December 31, 2001. For periods after the 12 month period described in the preceding sentence, a Participant's Benefit Years shall equal his or her Vesting Service for such periods.

C. Early Retirement Date. The date on which a Participant completes at least ten years of Vesting Service and attains at least age 50.

D. Schedule B Actuarial Factors. An interest rate assumption of seven percent and a mortality assumption of the TPF&C mortality table in effect as of the date a determination hereunder occurs set back one year for participants and five years for beneficiaries.

E. Schedule B Normal Retirement Age. A Participant's 65th birthday.

3. SPECIAL RULES REGARDING COMPUTATION OF BENEFIT

A. Factors to Calculate Pension Paid Before Schedule B Normal Retirement Age

1. Pension Starting Date on or After Early Retirement Date and Prior to Schedule B Normal Retirement Age. The Pension attributable to the Accrued Frozen Benefit of a Participant whose Termination of Employment occurs on or after his or her Early Retirement Date and whose Pension commences prior to his or her Schedule B Normal Retirement Age shall be computed by multiplying such Participant's Accrued Frozen Benefit by the applicable factor from Table B-1.

2. Pension Starting Date After Attainment of Age 50 but Prior to Early Retirement Date. The Pension attributable to the Accrued Frozen Benefit of a Participant whose Pension Starting Date occurs on or after such Participant's attainment of age 50 but prior to such Participant's attainment of his or her Early Retirement Date and whose Pension commences prior to his or her Schedule B Normal Retirement Age shall be computed by multiplying such Participant's Accrued Frozen Benefit by the applicable factor from Table G.

3. Pension Starting Date Prior to Attainment of Age 50. The amount determined by actuarially reducing the Participant's Accrued Frozen Benefit using the factors in Table G to reduce the Accrued Frozen Benefit from age 65 to age 50 and using the Schedule B Actuarial Factors to reduce the Accrued Frozen Benefit from age 50 to the Participant's Pension Starting Date.

B. Lump Sum Value. If a Participant elects to receive his or her Accrued Frozen Benefit in the form of a lump sum distribution as described in Option 2 of Section 7.2(c) of the Plan, the amount of the lump sum attributable to the Participant's Accrued Frozen Benefit shall be the greater of:

1. the actuarial equivalent of the Participant's Accrued Frozen Benefit using the Schedule B Actuarial Factors, and
2. an amount equal to the present value of the Participant's Accrued Frozen Benefit determined as of December 31, 2001 using a 6.5% discount rate and the 1983 Group Annuity (unisex) Mortality Table (50% male, 50% female), assuming the Accrued Frozen Benefit otherwise payable at the Schedule B Normal Retirement Age would commence at the later of the Participant's attained age at December 31, 2001 or age 60 (or, effective January 1, 2002, age 59 for Craft, Craft/Technical, Technical Support and Professional Support Employees with an Accrued Frozen Benefit) and credited with 6.5% for each Plan Year subsequent to December 31, 2001 during which the Participant is a Participant, whether or not such Participant is an Eligible Employee during such Plan Year.

4. OPTIONAL FORMS OF BENEFIT PAYABLE UPON RETIREMENT

In lieu of the optional forms of benefit available under Section 7.2(c) of the Plan, a Participant may elect to have the portion of his or her Accrued Benefit attributable to his or her Accrued Frozen Benefit paid in the following form, subject to Section 7.4 (relating to election and waiver procedures):

A. Contingent Annuity Option: A Participant (each, an "Eligible Participant") who has a Termination of Employment after he or she (1) has completed at least 14 Benefit Years, or (2) has attained age 65 and has completed at least 5 Benefit Years, or (3) has attained his or her Early Retirement Date may elect a contingent annuity option under which the Participant may designate a percentage equal to 25%, 50%, 75% or 100% of his or her Pension to be paid upon his or her death to a contingent Beneficiary designated by such Participant. The annuity otherwise payable to a Participant electing a Contingent Annuity Option or to his or her contingent Beneficiary will be actuarially reduced using the Schedule B Actuarial Factors to reflect the payments which may become payable to the Beneficiary. Notwithstanding the preceding sentence, if the Participant's Spouse is designated as the contingent Beneficiary, the actuarial reduction will not reflect the cost of a joint and survivor annuity option providing a survivor annuity to the Participant's Spouse of

(1) 50% of the amount payable to the Participant, if a 50%, 75% or 100% contingent annuity option is elected, or (2) 25% of the amount payable to the Participant, if a 25% contingent annuity option is elected; provided, however, that the subsidy described in this sentence shall not apply to a former spouse who is to be treated as a Participant's spouse pursuant to a qualified domestic relations order, unless the qualified domestic relations order specifically provides that such subsidy applies to the former spouse. If the contingent Beneficiary is other than the Spouse, the percentage payable to the contingent Beneficiary after the Participant's death may not exceed the applicable percentage from Appendix B. The contingent annuity option of an electing Participant who has a Termination of Employment before he or she attains his or her Early Retirement Date shall be canceled.

APPENDIX B

MINIMUM DISTRIBUTION INCIDENTAL BENEFIT TABLE

Excess if Age of Participant over Age of Beneficiary	Applicable Percentage
10 years or less	100%
11	96%
12	93%
13	90%
14	87%
15	84%
16	82%
17	79%
18	77%
19	75%
20	73%
21	72%
22	70%
23	68%
24	67%
25	66%
26	64%
27	63%
28	62%
29	61%
30	60%
31	59%
32	59%
33	58%
34	57%
35	56%
36	56%
37	55%
38	55%
39	54%
40	54%
41	53%
42	53%
43	53%
44 and greater	52%

Table G

Reduction Factors Applicable to Accrued Frozen Benefit under Schedule B
For Pension Starting Date on or after Age 50 and before Early Retirement Age*

	Months											
Age	0	1	2	3	4	5	6	7	8	9	10	11
50	0.235	0.237	0.239	0.240	0.242	0.244	0.246	0.247	0.249	0.251	0.253	0.254
51	0.256	0.258	0.260	0.262	0.264	0.266	0.268	0.269	0.271	0.273	0.275	0.277
52	0.279	0.281	0.283	0.286	0.288	0.290	0.292	0.294	0.296	0.299	0.301	0.303
53	0.305	0.307	0.310	0.312	0.314	0.317	0.319	0.321	0.324	0.326	0.328	0.331
54	0.333	0.336	0.338	0.341	0.344	0.346	0.349	0.352	0.354	0.357	0.360	0.362
55	0.365	0.368	0.371	0.374	0.377	0.380	0.383	0.385	0.388	0.391	0.394	0.397
56	0.400	0.403	0.407	0.410	0.413	0.417	0.420	0.423	0.427	0.430	0.433	0.437
57	0.440	0.444	0.447	0.451	0.455	0.458	0.462	0.466	0.469	0.473	0.477	0.480
58	0.484	0.488	0.492	0.496	0.500	0.504	0.509	0.513	0.517	0.521	0.525	0.529
59	0.533	0.538	0.542	0.547	0.552	0.556	0.561	0.566	0.570	0.575	0.580	0.584
60	0.589	0.594	0.599	0.605	0.610	0.615	0.620	0.625	0.630	0.636	0.641	0.646
61	0.651	0.657	0.663	0.669	0.675	0.681	0.687	0.692	0.698	0.704	0.710	0.716
62	0.722	0.729	0.736	0.742	0.749	0.756	0.763	0.769	0.776	0.783	0.790	0.796
63	0.803	0.811	0.818	0.826	0.834	0.841	0.849	0.857	0.864	0.872	0.880	0.887
64	0.895	0.904	0.913	0.921	0.930	0.939	0.948	0.956	0.965	0.974	0.983	0.991
65 and Over	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

* Factors above are to be multiplied by the Frozen Accrued Benefit applicable to Schedule B. The Basis for the above Factors is the 1971 TPF&C Projection Mortality Table for Males with 1-Year Setback, and 7.00% Interest.

SCHEDULE C
PROVISIONS APPLICABLE TO
ACCRUED FROZEN BENEFIT
UNDER THE CASH BALANCE PROVISIONS
OF THE TXU RETIREMENT PLAN

1. APPLICATION

This Schedule C shall apply only to a Participant who, immediately prior to becoming a Participant, was a participant in the TXU Retirement Plan (the “TXU Plan”). The provisions of this Schedule C shall govern with respect to all matters relating to such a Participant’s Cash Balance Account that is attributable to the Participant’s accrued benefit under the TXU Plan.

2. DEFINED TERMS

For purposes of this Schedule C, capitalized terms used herein shall have their respective meanings set forth in the Plan, except that the following words and phrases shall have the following respective meanings when capitalized unless the context clearly indicates otherwise:

A. Accrued Frozen Benefit. The amount payable with respect to a Participant’s accrued benefit under the TXU Plan determined as of the date such Participant became a Participant commencing on the first day of the month coinciding with or next following a Participant’s Schedule C Normal Retirement Age, determined as if such amount were payable in the form of a single life annuity for the life of the Participant.

B. Accredited Service. A Participant’s Accredited Service includes the Participant’s “Accredited Service” as of the date he or she becomes a Participant, determined in accordance with the provisions of the TXU Plan as in effect on such date, and the number of years and full calendar months of service beginning on the date the Participant becomes a Participant and ending on the Participant’s Severance from Service Date (as defined below) but not to exceed, in the aggregate, a maximum of 40 years. A Participant’s Severance from Service is the earlier of the first day of the month coincident with or next following the date on which an Employee quits, retires or is discharged or dies, or the first day of the month coincident with or next following the first anniversary of the first day of absence for any other reason. Severance from Service shall not occur if an Employee leaves the employ of an Employer and is eligible for disability benefits as defined in and determined under the TXU Corp. Employee Long-Term Disability Income Plan (or any successor plan), so long as such Employee remains eligible for disability benefits. Accredited Service shall not include any Period of Service for which the Accrued Frozen Benefit has been settled by a cash payment, unless, within the latter of: (a) 5 years of reemployment, or (b) 5 consecutive one-year breaks in service, the full cash payment is repaid together with interest at the annual compound rate of interest as may be specified by law from the date of the cash payment to the date of repayment.

C. Earlier Than Normal Retirement Date. The date on which a Participant attains age 55 and completes at least 15 years of Accredited Service.

D. Schedule C Actuarial Factors. With respect to the computation of lump sum benefit payments, the mortality table prescribed in Revenue Ruling 2001-62 and an interest rate equal to the annual rate on 30-year U.S. Treasury securities for the month of November prior to the Plan Year for which the lump sum payment is being determined. With respect to the computation of monthly benefit payments, a unisex rate taken from the 1983 Group Annuity Mortality Table weighted to reflect a fixed blend of 85% males and 15% females and interest rate equal to 8%.

E. Schedule C Normal Retirement Age. Age 65.

3. SPECIAL RULES REGARDING COMPUTATION OF BENEFIT

A. Factors to Calculate Pension Paid Before Schedule C Normal Retirement Age

1. Pension Starting Date on or After the Earlier Than Normal Retirement Date and Attainment of Age 62, but Prior to Schedule C Normal Retirement Age. The Pension attributable to the Accrued Frozen Benefit of a Participant whose Termination of Employment occurs on or after his or her Earlier Than Normal Retirement Date and whose Pension commences after his or her attainment of age 62, but prior to his or her Schedule C Normal Retirement Age shall be such Participant's Accrued Frozen Benefit without any actuarial reduction.

2. Pension Starting Date on or After the Earlier Than Normal Retirement Date and Prior to Attainment of Age 62. The Pension attributable to the Accrued Frozen Benefit of a Participant whose Termination of Employment occurs on or after his or her Earlier Than Normal Retirement Date and whose Pension commences before his or her attainment of age 62 shall be such Participant's Accrued Frozen Benefit reduced at the annual rate of 4% for each of the years and full calendar months (taken as twelfths of a year) by which his Earlier Than Normal Retirement Date precedes the first day of the month coincident with or next following his 62nd birthday.

3. Pension Starting Date Prior to the Earlier Than Normal Retirement Date. The Pension attributable to the Accrued Frozen Benefit of a Participant whose Termination of Employment occurs prior to his or her Earlier than Normal Retirement Date shall be the Participant's Accrued Frozen Benefit reduced at the annual rate of 4% for each of the years and full calendar months (taken as twelfths of a year) to the greater of his age as of his Pension Starting Date or age 55 and further reduced (if applicable) on an actuarial basis from age 55 to the Participant's Pension Starting Date.

B. Lump Sum Value. If a Participant elects to receive his or her Accrued Frozen Benefit in the form of a lump sum distribution as described in Option 2 of Section

7.2(c) of the Plan, the amount of the lump sum attributable to the Participant's Accrued Frozen Benefit shall be the greater of:

1. the lump sum actuarial equivalent of the Participant's Accrued Frozen Benefit determined using the Schedule C Actuarial Factors, and
2. an amount equal to the present value of the Participant's Accrued Frozen Benefit determined as the date the Participant became a Participant in the Plan using a 6.75% discount rate and the 1983 Group Annuity (unisex) Mortality Table (50% male, 50% female). assuming the Accrued Frozen Benefit otherwise payable at the Schedule C Normal Retirement Age would commence at the later of the Participant's attained age as of the date the Participant became a Participant in the Plan or age 62.

4. OPTIONAL FORMS OF BENEFIT PAYABLE UPON RETIREMENT

In lieu of the forms of benefit available under Section 7.2 of the Plan, a Participant may elect to have the portion of his or her Accrued Benefit attributable to his or her Accrued Frozen Benefit paid in the following forms, subject to Section 7.4 (relating to election and waiver procedures):

A. Ten- Year Certain Option: A Participant may elect to receive his or her Accrued Frozen Benefit in the form of a reduced amount which is the Actuarial Equivalent, determined using the Schedule C Actuarial Assumptions, of his or her Accrued Frozen Benefit during his or her lifetime and, in the event of the Participant's death prior to the expiration of ten years following his or her Pension Starting Date, such Accrued Frozen Benefit shall continue for any unexpired portion of such ten-year period to his designated Beneficiary or Beneficiaries. Subject to Section 7.4, the Participant shall have the right to change or redesignate his or her Beneficiary or successive Beneficiaries at any time prior to the expiration of the ten-year period described above. If the Beneficiary or successive Beneficiaries shall survive the retired Participant but die prior to the expiration of the ten-year period described above, the commuted value of the remaining payments due the Beneficiaries shall be paid to the estate of such Beneficiaries. If the Participant shall die within the ten-year period described above without any surviving designated Beneficiary, the commuted value of the payments which would otherwise have been paid during the remaining portion of said ten-year period shall be paid by the Trustee at the direction of the Administrator (i) to the surviving Spouse of such deceased Participant, if any, or (ii) if there shall be no surviving Spouse, to the surviving children of such deceased Participant, if any, in equal shares, or (iii) if there shall be no surviving Spouse or surviving children, to the executor or administrator of the estate of such deceased Participant, or (iv) if no executor or administrator shall have been appointed for the estate of such deceased Participant within six months following the date of the Participant's death, in equal shares to the person or persons who would be entitled under the intestate succession laws of the state of the Participant's domicile to receive the Participant's personal estate.

B. Social Security Adjustment Option: A Participant whose Pension Starting Date occurs after his or her Earlier Than Normal Retirement Date and prior to his or her

attainment of age 62 may elect, at any time prior to his or Earlier Than Normal Retirement Date, to have the amount of his or her Accrued Frozen Benefit increased during the period prior to becoming eligible to receive monthly benefits under the Social Security Act, and decreased during the period after becoming eligible to receive monthly benefits under the Social Security Act, so as to provide for the Participant an essentially uniform total retirement benefit composed of his Accrued Frozen Benefit and monthly benefits under the Social Security Act. For purposes of this optional form of benefit, the monthly benefits under the Social Security Act shall mean the old age insurance benefit that a Participant might be entitled to receive at the earliest age the Participant will be eligible to begin receiving monthly benefit under the Social Security Act as of the date he or she elects this optional form of benefit and the Accrued Frozen Benefit shall not be adjusted because of any subsequent change in the actual monthly benefits received under the Social Security Act. If the Participant elects the Social Security Adjustment Option, his or her Accrued Frozen Benefit shall be the greater of (i) the Accrued Frozen Benefit reduced as described in Paragraph 3.A.2 of this Schedule C and applying the Schedule C Actuarial Assumptions for computing monthly benefit payments; and (ii) the Accrued Frozen Benefit actuarially reduced to the Participant's age at retirement and converted to the Social Security Adjustment Option applying the Schedule C Actuarial Assumptions for calculating lump sum benefit payments.

Exhibit 10.29

EXECUTION COPY

FACILITY CREDIT AGREEMENT, dated as of November 4, 2010 (the "Agreement") among EXELON GENERATION COMPANY, LLC, a Pennsylvania limited liability company (the "Company"), and UBS AG, Stamford Branch as lender and issuer of letters of credit hereunder (with its successors, the "Bank") and as administrative agent (with its successors, the "Administrative Agent"). The Company and the Bank are sometimes referred to herein collectively as the "Parties" and individually as a "Party".

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. For purposes of this Agreement, each of the following capitalized terms shall have the meaning set forth below.

"Adjusted Funds From Operations" means, for any period. Net Cash Flows From Operating Activities for such period plus Interest Expense for such period minus the portion (but not less than zero) of Net Cash Flows From Operating Activities for such period attributable to any consolidated Subsidiary that has no Debt other than Nonrecourse Indebtedness.

"Adjusted LIBOR Rate" means, with respect to a Loan on any day, (i) an interest rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) determined by the Bank to be equal to the LIBOR Rate for such Loan in effect on such day divided by (ii) 1 minus the Statutory Reserves (if any) for such Loan for such day.

"Administrative Agent" has the meaning provided for in the Preamble.

"Affiliate" means, when used with respect to a specified person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the person specified.

"Agreement" has the meaning provided for in the Preamble.

"Applicable Margin" means 2.0%

"Applicable Spread" means, the amount set forth bellow, based upon the Maximum Amount at the date of calculation.

Maximum Amount	Applicable Spread
less than $100,000,000	57.5 bps
$100,000,000 or more, but less than $200,000,000	47.5 bps
$200,000,000 or more	42.5 bps

"Assignment and Acceptance" means an instrument providing for the assignment by the Bank of all or a portion of the obligations of the Company under this Agreement to another lender, in a form satisfactory to the Administrative Agent.

"Availability Period" means the period from and including the Closing Date to but excluding the earlier of (i) the Final Stated Maturity Date and (ii) the date of termination of the Commitment in full pursuant to the terms of this Agreement.

"Bank" has the meaning provided in the Preamble.

"Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as amended, or any successor statute.

"Base Rate" means, for any day, the higher of (i) the rate announced from time to time by the Bank in Stamford, Connecticut as its prime rate, changing as and when such prime rate changes for such day and (ii) the Federal Funds Rate for such day plus 1/2 of 1%.

"Board of Governors" means the Board of Governors of the Federal Reserve System of the United States.

"Business Day" means any day other than a Saturday, Sunday or other day on which banks in New York, New York, Stamford, Connecticut or Chicago, Illinois are authorized or required by law to close; provided, however, that when used in connection with a Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

"CDS Counterparty" means a counterparty to one or more credit default swaps with the Bank in which the Company is a "Reference Entity", as defined in the ISDA Credit Derivatives Definitions, and where the aggregate notional amount of such credit default swap(s) is at least $10,000,000. For the avoidance of doubt, if a central clearing entity recognized by a U.S. federal regulatory authority is a counterparty to one or more such credit default swaps, such central clearing entity will also be a "CDS Counterparty".

"Change in Control" means that (i) at any time that Exelon owns (directly or indirectly) less than a majority of the membership interests or capital stock (as applicable) of the Company, any person, entity or group (within the meaning of Rule l3d-5 under the Exchange Act), excluding Exelon, shall beneficially own, directly or indirectly, 30% or more of the membership interests or capital stock (as applicable) of the Company having ordinary voting power; or (ii) at any time after the Company has a Board of Directors or similar governing body (a "Board") Continuing Directors shall fail to constitute a majority of the Board of the Company. For purposes of the foregoing, "Continuing Director" means an individual who (A) is elected or appointed to be a member of the Board of the Company by Exelon or an affiliate of Exelon at a time when Exelon owns (directly or indirectly) a majority of the membership interests or capital stock (as applicable) of the Company or (B) is nominated to be a member of such Board by a majority of the Continuing Directors then in office.

"Closing Date" means the date on which the conditions set forth in Section 4.01 of this Agreement are fulfilled to the satisfaction of the Administrative Agent and this Agreement becomes effective pursuant to the provisions of Section 8.08.

"Code" means the Internal Revenue Code of 1986, as amended from time to time and the regulations promulgated and rulings issued thereunder.

"Commitment" means $500,000,000 or such lesser amount to which the Commitment shall be reduced from time to time in accordance with the terms of this Agreement.

"Company" has the meaning provided in the Preamble.

"ComEd" means Commonwealth Edison Company, an Illinois corporation, or any successor thereof.

"ComEd Entity" means ComEd and each of its Subsidiaries.

"Commodity Trading Obligations" means the obligations of the Company under (i) any commodity swap agreement, commodity future agreement, commodity option agreement, commodity cap agreement, commodity floor agreement, commodity collar agreement, commodity hedge agreement, commodity forward contract or derivative transaction and any put, call or other agreement, arrangement or transaction, including natural gas, power and emissions forward contracts, or any combination of any such arrangements, agreements and/or transactions, employed in the ordinary course of the Company's business, including the Company's energy marketing, trading and asset optimization business, or (ii) any commodity swap agreement, commodity future agreement, commodity option agreement, commodity hedge agreement, and any put, call or other agreement or arrangement, or combination thereof (including an agreement or arrangement to hedge foreign exchange risks) in respect of commodities entered into by the Company pursuant to asset optimization and risk management policies and procedures adopted pursuant to authority delegated by the Board of Directors of the Company or Exelon. The term "commodities" shall include electric energy and/or capacity, transmission rights, coal, petroleum, natural gas, fuel transportation rights, emissions allowances, weather derivatives and related products and by-products and ancillary services.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms "Controlling" and "Controlled" shall have meanings correlative thereto.

"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 the Company, are treated as a single employer under Section 414(b) or 414(c) of the Code.

"Credit Exposure" means, on any date of determination, the sum of the aggregate principal amount of all Loans outstanding on such date and the aggregate undrawn amount of all Letters of Credit on such date.

"Credit Extension" means the making of any Loan hereunder, the issuance of any Letter of Credit or the extension, renewal or increase in the stated amount of any existing Letter of Credit by the Bank.

"Decrease Date" has the meaning specified in Section 2.03(c).

"Debt" means (i) indebtedness for borrowed money, (ii) obligations evidenced by bonds, debentures, notes or other similar instruments, (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.

"Default" means any event, occurrence or condition which is, or upon notice, lapse of time, or both, would constitute an Event of Default.

"Disbursement Date" means the date on which any Loan is made hereunder.

"Dollars" or "$" or "USD" means the lawful money of the United States.

"Eligible Successor" means a Person that (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 stales 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 the Company or Exelon, as applicable, (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) in the case of the Company, is acceptable to the Bank as a credit matter.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Exelon" means Exelon Corporation, a Pennsylvania corporation, or any Eligible Successor thereof.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"Event of Default" has the meaning specified in Section 6.01.

"Facility Expiration Date" means the earlier to occur of the Final Stated Maturity Date and the termination in whole of the Commitment pursuant to Section 6.01(b).

"Final Stated Maturity Date" means June 15, 2021.

"GAAP" has the meaning given such term in Section 1.03

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Hedging Obligations" means the obligations of the Company under any interest rate or currency swap agreement, interest rate or currency future agreement, interest rate collar agreement, interest rate or currency hedge agreement, and any put, call or other agreement or arrangement designed to protect the Company against fluctuations in interest rates or currency exchange rates.

"Interest Coverage Ratio" means, for any period of four consecutive fiscal quarters of the Company, the ratio of Adjusted Funds From Operations for such period to Net Interest Expense for such period.

"Interest Payment Date" means, (i) with respect to any LIBOR Loan, the last day of the Interest Period applicable thereto and in the case of any LIBOR Loan with a 6 month

Interest Period on each three-month anniversary of the date of such Loan, and (ii) with respect to any Base Rate Loan, on the 20th day of each March, June, September and December, and, in addition, the date of any payment or prepayment of any Loan or conversion of any Loan to a Loan of a different Type or having a new Interest Period.

"Interest Period" means, as to any LIBOR Loan, the period commencing on the date of such Loan or the date of the conversion of any Loan into a LIBOR Loan and ending on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is 1, 2, 3 or 6 months thereafter (but in no event extending beyond the Final Stated Maturity Date), or such other period as the Company and the Bank may agree in any specific instance; provided, however, that if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day.

"Increase Date" has the meaning specified in Section 2.03(b).

"Interest Expense" means, for any period, "interest expense" as shown on a consolidated statement of income of the Company for such period prepared in accordance with GAAP.

"ISDA Credit Event" has the meaning specified in Section 2.04(e) (ii).

"Letter of Credit" means any Standby Letter of Credit substantially in the form of Exhibit A attached hereto, issued or to be issued by the Bank for the account of the Company pursuant to Section 2.02.

"LC Disbursement" means a payment or disbursement made by the Bank pursuant to a drawing under a Letter of Credit.

"LC Exposure" means at any time the sum of (i) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (ii) the aggregate principal amount of all LC Loans outstanding at such time.

"LC Loan" means, as of any date, each Reimbursement Obligation that remains unpaid by the Company, in whole or in part, as of such date.

"LC Request" means a request by the Company in accordance with the terms of Section 2.02(b) and substantially in the form of Exhibit B or such other form as shall be approved by the Bank.

"LIBOR Rate" means, for each Interest Period for each Loan, the rate of interest per annum that appears on the Telerate British Bankers Assoc. Interest Settlement Rates Page at approximately 11:00 a.m., London, England time, two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period; provided, however, that (i) if more than one rate is specified on the Telerate British Bankers Assoc. Interest Settlement Rates Page, the applicable rate shall be the arithmetic mean of all such rates and (ii) if there shall at any time no longer exist a Telerate British Bankers Assoc. Interest Settlement Rates Page, "LIBOR Rate" means, with respect to each day, the rate per annum equal to the rate at which the Bank is offered deposits in Dollars at approximately 11:00 a.m., London, England time, on such day in the London interbank market for delivery on such day and in an amount comparable to the amount of such Loan to be outstanding on such day.

"Lien" means any lien (statutory or other), mortgage, pledge, security interest or other charge or encumbrance, or any other type of preferential arrangement (including the

interest of a vendor or lessor under any conditional sale, capitalized lease or other title retention agreement).

"Loan" means any Revolving Loan and any LC Loan.

"Make Whole Premium" shall be the amount described on Annex A.

"Margin Regulations" means Regulations T, U and X of the Board of Governors as from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"Margin Stock" has the meaning given such term under Regulation U of the Board of Governors.

"Material Adverse Change" and "Material Adverse Effect" each means, relative to any occurrence, fact or circumstances of whatsoever nature (including any determination in any litigation, arbitration or governmental investigation or proceeding), (i) any materially adverse change in, or materially adverse effect on, the financial condition, operations, assets or business of the Company and its consolidated Subsidiaries, taken as a whole, provided that, except as otherwise expressly provided herein, the assertion against the Company or any Subsidiary of liability for any obligation arising under ERISA for which the Company or such Subsidiary bore joint and several liability with any ComEd Entity or PECO Entity, or the payment by the Company or any Subsidiary of any such obligation, shall not be considered in determining whether a Material Adverse Change or Material Adverse Effect has occurred); or (ii) any materially adverse effect on the validity or enforceability against the Company of this Agreement.

"Maximum Amount" means $0 as of the date hereof, as such amount may hereafter be increased or decreased pursuant to Section 2.03.

"Maximum Amount Increase" has the meaning specified in Section 2.03(a).

"Moody's" means Moody's Investors Service, Inc. or any successor thereto.

"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.

"Net Cash Flows From Operating Activities" means, for any period, "Net Cash Flows provided by Operating Activities" as shown on a consolidated statement of cash flows of the Company for such period prepared in accordance with GAAP, excluding any "working capital changes" (as shown on such statement of cash flows) taken into account in determining such Net Cash Flows provided by Operating Activities.

"Net Interest Expense" means, for any period, Interest Expense for such period minus interest on Nonrecourse Indebtedness.

"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 the Company or any of its 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.

"Ongoing Facility Fee" means the Ongoing Facility Fee agreed to by the parties hereto on Annex A, calculated in accordance with Section 2.03.

"Organizational Documents" means articles of incorporation and bylaws or other governing documents of any person (and any amendments to the same).

"Parent Company" means UBS AG.

"Parties" has the meaning provided in the Preamble.

"Patriot Act" has the meaning provided in Section 4.01(g).

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"PECO" means PECO Energy Company, a Pennsylvania Corporation or any successor thereof.

"PECO Entity" means PECO and each of its Subsidiaries.

"Permitted Encumbrance" means (i) any right reserved to or vested in any municipality or other governmental or public authority (A) by the terms of any right, power, franchise, grant, license or permit granted or issued to the Company or (B) to purchase or recapture or to designate a purchaser of any property of the Company; (ii) any easement, restriction, exception or reservation in any property and/or right of way of the Company for the purposes of roads, pipelines, transmission lines, distribution lines, transportation lines or removal of minerals or timber or for other like purposes or for the joint or common use of real property, rights of way, facilities and/or equipment, and defects, irregularities and deficiencies in title of any property and/or rights of way, which, in each case described in this clause (ii), whether considered individually or collectively with all other items described in this clause (ii), do not materially impair the use of the relevant property and/or rights of way for the purposes for which such property and/or rights of way are held by the Company; (iii) rights reserved to or vested in any municipality or other governmental or public authority to control or regulate any property of the Company or to use such property in a manner that does not materially impair the use of such property for the purposes for which it is held by the Company; and (iv) obligations or duties of the Company to any municipality or other governmental or public authority that arise out of any franchise, grant, license or permit and that affect any property of the Company.

"Permitted Obligations" mean (i) Hedging Obligations of the Company or any Subsidiary arising in the ordinary course of business and in accordance with the applicable Person's established risk management policies that are designed to protect such Person against, among other things, fluctuations in interest rates or currency exchange rates and which in the case of agreements relating to interest rates shall have a notional amount no greater than the payments due with respect to the applicable obligations being hedged and (ii) Commodity Trading Obligations.

"Person" means any natural person or any corporation, limited liability company, business trust, joint venture, joint stock company, trust, association, company, partnership, Governmental Authority or other entity.

"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 the Company or any other member of the Controlled Group may have any liability.

"Principal Subsidiary" means each Subsidiary (i) the consolidated assets of which, as of the date of any determination thereof, constitute at least 10% of the consolidated assets of the Company or (ii) the consolidated earnings before taxes of which constitute at least 10% of the consolidated earnings before taxes of the Company for the most recently completed fiscal year.

"Preamble" means the introductory paragraph of this Agreement.

"Proposed Terms" has the meaning specified in Section 2.03(b).

"Regulation D" means Regulation D of the Board of Governors as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Reimbursement Obligations" means the Company's obligations under Section 2.03 to reimburse LC Disbursements.

"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 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.

"Requirements of Law" means, as to any person, collectively, any and all requirements of any Governmental Authority including any and all laws, judgments, orders, decrees, ordinances, rules, regulations, statutes or case law.

"Revolving Loan" means any loan made by the Bank to the Company pursuant to Section 2.01.

"S&P" means Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc. or any successor thereto.

"Single Employer Plan" means a Plan maintained by the Company or any other member of the Controlled Group for employees of the Company or any other member of the Controlled Group.

"Stated Maturity Date" means with respect to each increase in the Maximum Amount the date specified on Annex A.

"Statutory Reserves" means, with respect to any Loan on any day, the average maximum rate at which reserves (including any marginal, supplemental or emergency reserves) are required to be maintained during such day under Regulation D by member banks of the United States Federal Reserve System in New York City with deposits exceeding one billion dollars against "Eurocurrency liabilities" (as such term is used in Regulation D). Any such Loan shall be deemed to constitute Eurodollar liabilities and to be subject to such reserve requirements without benefit of or credit for proration, exceptions or offsets which may be available from time to time to the Bank under Regulation D.

"Subsidiary" means, with respect to any person, any corporation or other 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). Unless otherwise indicated, each reference to a "Subsidiary" means a Subsidiary of the Company.

"Telerate British Bankers Assoc. Interest Settlement Rates Page" means the display designated as Page 3750 on the Telerate System Incorporated Service (or such other page as may replace such page on such service for the purpose of displaying the rates at which Dollar deposits are offered by leading banks in the London interbank deposit market).

"Type", when used in respect of any Loan, shall refer to the Rate by reference to which interest on such Revolving Loan is determined. For purposes hereof, "Rate" means the LIBOR Rate or the Base Rate.

"Unwind Costs" has the meaning specified in Section 2.03(d).

"Unwind Transactions" has the meaning specified in Section 2.03(d).

"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.

"Unused Maximum Amount" means the Maximum Amount as in effect on the date of determination less all Credit Exposure currently outstanding.

Section 1.02 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or

other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any person shall be construed to include such person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Annexes shall be construed to refer to Articles and Sections of, and Exhibits and Annexes to, this Agreement, and (e) any reference to any law or regulation herein shall refer to such law or regulation as amended, modified or supplemented from time to time

SECTION 1.03 Accounting Principles.

(a) As used in this Agreement, "GAAP" means generally accepted accounting principles in the United States, applied on a basis consistent with the principles used in preparing the Company's audited consolidated financial statements as of December 31, 2009 and for the fiscal year then ended, as such principles may be revised as a result of changes in GAAP implemented by the Company subsequent to such date. 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 the Company apply accounting principles other than GAAP (including as a result of any event described in Section 1.03(b)), 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.

(b) If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth herein and the Company or the Administrative Agent shall so request, the Administrative Agent and the Company shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided that, until so amended, such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein.

ARTICLE II

LOANS AND LETTERS OF CREDIT

Section 2.01. Loans. (a) At the request of the Company, the Bank shall, subject to the terms and conditions of this Agreement, from time to time, on any Business Day during the period from and including the date hereof to but excluding the Facility Expiration Date, make Revolving Loans to the Company such that the sum of the aggregate principal amount of all Revolving Loans outstanding hereunder and the LC Exposure at no time exceeds the Maximum Amount. Within the foregoing limits, the Company may borrow, pay or prepay Revolving Loans and reborrow Revolving Loans hereunder, on and after the date hereof and prior to the Facility Expiration Date, subject to the terms and conditions set forth herein.

(b) Interest. The Company may request a Revolving Loan by written notice to the Bank specifying the aggregate principal amount to be borrowed (which must be $50 million or a multiple of $1 million in excess thereof) and the Type of Revolving Loan and in the case of a LIBOR Loan the Interest Period, of the proposed Revolving Loan. Such notice must be delivered to the Bank at or before 11:00 a.m., New York City time, on the date of the proposed borrowing (in the case of a Base Rate Loan) or the third Business Day before the date of the proposed

borrowing (in the case of a LIBOR Loan). At the Company's election, the Revolving Loans may be either:

(i) "Base Rate Loans", each of which shall bear a floating per annum interest rate equal to the Base Rate plus the Applicable Margin (the "Funded Rate") and shall mature in any event on the Facility Expiration Date; or

(ii) "LIBOR Loans", each of which shall bear a per annum interest rate equal to the Adjusted LIBOR Rate plus the Applicable Margin and shall mature in any event on the Facility Expiration Date.

Each Revolving Loan will bear interest from the date on which it is made until it is paid at the rate specified by the Company to the Bank pursuant to this paragraph (b) or paragraph (c) below, payable in arrears on each Interest Payment Date. The Company may prepay Base Rate Loans at any time without premium or penalty. Subject to Section 2.05(c), the Company may prepay LIBOR Loans at any time without premium or penalty. Upon the occurrence and during the continuance of an Event of Default, all Revolving Loans hereunder shall bear interest for each day until payment in full at the rate otherwise specified in this Section 2.01(b) plus two percent (2%), provided that upon the occurrence of an ISDA Credit Event (unless and until the ISDA Credit Determination Committee rescinds such determination) all outstanding Loans hereunder shall bear interest for each day until payment in full at a rate per annum equal to the sum of Adjusted LIBOR Rate plus the Applicable Margin plus eight percent (8%).

(c) Conversion. The Company may on any Business Day, by delivering a notice of conversion (a "Notice of Conversion") to the Bank not later than 11:00 A.M. on the third Business Day prior to the date of the proposed conversion or continuation, convert any Revolving Loan of one Type or for one Interest Period into a Revolving Loan of another Type or for another Interest Period or continue any LIBOR Loan with the same Interest Period; provided, however, that any conversion or continuation of any LIBOR Loan shall be made on, and only on, the last day of an Interest Period. Each such Notice of Conversion shall, within the restrictions specified above, specify (i) the date of such conversion or continuation, (ii) the Revolving Loans to be converted or continued, (iii) if such conversion or continuation will result in a LIBOR Loan, the duration of the Interest Period for such LIBOR Loan, and (iv) the aggregate amount of Revolving Loans proposed to be converted or continued. If the Company shall not have provided a Notice of Conversion with respect to any LIBOR Loan on or prior to 11:00 A.M. on the third Business Day prior to the last day of the Interest Period applicable thereto, or if an Event of Default shall have occurred and be continuing on the third Business Day prior to the last day of the Interest Period with respect to any LIBOR Loan, the Bank will so notify the Company and such Revolving Loan will automatically, on the last day of the then existing Interest Period, convert into a Base Rate Loan.

(d) Note. The Revolving Loans made by the Bank to the Company pursuant to Section 2.01 shall be evidenced, upon request by the Bank, by a promissory note substantially the form of Exhibit C hereto (the "Note"). The date, amount, type, interest rate and duration of Interest Period (if applicable) of each Loan made by the Bank to the Company, and each payment made on account of the principal thereof, shall be recorded by the Bank on its books; provided that neither the failure of the Bank to make any such recordation or endorsement nor any other error by the Bank in doing so shall affect the obligations of the Company to make a payment when due of any amount owing hereunder or under any Note in respect of the Revolving Loans to be evidenced by such Note, and each such recordation or endorsement shall be conclusive and binding absent manifest error.

(e) Mandatory Prepayment. If at any time the aggregate principal amount of all outstanding Revolving Loans plus all LC Exposure is greater than the aggregate Maximum

Amount then in effect (after giving effect to any Stated Maturity Date), the Company shall promptly prepay an aggregate principal amount of Revolving Loans such that the aggregate principal amount of all outstanding Revolving Loans plus all LC Exposure does not exceed the aggregate Maximum Amount then in effect.

Section 2.02 Letters of Credit

(a) General. Subject to the terms and conditions set forth herein, the Company may request the Bank, and the Bank agrees to issue Letters of Credit denominated in Dollars for the account of the Company, at any time and from time to time during the Availability Period. The Bank shall have no obligation to issue, and Company shall not request the issuance of, any Letter of Credit at any time if after giving effect to such issuance, the sum of the aggregate principal amount of all Revolving Loans outstanding hereunder and the LC Exposure would exceed the Maximum Amount. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Company to, or entered into by the Company with, the Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Request for Issuance, Amendment, Renewal, Extension; Certain Conditions and Notices. To request the issuance of a Letter of Credit or the amendment, renewal or extension of an outstanding Letter of Credit, the Company shall deliver, by hand or telecopier (or transmit by electronic communication), an LC Request to the Administrative Agent, for the account of the Bank, (i) in the case of an amendment, renewal or extension, (A) not later than 11:00 a.m. (New York time) on the same Business Day of the requested date of amendment, renewal or extension, or (B) on the Business Day immediately preceding the requested date of amendment, renewal or extension (if such LC Request is delivered later than 11:00 a.m. (New York time)) and (ii) in the case of an issuance, (A) not later than 11:00 a.m. (New York time) on the second Business Day preceding the requested date of issuance and (B) on the third Business Day immediately preceding the requested date of issuance (if such LC Request is delivered later than 11:00 a.m. (New York time)).

A request for an initial issuance of a Letter of Credit shall specify in form and detail satisfactory to the Bank:

(i) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day);

(ii) the amount thereof;

(iii) the expiry date thereof (which shall comply with the requirements of Section 2.02(c));

(iv) the name and address of the beneficiary thereof;

(v) the documents to be presented by such beneficiary in connection with any drawing thereunder;

(vi) the full text of any certificate to be presented by such beneficiary in connection with any drawing thereunder; and

(vii) such other matters as the Bank may reasonably require.

A request for an amendment, renewal or extension of any outstanding Letter of Credit shall specify in form and detail satisfactory to the Bank:

(i) the Letter of Credit to be amended, renewed or extended;

(ii) the proposed date of amendment, renewal or extension thereof (which shall be a Business Day);

(iii) the nature of the proposed amendment, renewal or extension; and

(iv) such other matters as the Bank may reasonably require.

A Letter of Credit shall be issued, amended, renewed or extended only if (and, upon issuance, amendment, renewal or extension of each Letter of Credit, the Company shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension, (i) the Credit Exposure (assuming, for purposes of such determination, that each Letter of Credit then in effect (after giving effect to such issuance, amendment, renewal or extension) will remain outstanding until its stated expiration date) shall not exceed the Maximum Amount and (ii) the applicable conditions set forth in Section 4.03 in respect of such issuance, amendment, renewal or extension shall have been satisfied or waived by the Bank. Unless the Bank shall agree otherwise, no Letter of Credit shall be in an initial amount less than $1,000,000, or shall be denominated in a currency other than Dollars.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date that is 364 days after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof (including any automatic or "evergreen" renewal), 364 days after such renewal or extension and, in either case, if such day is not a Business Day, the immediately succeeding Business Day) and (ii) the Final Stated Maturity Date; provided, however, that no Letter of Credit may be issued unless at the time of such issuance there is Unused Maximum Amount with a Stated Maturity Date which extends at least 30 days beyond the expiration date of such Letter of Credit.

Section 2.03. Changes in the Maximum Amount. (a) The Company may, at any time during the period from the Closing Date to the earlier to occur of (i) date of termination of the Commitment in whole, by notice to the Administrative Agent (for the account of the Bank) or (ii) June 15, 2011, request that the Maximum Amount be increased by an amount of $10,000,000 or an integral multiple of $10,000,000 in excess thereof (each a "Maximum Amount Increase") to be effective as of a date prior to the Final Stated Maturity Date as specified in the related notice to the Bank; provided, however, that (A) in no event shall the Maximum Amount at any time exceed $500,000,000, (B) on the applicable Increase Date, the applicable conditions set forth in subsection (b) below shall be satisfied and (C) on the first Increase Date the Maximum Amount Increase shall be an amount not less than $50,000,000.

(b) If the Bank is willing to agree to such requested Maximum Amount Increase, in its sole discretion after giving due consideration in good faith after receipt of such request, it shall give notice (which notice may be given via telephone or in writing) to the Company that it is willing to increase the Maximum Amount, the amount by which it is willing to increase the Maximum Amount and any proposed change to Ongoing Facility Fee that will be required by the Bank in connection with such Maximum Amount Increase (collectively, the "Proposed Terms"), provided that the Company shall have the right to cancel its request at any time prior to its acceptance (which acceptance may be given via telephone or in writing) of the Proposed Terms. The failure of the Bank to respond to a request for a Maximum Amount Increase shall constitute a refusal by the Bank to accept such requested Maximum Amount Increase. The parties hereto agree that the "Ongoing Facility Fee" shall be set based upon the calculation of the Credit Default Swap rate determined based upon the period of time remaining until the Stated Maturity Date

specified with respect to such Maximum Amount on Annex A on the calculation date plus the Applicable Spread. If the Maximum Amount falls within separate categories based upon the Applicable Spread, the Bank shall calculate the Ongoing Facility Fee by blending the rate based upon the proportion of such letter of credit falling in the different categories. Subject to satisfaction of the conditions precedent set forth below, each Maximum Amount Increase and any related change to the Ongoing Facility Fee shall be effective upon the Company's acceptance (which acceptance may be given via telephone or in writing) of the Proposed Terms (the date of any such acceptance being the "Increase Date") and shall be evidenced by an amendment to this Agreement, substantially in the form of Annex A hereto, signed by the Company and the Bank, which the Company authorizes the Administrative Agent to attach to this Agreement. Each Maximum Amount Increase shall be subject to the conditions precedent that, on the applicable Increase Date, (i) no Default or Event of Default shall have occurred and be continuing, and (ii) all representations and warranties of the Company set forth in Section 3.01 (other than subsection (e) and the first sentence of subsection (f) thereof) shall be true and correct in all material respects. The acceptance by the Company of any Proposed Terms shall be deemed to constitute a representation and warranty by the Company that, on the applicable Increase Date, the conditions set forth in the preceding sentence have been satisfied.

(c) Subject to the satisfaction of the conditions precedent set forth below, the Company shall have the right at any time and from time to time upon at least three Business Days' written notice to the Administrative Agent (for the account of the Bank), specifying the proposed amount and effective date of such reduction (any such date being a "Decrease Date"), to reduce all or any part of the Bank's unused Commitment; provided, however, that (i) the Company shall not be able to reduce that portion of the Bank's Commitment for which a Letter of Credit has been issued and is outstanding or any Loan is outstanding, and (ii) each such reduction shall be in the amount of $50,000,000 or any whole multiple of $1,000,000 in excess thereof. Any such reduction of the Commitment shall automatically reduce the Maximum Amount by the amount of the Commitment so reduced. Any such notice of reduction, when delivered to the Administrative Agent, shall be irrevocable. Any reduction of the Commitment under this subsection (c) shall be subject to the condition that on the applicable Decrease Date, all representations and warranties of the Company set forth in Section 3.01(k) shall be true and correct in all material respects. Any request by the Company for a reduction in the Commitment shall be deemed to constitute a representation and warranty by the Company that, on the applicable Decrease Date, the condition set forth in the preceding sentence has been satisfied. Upon any reduction of the Maximum Amount, the Agent shall, as of the Reduction Date, recalculate the Ongoing Facility Fee such that the Applicable Spread is consistent with the Maximum Amount in effect on such date.

(d) In the event that the Commitment is reduced, or if any Maximum Amount Increase does not become effective because the conditions precedent to such event were not satisfied on the applicable Increase Date after acceptance by the Company of the relevant Proposed Terms, the Bank may enter into transactions in order to unwind credit derivatives transactions that the Bank or its Affiliates may have entered into in order to mitigate credit risk of the Letters of Credit or, in the case of any reduction in the Commitment, in order to unwind such transactions (the "Unwind Transactions"). The Company agrees to pay to the Administrative Agent (for the account of the Bank), within three Business Days after submission by the Bank of a reasonably detailed statement, together with any supporting detail reasonably requested by the Company, all actual costs and losses incurred by or on behalf of the Bank in connection with any Unwind Transactions (the "Unwind Costs") as determined by the Bank in a commercially reasonable manner, and in any case in a manner consistent with prevailing market practice and investment banking conventions at the time of such reduction in the Maximum Amount, taking into account such factors as the Bank reasonably deems appropriate, including, but not limited to, the size of the reduction and the prevailing debt market conditions, prevailing credit default swap market conditions, overall market liquidity and the credit quality of the Company at the time of the applicable reduction in the Commitment. The Bank agrees to conduct all Unwind Transactions in

a commercially reasonable manner and to provide the Company with documentary evidence of any Unwind Costs promptly upon request by the Company.

(e) In the event that the Commitment is reduced solely at the option of the Company pursuant to Section 2.03(c), then the Company shall promptly pay to the Administrative Agent (for the account of the Bank), within three Business Days after such reduction a Make Whole Premium times the amount of such reduction divided by 4 (the "Make Whole Quarterly Amount"), present valued as if the Make Whole Quarterly Amount was paid quarterly on the first day of each January, April, July and October until the Final Stated Maturity Date, provided that the payments attributable to the final 4 quarters of this facility will not be present valued. The Make Whole Quarterly Amounts will be present valued at the interpolated US Treasury yield between the nearest two US Treasury benchmark securities (determined on the date of written notice of such reduction) (the "Termination Fee"). At any time when a Termination Fee is due and payable to the Bank hereunder, and the Bank has received any payments representing gains (the "Unwind Gains") in connection with the associated Unwind Transactions, the Bank agrees to rebate to the Company 50% of the amount of such Unwind Gains up to the amount of the Termination Fee.

(f) If the Company notifies the Bank at any time or from time to time that it has concluded, in its reasonable determination, that one or more intended beneficiaries are unwilling to accept Letters of Credit issued by the Bank or cash equivalents or other liquid financial assets to be provided by the Bank (it being understood that the provision of such cash equivalents or other liquid financial assets will be subject to mutually satisfactory additional definitive documentation between the Company and the Bank) as a result of a reduction by one or more rating agencies of the Bank's debt ratings or financial strength ratings or the occurrence of a similar event relating to the Bank's creditworthiness as a collateral substitute provider and the Company cannot, after using reasonable efforts for a period of five (5) Business Days, alter its collateral requirements with such intended beneficiaries to enable the Bank to deliver Letters of Credit (or cash equivalents or other liquid financial assets) to those intended beneficiaries requiring collateral from the Company who are otherwise willing to accept Letters of Credit (or cash equivalents or other liquid financial assets); provided that such reasonable efforts shall in no event require any payment to an intended beneficiary by the Company, then the Company, in its sole discretion, shall have the option to reduce the Maximum Amount to an amount not less than the amount of the LC Exposure at such time and shall not be obligated to pay the Termination Fee.

(g) The Company may terminate this Agreement at any time prior to the first Increase Date by giving the Bank one Business Day's prior notice of such termination and shall not be obligated to pay the Termination Fee or Unwind Costs.

Section 2.04. Reimbursement and Indemnity. (a) If the Bank shall make any LC Disbursement in respect of a Letter of Credit, the Company shall reimburse to the Bank the amount of such LC Disbursement on the Business Day following the date of such LC Disbursement, subject to Section 2.04(b).

(b) Unless the Company shall reimburse any LC Disbursement in full on the date on which such LC Disbursement is made, the unpaid principal amount of such LC Disbursement shall convert automatically into an LC Loan and shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Company repays such LC Loan in full, in accordance with Section 2.01; provided, however, that any LC Loan shall initially be a Base Rate Loan, and, immediately after the making of such Loan, shall be subject to conversion pursuant to Section 2.01(c).

(c) The reimbursement obligation of the Company shall be absolute, unconditional and irrevocable, and shall be paid and performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein; (ii) any draft or other document presented under a Letter of Credit being proved to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; (iii) payment by the Bank under a Letter of Credit against presentation of a draft or other document that fails to comply with the terms of such Letter of Credit; (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.04, constitute a legal or equitable discharge of, or provide a right of setoff against, the obligations of the Company hereunder; (v) the fact that a Default shall have occurred and be continuing; or (vi) any material adverse change in the business, property, results of operations, prospects or condition, financial or otherwise, of the Company. None of the Bank or any of its Affiliates shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Bank; provided, however, that the foregoing shall not be construed to excuse the Bank from liability to the Company to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Company to the extent permitted by applicable Requirements of Law) suffered by the Company that are caused by the Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence, bad faith or willful misconduct on the part of the Bank (as finally determined by a court of competent jurisdiction), the Bank shall be deemed to have exercised care in each such determination; provided, however, that the foregoing shall not be construed to excuse the Bank from liability to the Company to the extent of any direct damages (as opposed to consequential, special or punitive damages, claims in respect of which are hereby waived by the Company to the extent permitted by Requirements of Law) suffered by the Company that are caused by the Bank's gross negligence, bad faith or willful misconduct in determining whether drafts and other documents presented under the applicable Letter of Credit comply with the terms thereof. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(d) The Company agrees to protect, indemnify and hold harmless the Bank and its correspondents from and against all claims, actions, suits and other proceedings, and all actual loss, damages and reasonable and documented out of pocket costs (including fees and expenses of counsel) which the Bank or any of its correspondents may suffer or incur by reason of the issuance of any Letter of Credit, the use of any Letter of Credit or the proceeds thereof, or any act or omission in respect of any Letter of Credit; provided, however, that the Company shall not be required to indemnify the Bank or its Affiliates for any claim, damage, loss, liability, cost or expense to the extent, but only to the extent, caused by (A) the willful misconduct or gross negligence of the Bank in determining whether a request presented under any Letter of Credit complied with the terms of such Letter of Credit or (B) the Bank's failure to pay under any Letter of Credit after the presentation to it of a request strictly complying with the terms and conditions of such Letter of Credit.

(e) The Bank shall be under no obligation to issue any Letter of Credit if:

(i) the Interest Coverage Ratio as of the last day of the immediately preceding fiscal quarter was less than 3.00 to 1.0; or

(ii) there has been an announcement by the International Swaps and Derivatives Association, Inc ("ISDA") that the relevant Credit Derivatives Determinations Committee (or its successor) has determined that a Credit Event (defined as a "Failure to Pay" with respect to an Obligation of the Company described by the "Borrowed Money" "Obligation Category", as those terms are defined in the ISDA Credit Derivatives Definitions or a "Bankruptcy" "Credit Event" as those terms are defined in the ISDA Credit Derivatives Definitions) has occurred with respect to the Company (unless and until the ISDA Credit Determination Committee rescinds such determination, an "ISDA Credit Event"). For purposes hereof, "ISDA Credit Derivatives Definitions" means the 2003 ISDA Credit Derivatives Definitions, as supplemented by the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions, in each case, as published by ISDA; or

(iii) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Bank from issuing such Letter of Credit, or any Requirement of Law applicable to the Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Bank shall prohibit, or request that the Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Bank is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the Bank any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Bank in good faith deems material to it; or

(iv) the issuance of such Letter of Credit would violate one or more written policies of the Bank related generally to the Bank's letters of credit practices and procedures.

The Bank shall be under no obligation to amend or extend any Letter of Credit if (A) the Bank would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

Section 2.05. Fees, Costs and Expenses. The Company agrees to pay to the Bank the following fees:

(a) The Company agrees to pay the Bank on the first day of each January, April, July and October of each year, quarterly in arrears, the Ongoing Facility Fee of the Maximum Amount.

(b) The Company agrees to pay to the Bank its customary administrative charges disclosed in writing to the Company for the issuance, amendment, honoring or maintenance of letters of credit and to reimburse the Bank for all reasonable and documented out of pocket expenses incurred by it or any of its correspondents in connection with issuing or amending the Letter of Credit; including without limitation:

(i) a fee of $200.00 for each drawing under the Letter of Credit. The drawing fee for each drawing shall be payable together with the reimbursement for such drawing;

(ii) a fee of $1,000.00 for each transfer of the Letter of Credit, payable upon such transfer; and

(iii) a fee of $500.00 for each amendment of the Letter of Credit, payable on the date of such amendment.

(c) If for any reason, including without limitation due to demand or due to acceleration following the occurrence of an Event of Default, the principal of any Revolving Loan, or any portion thereof, is paid prior to the scheduled maturity date therefor, or if any Revolving Loan is not borrowed after notice thereof shall have been received by the Bank, the Company will reimburse the Bank, on demand, for any resulting actual loss (excluding any loss of anticipated profit) or reasonable and documented out of pocket expense incurred by the Bank, including without limitation any actual loss or reasonable and documented out of pocket expense incurred in obtaining, liquidating or employing deposits from third parties.

(d) The fees shall be computed on the basis of a year of 360 days, and shall be payable for the actual number of days to elapse, including the first day but excluding the last day. If on the effectiveness of any Increase Date the Ongoing Facility Fee differs from the Ongoing Facility Fee previously in effect, the Ongoing Facility Fee after the Increase Date shall be calculated as provided in Annex A hereto. Overdue payments of principal, interest and other amounts payable hereunder shall bear interest, payable on demand, at a rate for each day equal to the Funded Rate for such day plus two percent (2%).

Section 2.06. Increased Costs; Reduced Return. (a) If after the date hereof the adoption of any law, rule, or regulation, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof or compliance by the Bank with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency (i) subjects the Bank to any charge with respect to the Commitment or any Letter of Credit or changes the basis of taxation of payments to the Bank hereunder (except for changes in the rate of tax on the overall net income of the Bank) or (ii) imposes, modifies or makes applicable any reserve, special deposit, deposit insurance assessment or similar requirement against letters of credit issued by the Bank, and the result of any of the foregoing is to increase the cost to the Bank of issuing or maintaining the Commitment or any Letter of Credit or to reduce any amount received or receivable by the Bank hereunder, then upon demand by the Bank, the Company shall pay to the Bank such additional amount or amounts as will compensate the Bank for such increased cost or reduction; provided, however, that the Bank shall not be entitled to demand such compensation more than 180 days following the last day of the Interest Period in respect of which such demand is made with respect to a Loan or more than 180 days following the expiration or termination (by a drawing or otherwise) of a Letter of Credit in respect of which such demand is made; provided, further, that the foregoing proviso shall in no way limit the right of the Bank 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 180 days after the implementation of such retroactive law, interpretation, guideline or request.

(b) If the adoption after the date hereof of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or other agency, has or would have the effect of reducing the rate of return on the Bank's capital as a consequence of its obligations under any Letter of Credit to a level below that which the Bank could have achieved but for such adoption, change or compliance by an amount deemed by the Bank to be material, the Company shall pay to the Bank, on demand, such additional amount or amounts as will compensate the Bank for such

reduction; provided, however, that the Bank shall not be entitled to demand such compensation more than one year following the payment to or for the account of Bank of all other amounts payable hereunder by the Company and the termination of the Commitment; provided, further, that the foregoing proviso shall in no way limit the right of the Bank to demand or receive such compensation to the extent that such compensation relates to the retroactive application of any applicable law, rule or regulation described above if such demand is made within one year after the implementation of such retroactive law, interpretation, guideline or request.

(c) A certificate of the Bank as to the additional amount or amounts payable to it under this Section shall be conclusive absent manifest error.

(d) Bank 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 Bank, be otherwise disadvantageous to Bank.

Section 2.07. Payments and Computations. (a) The Company shall make or cause to be made each payment hereunder in lawful money of the United States of America by wire transfer of immediately available funds to the Administrative Agent for the account of the Bank at UBS AG, Stamford Branch, Stamford CT, ABA: 026 007 993, Acct Name: BPS Loan Finance Account, Acct # WA-894001-001, Ref.:Exelon, or at such other address as the Administrative Agent may designate from time to time pursuant to a written notice delivered to the Company.

(b) Any payments of fees, commission or other amount not paid when due hereunder shall bear interest, payable on demand, for each day until payment in full at a rate per annum equal to the sum the Adjusted LIBOR Rate plus two percent (2%). All computations of interest and fees shall be made on the basis of a year of 360 days, for the actual number of days elapsed (including the first day but excluding the last day). Notwithstanding anything to the contrary set forth herein, interest shall in no event accrue hereunder at a rate in excess of the maximum rate permitted under applicable law.

(c) All payments under this Agreement by the Company will be payable to the Bank free and clear of any and all present and future United States Federal, state and local taxes, levies, imposts, duties, deductions, withholdings, fees, liabilities and similar charges other than those imposed on the overall net income of the Bank or Bank's failure to satisfy the applicable requirements as set forth in any statute enacted (or regulation or administrative guidance promulgated thereunder) after the date hereof that is based on, or similar to, Subtitle A - Foreign Account Tax Compliance of H.R. 2847, as passed by the United States House of Representatives on March 4, 2010 ("Taxes"). If any Taxes are required to be withheld or deducted from any amount payable under this Agreement, then the amount payable under this Agreement will be increased to the amount which, after deduction from such increased amount of all Taxes required to be withheld or deducted therefrom, will yield to the Bank the amount stated to be payable under this Agreement, and the Company will promptly provide to the Bank tax receipts evidencing the payment of such Taxes. If any of the Taxes specified in this subsection (c) are paid by the Bank, the Company will, upon demand of the Bank, reimburse the Bank for such payments, together with any interest and penalties which may be imposed by the governmental agency or taxing authority. If any Taxes for which the Bank has received payment from the Company hereunder shall be finally determined to have been incorrectly or illegally asserted and are refunded to the Bank, the Bank shall promptly forward to the Company any such refunded amount.

(d) If the Bank is organized under the laws of a jurisdiction other than the United States, any State thereof or the District of Columbia (a "Non-U.S. Payee") it shall deliver to the

Company two copies of either United States Internal Revenue Service Form W-8BEN or Form W-8ECI, or applicable successor forms, properly completed and duly executed by such Non-U.S. Payee claiming complete exemption from, or reduced rate of, United States Federal withholding tax on payments by the Company under this Agreement. Such forms shall be delivered by each Non-U.S. Payee on or before the date it becomes a party to this Agreement (or, in the case of a Bank that becomes a party to this Agreement pursuant to an Assignment and Acceptance (a "Transferee"), on or prior to the effective date of such Assignment and Acceptance) and on or before the date, if any, such Non-U.S. Payee changes its Applicable Lending Office by designating a different lending office (a "New Lending Office"). In addition, each Non-U.S. Payee shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Payee. Notwithstanding any other provision of this Section 2.07(d), a Non-U.S. Payee shall not be required to deliver any form pursuant to this Section 2.07(d) that such Non-U.S. Payee is not legally able to deliver.

(e) The Company shall not be required to indemnify any Non-U.S. Payee, or to pay any additional amounts to any Non-U.S. Payee, in respect of United States Federal, state or local withholding tax pursuant to subsection (a) or (c) above to the extent that (i) the obligation to withhold amounts with respect to United States Federal, state or local withholding tax existed on the date such Non-U.S. Payee became a party to this Agreement (or, in the case of a Transferee, on the effective date of the Assignment and Acceptance pursuant to which such Transferee acquired the rights and obligations of the Bank hereunder) or, with respect to payments to a New Lending Office, the date such Non-U.S. Payee designated such New Lending Office with respect to an Extension of Credit; provided, however, that this clause (i) shall not apply to any person that becomes an assignee of the Bank or New Lending Office that becomes a New Lending Office as a result of an assignment or designation made at the request of the Company; and provided, further, however, that this clause (i) shall not apply to the extent the indemnity payment or additional amounts the Bank, the Administrative Agent or the Bank through a New Lending Office would be entitled to receive (without regard to this clause (i)) do not exceed the indemnity payment or additional amounts that the person making the assignment or transfer to th Bank, the Administrative Agent or such Bank making the designation of such New Lending Office would have been entitled to receive in the absence of such assignment, transfer or designation or (ii) the obligation to pay such additional amounts or such indemnity payments would not have arisen but for a failure by such Non-U.S. Payee to comply with the provisions of subsection (d) above or (f) below.

(f) If the Bank claims any payment or additional amounts payable pursuant to this Section 2.07, it shall use reasonable efforts (consistent with legal and regulatory restrictions) to file any certificate or document reasonably requested in writing by the Company or to change the jurisdiction of its Applicable Lending Office if the making of such a filing or change would avoid the need for or reduce the amount of any such indemnity payment or additional amounts that may thereafter accrue and would not, in the good faith determination of the Bank be otherwise disadvantageous to such person. If the Bank claims any additional amount payable pursuant to this Section 2.07, it shall, upon request of the Company, use reasonable efforts (consistent with legal and regulatory restrictions) to obtain a refund of any Tax giving rise to such additional amount payable and shall pay any refund (after deduction of any Tax paid or payable by the Bank as a result of such refund), not exceeding the increased amount paid by the Company pursuant to this Section 2.07, to the Company; provided, however, that (i) the Bank shall not be obligated to disclose to the Company any information regarding its tax affairs or computations except as necessary to verify any amount the Bank claims to be due from the Company under this Agreement and (ii) nothing in this Section 2.07(f) shall interfere with the right of the Bank to arrange its tax affairs as it deems appropriate.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Section 3.01. Representations and Warranties of the Company. The Company represents and warrants to the Bank (only as and when required or deemed made under Sections 2.03(b), 2.03(c), 4.01 or 4.03) as follows:

(a) The Company is a limited liability company (or, after a transaction contemplated by Section 5.02(b)(iii), a corporation) duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania.

(b) The execution, delivery and performance by the Company of this Agreement are within the Company's organizational powers, have been duly authorized by all necessary organizational action on the part of the Company, and do not and will not contravene (i) the organizational documents of the Company, (ii) applicable law or (iii) any contractual or legal restriction binding on or affecting the properties of the Company or any Subsidiary.

(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 the Company of this Agreement, except any order that has been duly obtained and is (i) in full force and effect and (ii) sufficient for the purposes hereof.

(d) This Agreement is a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its 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)The consolidated balance sheet of the Company and its Subsidiaries as at December 31, 2009 and the related consolidated statements of income, retained earnings and cash flows of the Company and its Subsidiaries for the fiscal year then ended, certified by Pricewaterhouse Coopers LLP, and the unaudited consolidated balance sheet of the Company and its Subsidiaries as of September 30, 2010, and the related unaudited statement of income for the nine-month period then ended, copies of which have been furnished to the Administrative Agent, fairly present in all material respects (subject, in the case of such balance sheet and statement of income for the period ended September 30, 2010] to year-end adjustments) the consolidated financial condition of the Company and its Subsidiaries as at such dates and the consolidated results of the operations of the Company and its Subsidiaries for the periods ended on such dates in accordance with GAAP; and (ii) since December 31, 2009, there has been no Material Adverse Change.

(f) Except as disclosed in the Company's Annual, Quarterly or Current Reports, each as filed with the Securities and Exchange Commission and delivered to the Administrative Agent prior to the Effective Date, there is no pending or threatened action, investigation or proceeding affecting the Company or any Subsidiary before any court, governmental agency or arbitrator that may reasonably be anticipated to have a Material Adverse Effect. There is no pending or threatened action or proceeding against the Company or any Subsidiary that purports to affect the legality, validity, binding effect or enforceability against the Company of this Agreement.

(g) No proceeds of any Loan 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) The Company 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 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 the Company and its Subsidiaries is represented by margin stock.

(i) The Company is not required to register as an "investment company" under the Investment Company Act of 1940.

(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 Credit Extension, no steps have been taken to terminate any Plan (excluding any termination arising out of the institution by or against any ComEd Entity or PECO Entity of any bankruptcy, insolvency or similar proceeding so long as such termination will not constitute an Event of Default or Default under Section 6.01(a)(ix)), and there is no "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA) 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 the Company or any other member of the Controlled Group of any material liability (other than to make contributions, pay annual PBGC premiums or pay out benefits in the ordinary course of business), fine or penalty (excluding any condition, event or transaction arising out of the institution by or against any ComEd Entity or PECO Entity of any bankruptcy, insolvency or similar proceeding so long as such condition, event or transaction does not constitute an Event of Default or Default under Section 6.01(a)(ix)).

(k) The annual, quarterly and other periodic and current reports filed by the Company with the Securities and Exchange Commission under the Exchange Act (as filed, amended and supplemented from time to time) do not, when taken as a whole, contain an untrue statement of a material fact and do not omit, when taken as a whole, to state a material fact necessary in order to make the statements therein, taken as a whole, in light of the circumstances under which they were made, not materially misleading.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.01 Conditions to Closing. This Agreement shall become effective subject to the prior or concurrent satisfaction of each of the conditions precedent set forth in this Section 4.01:

(a) Documents. All legal matters incident to this Agreement and the Credit Extensions hereunder shall be satisfactory to the Administrative Agent and there shall have been delivered to the Administrative Agent an executed counterpart of this Agreement.

(b) Corporate Documents. The Administrative Agent shall have received:

(i) a certificate of the secretary or assistant secretary of the Company dated the Closing Date, certifying (A) that attached thereto is a true and complete copy of each Organizational Document of the Company certified (to the extent applicable) as of a recent date by the Secretary of State, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the managing member of the Company authorizing the execution, delivery and performance of this Agreement by the Company and the

Extensions of Credit hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect and (C) as to the incumbency and specimen signature of each officer executing this Agreement or any other document delivered in connection herewith on behalf of the Company (together with a certificate of another officer as to the incumbency and specimen signature of the secretary or assistant secretary executing the certificate in this clause (i));

(ii) a certificate as to the good standing of the Company (in so-called "long-form" if available) as of a recent date (but no more than 60 days prior to the date hereof), issued by the secretary of state;

(iii) certified copies of all documents evidencing other necessary corporate action and governmental approvals with respect to the execution, delivery and performance by the Company of the Loan Documents; and

(iv) such other documents as the Administrative Agent may reasonably request in writing.

(c) Officer's Certificate. The Administrative Agent shall have received a certificate, dated the Closing Date and signed by the chief financial officer of the Company, certifying that (i) no Default has occurred and is continuing on such date and that (ii) each of the representations and warranties made by the Company set forth in Section 3.01 is true and correct on and as of such date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date.

(d) Opinions of Counsel. The Administrative Agent shall have received a favorable written opinion from, Ballard Spahr LLP, special counsel for the Company, in the form of Exhibit D.

(e) Fees. The Bank shall have received all fees and other amounts due and payable on or prior to the Closing Date.

(f) USA Patriot Act. The Administrative Agent shall have received, sufficiently in advance of the Closing Date, all documentation and other information that may be required by the Bank in order to enable compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the United States PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act") including the information described in Section 8.10.

Section 4.02. Conditions to Initial Credit Extension. The obligation of the Bank to make the initial Credit Extension requested to be made by it shall be subject to the prior or concurrent satisfaction of each of the conditions precedent set forth in Section 4.01 and the condition set forth in this Section 4.02 has been satisfied or waived by the Bank.

(a) The Maximum Amount shall have been increased to an amount not less than $250,000,000 in accordance with Section 2.03.

Section 4.03 Conditions to All Credit Extensions. The obligation of the Bank to make any Credit Extension (including the initial Credit Extension) shall be subject to, and to the satisfaction of, each of the conditions precedent set forth below; provided, however, that the conditions contained in Section 4.03(c) shall not apply upon the automatic or evergreen renewal or extension of a Letter of Credit.

(a) Notice. The Administrative Agent, for the account of the Bank, shall have received a request for a Revolving Loan as required or an LC Request as required by Section 2.02(b).

(b) No Default. At the time of and immediately after giving effect to such Credit Extension and the application of the proceeds thereof, no Default or Event of Default shall have occurred and be continuing on such date.

(c) Representations and Warranties. Each of the representations and warranties made by the Company in Section 3.01 (other than subsection (e) and the first sentence of subsection (f)) shall be true and correct in all material respects (except that any representation and warranty that is qualified as to "materiality" shall be true and correct in all respects) on and as of the date of such Credit Extension with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date.

(d) No Legal Bar. No order, judgment or decree of any Governmental Authority shall purport to restrain the Bank from issuing any Letter of Credit. No injunction or other restraining order shall have been issued, shall be pending or noticed with respect to any action, suit or proceeding seeking to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated by this Agreement or the making of Credit Extensions hereunder.

Each of the delivery of an LC Request and the acceptance by the Company of the proceeds of such Credit Extension shall constitute a representation and warranty by the Company that on the date of such Credit Extension (both immediately before and after giving effect to such Credit Extension and the application of the proceeds thereof) the conditions contained in Sections 4.03(b) and (c) have been satisfied, except as otherwise provided above in the case of an automatic or evergreen renewal or extension of a Letter of Credit.

ARTICLE V

COVENANTS

Section 5.01 Affirmative Covenants of the Company. The Company covenants and agrees that, until the latest to occur of the termination of the Commitment, the performance of all obligations hereunder (other than contingent indemnity obligations), the expiry or termination of all Letters of Credit and the payment of all amounts payable hereunder, it will and, will cause each Principal Subsidiary to:

(i) keep proper books of record and account, all in accordance with GAAP, consistently applied;

(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) 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 a Material Adverse Effect;

(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 the Company and its Principal Subsidiaries operate;

(vi) at any reasonable time and from time to time, pursuant to prior notice delivered to the Company, permit the Bank, or any agent or representative thereof, to examine and, at the Bank's expense, make copies of, and abstracts from the records and books of account of, and visit the properties of, the Company and any Principal Subsidiary and to discuss the affairs, finances and accounts of the Company and any Principal Subsidiary with any of their respective officers; provided that any non-public information (which has been identified as such by the Company or the applicable Principal Subsidiary) obtained by the Bank or any of its agents or representatives pursuant to this clause (vi) shall be treated confidentially by such Person; provided, further, that such Person may disclose such information to (A) any other party to this Agreement, its examiners, Affiliates, outside auditors, counsel or other professional advisors in connection with this Agreement or (B) if otherwise required to do so by law or regulatory process (it being understood that, unless prevented from doing so by any applicable law or governmental authority, such Person shall use reasonable efforts to notify the Company of any demand or request for any such information promptly upon receipt thereof so that the Company may seek a protective order or take other appropriate action);

(vii) use the Credit Extensions for general limited liability company or corporate purposes; and

(viii) pay, prior to delinquency, all of its federal income taxes and other material taxes and governmental charges, except to the extent that (a) such taxes or charges are being contested in good faith and by proper proceedings and against which adequate reserves are being maintained or (b) failure to pay such taxes or charges would not reasonably be expected to have a Material Adverse Effect.

Section 5.02. Negative Covenants of the Company. The Company covenants and agrees that, until the latest to occur of the termination of the Commitments, the performance of all obligations hereunder (other than contingent indemnity obligations), the expiry or termination of all Letters of Credit, , and the payment of all amounts payable hereunder, it will not, and will not permit any Principal Subsidiary to:

(a) Limitation on Liens. Create, incur, assume or suffer to exist any Lien on its 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 Subsidiary 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 property at the time of the acquisition thereof (other than any such Lien created in contemplation of such acquisition unless permitted by the preceding clause (iii)); (v) 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; (vi) Liens arising in connection with sales or transfers of, or financing secured by, accounts receivable or related contracts, provided that any such sale, transfer or financing shall be on arms' length terms; (vii) Liens securing Permitted Obligations; (viii) Permitted Encumbrances; (ix) Liens arising in connection with sale and leaseback transactions entered into by the Company, but only to the

extent that the aggregate purchase price of all assets sold by the Company during the term of this Agreement pursuant to such sale and leaseback transactions does not exceed $1,000,000,000; and (x) Liens, other than those described in clauses (i) through (ix) of this Section 5.02(a), granted by the Company in the ordinary course of business securing Debt of the Company, provided that the aggregate amount of all Debt secured by Liens permitted by this clause (x) shall not exceed in the aggregate at any one time outstanding $100,000,000.

(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 Principal Subsidiary may merge with or into or consolidate with or transfer assets to any other Principal Subsidiary, (ii) any Principal Subsidiary may merge with or into or consolidate with or transfer assets to the Company, (iii) the Company may merge or consolidate with or into a Subsidiary formed for the purpose of converting the Company into a corporation and (iv) the Company or any Principal Subsidiary may merge with or into or consolidate with or transfer assets to any other Person; provided, however, that, in each case, immediately before and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing and (A) in the case of any such merger, consolidation or transfer of assets to which the Company is a party, either (x) the Company shall be the surviving entity or (y) the surviving entity shall be an Eligible Successor and shall have assumed all of the obligations of the Company under this Agreement and the Letters of Credit pursuant to a written instrument in form and substance satisfactory to the Administrative Agent and the Administrative Agent shall have received an opinion of counsel in form and substance satisfactory to it as to the enforceability of such obligations assumed and (B) subject to clause (A) above, in the case of any such merger, consolidation or transfer of assets to which any Principal Subsidiary is a party, a Principal Subsidiary shall be the surviving entity.

(c) Continuation of Businesses. Engage, or permit any Subsidiary to engage, in any line of business which is material to the Company and its Subsidiaries, taken as a whole, other than businesses engaged in by the Company and its Subsidiaries as of the date hereof and reasonable extensions thereof.

Section 5.03. Reporting Requirements. The Company covenants and agrees that, until the latest to occur of the termination of the Commitment, the performance of all obligations hereunder (other than contingent indemnity obligations), the expiry or termination of all Letters of Credit and the payment of all amounts payable hereunder, it will furnish to the Bank:

(i) as soon as possible, and in any event within five Business Days after the occurrence of any Default or Event of Default with respect to the Company continuing on the date of such statement, a statement of an authorized officer of the Company setting forth details of such Default or Event of Default and the action which the Company 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 the Company, a copy of the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission with respect to such quarter (or, if the Company is not required to file a Quarterly Report on Form 10-Q, copies of an unaudited consolidated balance sheet of the Company as of the end of such quarter and the related consolidated statement of income of the Company for the portion of the Company's fiscal year ending on the last day of such quarter, in each case prepared in accordance with GAAP, subject to the absence of footnotes and to year-end adjustments);

(iii) as soon as available and in any event within 105 days after the end of each fiscal year of the Company, a copy of the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission with respect to such fiscal year (or, if the Company is not required to file an Annual Report on Form 10-K, the consolidated balance sheet of the Company

and its subsidiaries as of the last day of such fiscal year and the related consolidated statements of income, retained earnings (if applicable) and cash flows of the Company for such fiscal year, certified by Pricewaterhouse Coopers LLP or other certified public accountants of recognized national standing);

(iv) concurrently with the delivery of the quarterly and annual reports referred to in Sections 5.03(b)(ii) and 5.03(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 the Company, stating that no Default or Event of Default has occurred and is continuing or, if any such Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and the action which the Company proposes to take with respect thereto;

(v) except as otherwise provided in clause (ii) or (iii) above, promptly after the sending or filing thereof, copies of all reports that the Company 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 the Company or any Subsidiary 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 purchase, benefit or dividend reinvestment plans of the Company or a Subsidiary);

(vi) promptly upon becoming aware of the institution of any steps by the Company 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 the Company 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 the Company or any other member of the Controlled Group of any material liability, fine or penalty, notice thereof and a statement as to the action the Company 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; and

(viii) such other information respecting the condition, operations, business or prospects, financial or otherwise, of the Company or any Subsidiary as the Bank, may from time to time reasonably request (including any information that the Bank reasonably requests in order to comply with its obligations under any "know your customer" or anti-money laundering laws or regulations).

The Company may provide information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to this Section 5.03 and all other notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any communication that (i) relates to a request for a Credit Extension, (ii) relates to the payment of any amount due under this Agreement prior to the scheduled date therefor or any reduction of the Commitments, (iii) provides notice of any Event of Default, or (iv) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement or any Credit Extension hereunder (any non-excluded communication described above, a "Communication"), electronically (including by posting such documents, or providing a link thereto, on Exelon's Internet website). Notwithstanding the foregoing, the Company agrees that, to the extent requested by the Administrative Agent, it will continue to provide "hard copies" of Communications to the Administrative Agent, as applicable.

ARTICLE VI

EVENTS OF DEFAULT

Section 6.01. Events of Default. (a) The following events which shall occur and be continuing shall be Events of Default hereunder:

(i) the principal amount of any Revolving Loan shall not be paid when due, any amount drawn under any Letter of Credit shall not be reimbursed when required, including any principal amount in respect of any Loan when due (for the avoidance of doubt, the conversion of the principal amount of an LC Disbursement into a LC Loan pursuant to and in accordance with Section 2.04(b) shall not constitute a default in the payment of the reimbursement amount with respect to such LC Disbursement); or

(ii) any interest, fees or other amount (not described in clause (i) above) payable by the Company under this Agreement shall not be paid within ten Business Days after such interest, fees or other amounts described in this clause (ii) shall have become due; or

(iii) The Company or any Principal Subsidiary shall fail to pay any principal of or premium or interest on any Debt that is outstanding in a principal amount in excess of $100,000,000 in the aggregate (but excluding Debt hereunder and Nonrecourse Indebtedness) 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 the Company or a Principal Subsidiary 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; or

(iv) the Company or any Principal Subsidiary of the Company shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay, or shall admit in writing its inability to pay, its debts as they become due, or shall take any corporate action to authorize any of the foregoing; or

(v) an involuntary case or other proceeding shall be commenced against the Company or any Principal Subsidiary seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Company or any Principal Subsidiary under the Bankruptcy Code; or

(vi) any representation or warranty or written statement made by the Company (or any of its officers) in this Agreement or in any schedule, certificate or other document delivered pursuant to or in connection with this Agreement shall prove to have been incorrect in any material respect when made; or

(vii) the Company shall (A) fail to perform or observe the covenants set forth in Section 5.02 or 5.03(i); or (B) the Company shall fail to perform or observe any other term, covenant or agreement contained herein on its part to be performed or observed and any such failure shall remain unremedied for 30 days after written notice thereof given by the Administrative Agent or the Bank to the Company (and, in all cases set forth herein, if such notice was given by the Bank, to the Administrative Agent); or

(viii) one or more judgments or orders for the payment of money in an aggregate amount exceeding $100,000,000 (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 the Company or any Principal Subsidiary and either (A) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (B) 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

(ix) (A) any Reportable Event that the Bank determines in good faith is reasonably likely to result in the termination of any Plan or in the appointment by the appropriate United States District Court of a trustee to administer a Plan shall have occurred and be continuing 60 days after written notice to such effect shall have been given to the Company by the Administrative Agent or the Bank; (B) any Plan shall be terminated; (C) a Trustee shall be appointed by an appropriate United States District Court to administer any Plan; (D) the PBGC shall institute proceedings to terminate any Plan or to appoint a trustee to administer any Plan; or (E) the Company or any other member of the Controlled Group withdraws from any Multiemployer Plan; provided that on the date of any event described in clauses (A) through (E) above, the Unfunded Liabilities of the applicable Plan exceed $100,000,000; and provided, further, that no event described in this Section 6.01(a)(ix) that arises out of the institution by or against any ComEd Entity or PECO Entity of any bankruptcy, insolvency or similar proceeding shall constitute an Event of Default unless 15 days shall have elapsed after the Bank has reasonably determined, and notified the Company in writing, that such event has had or is reasonably likely to have a Material Adverse Effect (disregarding, solely for purposes of this Section 6.01(a)(ix), subclause (b) of the proviso to clause (i) of the definition of Material Adverse Effect); or

(x) Exelon shall fail to own, directly or indirectly, free and clear of all Liens, 100% of the equity interests of the Company; provided that Exelon may distribute the membership interests (or, after a transaction contemplated by Section 5.02(b)(ii), the capital stock) of the Company to its shareholders so long as at the time of such distribution (and after giving effect thereto), (A) no Default or Event of Default exists, and (B) the Moody's Rating and S&P Rating will be at least Baa3 and BBB-, respectively; or

(xi) A Change in Control shall occur;

(b) If an Event of Default occurs and is continuing, (i) the Administrative Agent, for the account of the Bank may by notice to the Company declare the Commitment terminated and the Loans (together with accrued interest thereon) to be, and they shall thereupon become, immediately due without presentment, demand or other notice, all of which are hereby waived by the Company (provided that, in the case of an Event of Default referred to in Section 6.01(a)(iv) with respect to the Company, the same shall occur with respect to the Commitment

and all Loans automatically without any notice or any other act by the Bank or any other person), and/or (ii) the Administrative Agent, for the account of the Bank, may exercise any other rights or remedies it may have under this Agreement and take such other action as may be permitted at law or in equity.

ARTICLE VII

ADMINISTRATIVE AGENT

Section 7.01. Administrative Agent. The Bank hereby irrevocably appoints UBS AG, Stamford Branch, to act on its behalf as the Administrative Agent hereunder and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. The Administrative Agent shall not be liable for any action taken or not taken by it (a) with the consent or at the request of the Bank, or as the Administrative Agent shall believe in good faith shall be necessary, or (b) in the absence of its own gross negligence, bad faith or willful misconduct. The Administrative Agent shall not be deemed to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Company or the Bank.

Section 7.02. ISDA Notice. The parties hereto hereby authorize the Administrative Agent to deliver a notice to any beneficiary of a Letter of Credit issued hereunder should an announcement be made by ISDA that the relevant Credit Derivatives Determinations Committee (or its successor) has determined that an ISDA Credit Event has occurred with respect to the Company.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Amendments and Waivers. No failure or delay on the part of the Bank or the Administrative Agent in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power preclude any other or further exercise thereof or the exercise of any other right or power hereunder. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Company herefrom shall in any event be effective unless the same shall be in writing and signed by the Bank and the Company, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that if any such amendment or waiver or consent purports to affect any right or obligation of the Administrative Agent, such amendment, waiver or consent shall not be effective unless such amendment, waiver or consent is also signed by the Administrative Agent. No notice to or demand on the Company in any case shall, of itself, entitle the Company to any other or further notice or demand in similar or other circumstances.

Section 8.02. Notices. Any communication, demand, or notice to be given hereunder will be duly given and deemed to have been received when actually delivered (or 72 hours after having been deposited in the mails with first class postage prepaid) to such party at the address specified below (or at such other address as such party shall specify to the other parties in writing) including delivery by any telecommunication device capable of transmitting or creating a written record or electronic mail.

(a) If to the Company, Exelon Generation Company, LLC
10 South Dearborn Street

Chicago, Illinois 60603
Attention: Treasurer
Telecopier No.: (312) 394-4082

With a copy to:

Exelon Corporation
10 South Dearborn Street
Chicago, Illinois 60603
Attention: General Counsel
Telecopier No.: (312) 394-4462

(b) If to the Administrative Agent, 677 Washington Blvd.
Stamford, Connecticut 06901
Attention: Banking Products/ Denise Bushee
Telecopier No.: 203-719-3888

(c) If to the Bank, 677 Washington Blvd.
Stamford, Connecticut 06901
Attention: Banking Products/ Denise Bushee
Telecopier No.: 203-719-3888

The Bank and the Administrative Agent may (but shall not be required to) accept and act upon oral, telephonic, faxed or other forms of notices or instructions hereunder that such Party believes in good faith to have been given by a person authorized to do so on behalf of the Company. The Bank and the Administrative Agent shall be fully protected and held harmless by the Company, and shall have no liability for acting on any such notice or instruction that such Party believes in good faith to have been given by a person authorized to do so on behalf of the Company.

Section 8.03. Set-off. If an Event of Default shall have occurred and be continuing and the Administrative Agent shall have declared the obligations due and payable hereunder, the Bank (or the Administrative Agent on its behalf) is hereby authorized to set-off against any amounts standing to the credit of the Company (including any of its offices or divisions) on the books of any office the Parent Company or any of its Affiliates in any demand deposit or other account maintained with such office.

Section 8.04 Successors and Assigns. This Agreement shall inure to the benefit of, and shall be enforceable by, the Bank and the Administrative Agent and their respective successors and assigns. The Bank may assign any of its rights and/or obligations hereunder, including any Loan, to any other office or affiliate of the Bank or with the prior written consent of the Company (which consent shall not unreasonably be withheld, it being deemed reasonable for the Company to withhold its consent with respect to any requested assignment by the Bank to a party with a credit rating of less than Aa3 as published as of such date by Moody's) to any third party; provided, however, that from and after the occurrence of an Event of Default, the Bank may assign any of its rights and/or obligations hereunder, including any Loan, without the consent of the Company. The Bank may assign any of its rights hereunder, including any Loan, or any portion thereof to any Federal Reserve Bank. The Company may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior, written consent of the Bank, and any purported assignment without such consent shall be void.

Section 8.05. Costs, Expenses and Taxes. The Company agrees to pay all reasonable and documented out of pocket costs and expenses of the Bank and the Administrative Agent, including reasonable fees and expenses of counsel, in connection with the enforcement against it of this Agreement and the protection of the rights of the Administrative

Agent or the Bank hereunder, including any bankruptcy, insolvency, enforcement proceedings or restructuring with respect to the Company. In addition, the Company shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement and any Letter of Credit, and agrees to save the Bank and the Administrative Agent harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees.

Section 8.06. Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA (WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES); PROVIDED THAT THE LETTERS OF CREDIT SHALL BE SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS ISSUED BY THE INTERNATIONAL CHAMBER OF COMMERCE, AS AMENDED FROM TIME TO TIME, THE PROVISIONS OF WHICH SHALL CONTROL TO THE EXTENT OF ANY CONFLICT.** Each of the Company, the Bank and the Administrative Agent hereby irrevocably submits to the non-exclusive jurisdiction of any U.S. federal or state court in the Commonwealth of Pennsylvania for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Agreement, or the Letter of Credit. Any process in any such action shall be duly served if mailed by registered mail, postage prepaid, to the Company, the Bank or the Administrative Agent at its address designated pursuant to Section 8.02.

Section 8.07. Amendments to Financial Conditions. The Parties agree that should the financial covenant contained in Section 5.02(c) of that certain Credit Agreement dated as of October 26, 2006, among the Company, as Borrower, Various Financial Institutions, as Lenders, JPMorgan Chase Bank, N.A., as Administrative Agent, Barclays Bank PLC and Wachovia Bank, National Association, as Co-Syndication Agents, and Mizuho Corporate Bank, Ltd. and ABN AMRO Bank N.V., as Co-Documentation Agents or any similar covenant in any successor agreement or extension, renewal or refinancing thereof (the "Reference Covenant") be amended, restated or revised in any way or replaced after the date hereof then the Parties shall negotiate in good faith to revise the condition set forth in Section 2.04(e)(i) hereof in a manner consistent with such revised Reference Covenant and taking into account any other changes made to the agreement in which the revised Reference Covenant is contained (the "Reference Agreement"). Without limiting the generality of the foregoing, the Parties acknowledge that it is their intention that the condition set forth in Section 2.04(e)(i) shall be no more restrictive to the Company than the Reference Covenant as of the date hereof (or as the Reference Covenant may be subsequently amended, restated, revised or replaced from time to time) assuming the provisions of the Reference Agreement and this Agreement are substantially similar in all other respects relevant to the basis and purposes of the Reference Covenant and Section 2.04(e)(i) of this Agreement.

Section 8.08. Counterparts; Integration; Effectiveness. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all signatures thereon were upon the same instrument. This Agreement, and any Letter of Credit issued pursuant to this Agreement constitute the entire agreement and understanding between the Parties with respect to the subject matter hereof, and supersedes any prior agreements and understandings with respect thereto. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Bank and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 8.09. **WAIVER OF JURY TRIAL. EACH OF THE COMPANY, THE BANK AND THE ADMINISTRATIVE AGENT HEREBY IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

Section 8.10 PATRIOT ACT. The Bank hereby notifies the Company that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Company, which information includes the name and address of the Company and other information that will allow the Bank to identify the Company in accordance with the Patriot Act.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

EXELON GENERATION COMPANY, LLC

By ______________________________
Title:

UBS AG, STAMFORD BRANCH, as the Bank and as the Administrative Agent

By ______________________________
Title:

By ______________________________
Title:

ANNEX A

Maximum Amount Increase	Stated Maturity Date with respect to Maximum Amount increase	Maximum Amount (after giving effect to Maximum Amount Increase)	Effective Date of Maximum Amount Increase	Ongoing Facility Fee (% p.a.)	Ongoing Facility Fee (after giving effect to Maximum Amount Increase)/Make Whole Premium

Maximum Amount Availability Schedule after giving effect to the Maximum Amount Increase

Maximum Amount in effect	Until this Stated Maturity Date

Confirmed as of the effective date provided above:

EXELON GENERATION COMPANY, LLC

By ______________________________
Name:
Title:

UBS AG, STAMFORD BRANCH

By ______________________________
Name:
Title:

By ______________________________
Name:
Title:

EXHIBIT A

DATE: __________

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: __________

BENEFICIARY
(COMPANY NAME)
(ADDRESS)
(ADDRESS)
(CITY, STATE, ZIP)
ATTN.: ____________________

APPLICANT
(COMPANY NAME)
(ADDRESS)
(ADDRESS)
(CITY, STATE, ZIP)

AMOUNT
USD ____________________
____________________ AND 00/100'S US DOLLARS

EXPIRATION
____________________ AT OUR COUNTERS

WE HEREBY ISSUE OUR IRREVOCABLE STANDY LETTER OF CREDIT NUMBER ______, IN FAVOR OF ____________________ ("BENEFICIARY"), BY ORDER AND FOR THE ACCOUNT OF ____________________ AVAILABLE FOR PAYMENT AT SIGHT AT THE COUNTERS OF ____________________ FOR US$______(__________ DOLLARS) AGAINST PRESENTATION TO US OF ANY OF THE FOLLOWING STATEMENTS (WITH BRACKETED LANGUAGE AND BLANKS APPROPRIATELY COMPLETED OR DELETED), DATED AND SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF THE BENEFICIARY AND IDENTIFYING BY REFERENCE NO. THIS LETTER OF CREDIT SUBSTANTIALLY IN THE FORM OF EXHIBIT A HERETO:

1. "AN EVENT OF DEFAULT (AS DEFINED IN THE MASTER PURCHASE AND SALE AGREEMENT DATED AS OF __________ BETWEEN BENEFICIARY OF LETTER OF CREDIT NO. __________ ("BENEFICIARY") AND APPLICANT (AS THE SAME MAY BE AMENDED, THE "MASTER AGREEMENT")) HAS OCCURRED AND IS CONTINUING UNDER THE MASTER AGREEMENT WITH RESPECT TO THE APPLICANT AND NO EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING UNDER THE MASTER AGREEMENT WITH RESPECT TO BENEFICIARY. THE UNDERSIGNED DOES HEREBY DEMAND PAYMENT OF [$______][THE ENTIRE UNDRAWN AMOUNT OF THE LETTER OF CREDIT]. PAYMENT SHOULD BE REMITTED TO ____________________ ____________________. THE UNDERSIGNED IS A DULY AUTHORIZED REPRESENTATIVE OF THE BENEFICIARY, AND IS AUTHORIZED TO EXECUTE AND DELIVER THIS CERTIFICATE TO THE BANK;" OR

2. "THE UNDERSIGNED, AS A DULY AUTHORIZED REPRESENTATIVE OF __________ ("BENEFICIARY") AUTHORIZED TO EXECUTE AND DELIVER THIS CERTIFICATE TO THE BANK, HEREBY CERTIFIES THAT NOT LESS THAN $______(THE "DRAW AMOUNT") IS OWING TO THE BENEFICIARY BY APPLICANT UNDER THE TERMS OF ONE OR MORE SWAP AGREEMENTS, FORWARD CONTRACTS AND/OR ELECTRICITY AND/OR GAS PURCHASE AGREEMENTS. THE DRAW AMOUNT IS NOW PAST DUE AND ALL APPLICABLE GRACE PERIODS FOR ITS PAYMENT HAVE EXPIRED. DEMAND IS HEREBY MADE UNDER YOUR LETTER OF CREDIT NO. __________ FOR PAYMENT OF THE DRAW AMOUNT. PAYMENT SHOULD BE REMITTED TO ____________________;" OR,

3. “THE EXPIRATION DATE OF __________ LETTER OF CREDIT NO. __________ IS LESS THAN THIRTY (30) DAYS FROM THE DATE OF THIS STATEMENT, AND THE APPLICANT UNDER SUCH LETTER OF CREDIT IS REQUIRED, BUT HAS FAILED, TO PROVIDE A REPLACEMENT LETTER OF CREDIT OR OTHER COLLATERAL BEYOND SUCH EXPIRATION DATE IN ACCORDANCE WITH, AND TO ASSURE PERFORMANCE OF, ITS OBLIGATIONS UNDER THE MASTER PURCHASE AND SALE AGREEMENT DATED AS OF __________ __________ BETWEEN ACCOUNT PARTY AND THE BENEFICIARY OF THE LETTER OF CREDIT (AS THE SAME MAY BE AMENDED, THE “MASTER AGREEMENT”). NO EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING UNDER THE MASTER AGREEMENT WITH RESPECT TO THE BENEFICIARY. THEREFORE, THE UNDERSIGNED DOES HEREBY DEMAND PAYMENT OF $______. PAYMENT SHOULD BE REMITTED TO ____________________ ____________________. THE UNDERSIGNED IS A DULY AUTHORIZED REPRESENTATIVE OF THE BENEFICIARY, AND IS AUTHORIZED TO EXECUTE AND DELIVER THIS CERTIFICATE TO THE BANK;” OR

DEMAND FOR PAYMENT MAY BE MADE BY YOU UNDER THIS LETTER OF CREDIT NO LATER THAN THE EXPIRATION DATE (AS DEFINED BELOW), DURING THE BANK’S BUSINESS HOURS AT ITS ADDRESS SPECIFIED ABOVE. AS USED HEREIN, THE “EXPIRATION DATE” MEANS [SPECIFY DATE THAT IS NOT MORE THAN 364 DAYS FROM ISSUANCE DATE]; AS USED HEREIN, “BUSINESS DAY” MEANS ANY DAY OTHER THAN A SATURDAY, SUNDAY OR OTHER DAY ON WHICH BANKS IN NEW YORK CITY ARE AUTHORIZED OR REQUIRED BY LAW TO CLOSE.

IF WE RECEIVE YOUR CERTIFICATE AT OUR OFFICE SPECIFIED ABOVE, ALL IN STRICT CONFORMITY WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, NOT LATER THAN 12:00 NOON, NEW YORK TIME, WE WILL HONOR THE DRAFT NOT LATER THAN 3:00 P.M. NEW YORK TIME ON THE SECOND BUSINESS DAY FOLLOWING RECIEPT THEREOF IN SAME DAY FUNDS IN ACCORDANCE WITH YOUR PAYMENT INSTRUCTIONS. IF WE RECEIVE YOUR CERTIFICATE, AT OUR OFFICE, ALL IN STRICT CONFORMITY WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT ON SUCH DATE, LATER THAN 12:00 NOON, NEW YORK TIME, WE WILL HONOR THE DRAFT NOT LATER THAN 11:00 A.M. ON THE THIRD BUSINESS DAY FOLLOWING RECEIPT THEREOF IN SAME DAY FUNDS IN ACCORDANCE WITH YOUR PAYMENT INSTRUCTIONS.

THIS LETTER OF CREDIT SETS FORTH IN FULL THE TERMS OF OUR UNDERTAKING, AND THIS UNDERTAKING SHALL NOT IN ANY WAY BE MODIFIED, AMENDED, AMPLIFIED OR LIMITED BY REFERENCE TO ANY DOCUMENT, INSTRUMENT OR AGREEMENT REFERRED TO HEREIN OR IN WHICH THIS LETTER OF CREDIT IS REFERRED TO OR TO WHICH THIS LETTER OF CREDIT RELATES, AND ANY SUCH REFERENCE SHALL NOT BE DEEMED TO INCORPORATE HEREIN BY REFERENCE ANY DOCUMENT, INSTRUMENT OR AGREEMENT.

SPECIAL INSTRUCTIONS:

1) PARTIAL AND MULTIPLE DRAWINGS PERMITTED.

2) DOCUMENTS MUST BE PRESENTED AT OUR COUNTERS LOCATED AT 299 PARK AVENUE, NEW YORK, NY 10178, ATTENTION: TRADE FINANCE SERVICES, OR BY FACSIMILE AT (212) 916-2402, ATTENTION: TRADE FINANCE SERVICES, NO LATER THAN OUR CLOSE OF BUSINESS ON THE EXPIRATION DATE, AS STATED ABOVE OR VIA SWIFT TO UBSWUS33. IT IS UNDERSTOOD THAT, IF DOCUMENTS ARE PRESENTED VIA SWIFT, THEY DO NOT HAVE TO BE PHYSICALLY SIGNED.

3) WE HEREBY AGREE WITH BENEFICIARY THAT DOCUMENTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT SHALL BE DULY HONORED UPON PRESENTATION AS SPECIFIED.

4) WE SHALL HAVE A REASONABLE AMOUNT OF TIME, NOT TO EXCEED TWO (2) BUSINESS DAYS FOLLOWING THE DATE OF OUR RECEIPT OF DRAWING DOCUMENTS, TO EXAMINE THE DOCUMENTS AND DETERMINE WHETHER TO TAKE UP OR REFUSE THE DOCUMENTS AND TO INFORM YOU ACCORDINGLY.

5) ALL COSTS RELATED TO DRAWINGS UNDER THIS LETTER OF CREDIT NUMBER __________ SHALL BE CHARGED TO THE ACCOUNT OF THE APPLICANT.

WE HEREBY ENGAGE WITH YOU THAT ALL DOCUMENTS PRESENTED IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED IF DRAWN AND PRESENTED FOR PAYMENT ON OR BEFORE THE EXPIRY DATE OF THIS LETTER OF CREDIT. THIS LETTER OF CREDIT IS SUBJECT TO AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK AND THE INTERNATIONAL STANDBY PRACTICES 1998 (ISP 98) AND IN THE EVENT OF ANY CONFLICT THE LAWS OF NEW YORK WILL CONTROL.

THE SPECIAL INSTRUCTIONS ARE AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: __________

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS TRANSACTION, PLEASE CALL __________.

______________________________	______________________________
AUTHORIZED SIGNATURE	AUTHORIZED SIGNATURE

EXHIBIT A

FORM OF DRAWING CERTIFICATE

IRREVOCABLE LETTER OF CREDIT NO. ______

THE UNDERSIGNED, A DULY AUTHORIZED OFFICER OF [NAME OF BENEFICIARY] (THE "BENEFICIARY") HEREBY CERTIFIES TO UBS AG (THE "BANK"), WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. ______ (THE "LETTER OF CREDIT"; ANY CAPITALIZED TERM USED HEREIN AND NOT DEFINED SHALL HAVE ITS RESPECTIVE MEANING AS SET FORTH IN THE LETTER OF CREDIT) ISSUED BY THE BANK IN FAVOR OF THE BENEFICIARY, THAT:

[PLEASE CHECK OFF WHICH PROVISION APPLIES AND FILL IN ALL APPROPRIATE BLANKS]

______1. AN EVENT OF DEFAULT (AS DEFINED IN THE MASTER PURCHASE AND SALE AGREEMENT DATED AS OF __________ BETWEEN BENEFICIARY OF LETTER OF CREDIT NO. __________ ("BENEFICIARY") AND APPLICANT (AS THE SAME MAY BE AMENDED, THE "MASTER AGREEMENT")) HAS OCCURRED AND IS CONTINUING UNDER THE MASTER AGREEMENT WITH RESPECT TO THE APPLICANT AND NO EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING UNDER THE MASTER AGREEMENT WITH RESPECT TO BENEFICIARY. WHEREFORE, THE UNDERSIGNED DOES HEREBY DEMAND PAYMENT OF [$______][THE ENTIRE UNDRAWN AMOUNT OF THE LETTER OF CREDIT]. PAYMENT SHOULD BE REMITTED TO ______________________ ____________________. OR

______2. THE UNDERSIGNED, HEREBY CERTIFIES THAT NOT LESS THAN $______(THE "DRAW AMOUNT") IS OWING TO THE BENEFICIARY BY APPLICANT UNDER THE TERMS OF ONE OR MORE SWAP AGREEMENTS, FORWARD CONTRACTS AND/OR ELECTRICITY AND/OR GAS PURCHASE AGREEMENTS. THE DRAW AMOUNT IS NOW PAST DUE AND ALL APPLICABLE GRACE PERIODS FOR ITS PAYMENT HAVE EXPIRED. WHEREFORE, DEMAND IS HEREBY MADE UNDER YOUR LETTER OF CREDIT NO. ______ FOR PAYMENT OF THE DRAW AMOUNT. PAYMENT SHOULD BE REMITTED TO ____________________;" OR,

______3. THE EXPIRATION DATE OF __________ LETTER OF CREDIT NO. ______ IS LESS THAN THIRTY (30) DAYS FROM THE DATE OF THIS STATEMENT, AND THE APPLICANT UNDER SUCH LETTER OF CREDIT IS REQUIRED, BUT HAS FAILED, TO PROVIDE A REPLACEMENT LETTER OF CREDIT OR OTHER COLLATERAL BEYOND SUCH EXPIRATION DATE IN ACCORDANCE WITH, AND TO ASSURE PERFORMANCE OF, ITS OBLIGATIONS UNDER THE MASTER PURCHASE AND SALE AGREEMENT DATED AS OF ____________________ BETWEEN ACCOUNT PARTY AND THE BENEFICIARY OF THE LETTER OF CREDIT (AS THE SAME MAY BE AMENDED, THE "MASTER AGREEMENT"). NO EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING UNDER THE MASTER AGREEMENT WITH RESPECT TO THE BENEFICIARY. THEREFORE, THE UNDERSIGNED DOES HEREBY DEMAND PAYMENT OF $______. PAYMENT SHOULD BE REMITTED TO ____________________ ____________________; OR

THE UNDERSIGNED IS A DULY AUTHORIZED REPRESENTATIVE OF THE BENEFICIARY, AND IS AUTHORIZED TO EXECUTE AND DELIVER THIS CERTIFICATE TO THE BANK.

IN WITNESS WHEREOF, THE BENEFICIARY HAS EXECUTED AND DELIVERED THIS CERTIFICATE AS OF THE __ DAY OF __________ 20__.

[NAME OF BENEFICIARY]

BY ________________________
NAME ______________________
TITLE ______________________

TRANSFER LANGUAGE THAT CAN BE ADDED TO LC

[THIS LETTER OF CREDIT IS TRANSFERABLE IN ITS ENTIRETY, BUT NOT IN PART. TRANSFER OF THE AVAILABLE BALANCE UNDER THIS LETTER OF CREDIT SHALL BE AFFECTED BY THE PRESENTATION TO THE BANK OF THIS LETTER OF CREDIT ACCOMPANIED BY A CERTIFICATE SUBSTANTIALLY IN THE FORM OF EXHIBIT B HERETO EXECUTED BY THE BENEFICIARY. NOTWITHSTANDING THE FOREGOING, THIS LETTER OF CREDIT MAY NOT BE TRANSFERRED TO ANY PERSON WITH WHOM U.S. PERSONS ARE PROHIBITED FROM DOING BUSINESS UNDER U.S. FOREIGN ASSETS CONTROL REGULATIONS OR OTHER APPLICABLE U.S. LAWS AND REGULATIONS.]

EXHIBIT B

NOTICE OF TRANSFER

DATE: __________

UBS AG
299 PARK AVENUE
NEW YORK, NY 10178
ATTN: TRADE FINANCE SERVICES

RE: YOUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. ______ ISSUED IN FAVOR OF THE UNDERSIGNED (SUCH CREDIT OR ADVICE, AS AMENDED TO THIS DATE, BEING HEREINAFTER CALLED THE “LETTER OF CREDIT”).

GENTLEMEN:

PLEASE BE ADVISED THAT EFFECTIVE AS OF __________ (THE “EFFECTIVE DATE”), THE UNDERSIGNED HAS TRANSFERRED ALL OF ITS RIGHTS UNDER THE LETTER OF CREDIT TO [NAME OF TRANSFEREE] (THE “TRANSFEREE”), WHICH TRANSFEREE HAS THE FOLLOWING ADDRESS:

____

____

FROM AND AFTER THE EFFECTIVE DATE, THE TRANSFEREE SHALL BE, AND BE DEEMED TO BE, THE BENEFICIARY UNDER THE LETTER OF CREDIT.

WE REQUEST THAT YOU NOTIFY THE TRANSFEREE OF THE FOREGOING TRANSFER OF THE LETTER OF CREDIT IN SUCH FORM AS YOU DEEM ADVISABLE AND OF THE TERMS AND CONDITIONS OF THE LETTER OF CREDIT AS TRANSFERRED, WHICH SHALL BE SUBSTANTIALLY THE SAME AS THE ORIGINAL LETTER OF CREDIT, AS SAME MAY HAVE BEEN AMENDED PRIOR TO THE TRANSFER DATE. WE ATTACH HEREWITH THE ORIGINAL LETTER OF CREDIT AND ALL AMENDMENTS [IF APPLICABLE].

VERY TRULY YOURS,

[BENEFICIARY]

____

____
AUTHORIZED SIGNATURE

SIGNATURES AUTHENTICATED

____
BENEFICIARY’S BANK STAMP

AUTOMATIC EXTENSION LANGUAGE:

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT WRITTEN AMENDMENT FOR 364 DAY PERIODS FROM THE PRESENT OR ANY FUTURE EXPIRY DATE UNLESS AT LEAST THIRTY (30) DAYS PRIOR TO SUCH EXPIRATION DATE, WE SEND BENEFICIARY WRITTEN NOTICE AT THE ABOVE STATED ADDRESS (OR TO SUCH OTHER ADDRESS AS BENEFICIARY SHALL HAVE FURNISHED TO US FROM TIME TO TIME FOR SUCH PURPOSE) VIA U.S. REGISTERED MAIL, RETURN RECEIPT REQUESTED, OR BY COURIER SERVICE, THAT WE ELECT NOT TO EXTEND THIS LETTER OF CREDIT BEYOND THE INITIAL OR ANY EXTENDED EXPIRY DATE THEREOF.

EXHIBIT B

UBS AG APPLICATION FOR STANDBY LETTER OF CREDIT

☒ Stamford Branch
677 Washington

☐ New York Branch
☐ 299 Park Avenue,

☐ Miami Agency
701 Brickell Ave, Miami, Florida

Date: ________________

Letter of Credit No: ________________

Please issue an irrevocable Letter of Credit substantially in the form set forth as Exhibit A to the LOC and Reimbursement Credit Agreement dated as of [date], 2010 among Exelon Generation Company, LLC and UBS AG, Stamford Branch, as issuing bank and administrative agent, as amended from time to time (the "LOC Agreement"), and forward same by:

☐ full Swift/Telex, for delivery to the beneficiary by the advising bank ☐ Airmail ☐ other ________________

Advising Bank (You may Advise through your Correspondent)	Applicant (applicant name and address):
in favor of (Beneficiary, complete name and address)	Currency description and amount:
	Expiration ________________ in country of the beneficiary unless otherwise indicated

Available to be drawn when accompanied by the following document(s), as checked:

☐ All charges other than the issuing bank's are for beneficiary's account

☒ Beneficiary's signed statement, as required per the form of Letter of Credit ________________

☐ Other instructions/information: ________________

IN CONSIDERATION OF YOUR ISSUING A LETTER OF CREDIT AS REQUESTED ABOVE, THE UNDERSIGNED AGREES TO PAY TO YOU THE AMOUNT OF EACH DRAWING UNDER THE LETTER OF CREDIT IN ACCORDANCE WITH THE PROVISIONS OF THE LOC AGREEMENT AND AGREES THAT THE LETTER OF CREDIT IS ISSUED UNDER, AND, IN CONNECTION THEREWITH AGREES TO BE SUBJECT TO ALL THE PROVISIONS OF, THE LOC AGREEMENT.

________________ ________________

____
(Name of Applicant, Please Print) (Authorized Signature)
(Authorized Signature)

EXHIBIT C
Form of Promissory Note

PROMISSORY NOTE

U.S. $[______] [__], 2010

FOR VALUE RECEIVED, the undersigned, Exelon Generation Company, LLC, a Pennsylvania limited liability company (the "Company"), HEREBY PROMISES TO PAY to the order of UBS AG, STAMFORD BRANCH (the "Bank") on the Facility Expiration Date (as defined in the Credit Agreement referred to below) the principal sum of ______ Million Dollars (U.S. $__,000,000) or, if less, the aggregate principal amount of the Loans made by the Bank to the Company pursuant to the Facility Credit Agreement, dated as of November __, 2010 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"; capitalized terms used herein without definition being used as therein defined), among the Company, the Bank and the Administrative Agent.

The Company promises to pay interest on the unpaid principal amount of each Loan from the date of such Loan until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest are payable in lawful money of the United States of America in same day funds to the Administrative for the account of the Bank at such account as the Administrative Agent may from time to time designate pursuant to Section 2.07 of the Credit Agreement. Each Loan owing to the Bank by the Company pursuant to the Credit Agreement, and all payments made on account of principal thereof, shall be recorded by the Bank and, prior to any transfer hereof, endorsed on the grid attached hereto, which is part of this promissory note.

This promissory note is entitled to the benefits of the Credit Agreement. The Credit Agreement, among other things, (i) provides for the making of Loans by the Bank to the Company from time to time in an aggregate amount not to exceed at any time outstanding the Dollar amount first above mentioned, the indebtedness of the Company resulting from each such Loan being evidenced by this promissory note and the entries made in the accounts maintained pursuant to Section 2.01(d) of the Credit Agreement and (ii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events.

Exelon Generation Company, LLC

By ______________________________
Name:
Title:

EXHIBIT E
Form of Compliance Certificate

COMPLIANCE CERTIFICATE

Pursuant to the Credit Agreement, dated as of November __, 2010, among Exelon Generation Company, LLC (the "Company"), and UBS AG, Stamford Branch, as the "Bank" and as the "Administrative Agent" (as amended, modified or supplemented from time to time, the "Credit Agreement"), the undersigned, being the ______ of the Company, hereby certifies on behalf of the Company as follows:

1. Delivered herewith are the financial statements prepared pursuant to Section 5.03(b)[(ii)/(iii)] of the Credit Agreement for the fiscal [quarterly/year]ended ______20__. All such financial statements comply with the applicable requirements of the Credit Agreement.

2. (Check one and only one:)

_ No Default or Event of Default has occurred and is continuing.

_ An Default or Event of Default has occurred and is continuing, and the document(s) attached hereto as Schedule II specify in detail the nature and period of existence of such Default or Event of Default as well as any and all actions with respect thereto taken or contemplated to be taken by the Company.

3. The undersigned has personally reviewed the Credit Agreement, and this certificate was based on an examination made by or under the supervision of the undersigned sufficient to assure that this certificate is accurate.

4. Capitalized terms used in this certificate and not otherwise defined shall have the meanings given in the Credit Agreement.

EXELON GENERATION COMPANY, LLC

____
By.
Date:
Name:

Exhibit 10.44

EXELON CORPORATION

CHANGE IN CONTROL EMPLOYMENT AGREEMENT

FEBRUARY 10, 2011

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EXELON CORPORATION
CHANGE-IN-CONTROL EMPLOYMENT AGREEMENT

THIS AGREEMENT, dated as of February 10, 2011 (the "Agreement Date"), is made by and among Exelon Corporation, incorporated under the laws of the Commonwealth of Pennsylvania (together with successors thereto, the "Company"), on behalf of itself and ____________________, a ______ corporation (together with successors thereto, the "Subsidiary"), and ____________________ ("Executive").

RECITALS

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 or a Significant Acquisition, 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 I.

Definitions

As used in this Agreement, the terms specified below shall have the following meanings:

1.1 "Accrued Annual Incentive" means the amount of any Annual Incentive earned but not yet paid with respect to the Company's latest fiscal year ended prior to the Termination Date.

1.2 "Accrued Base Salary" means the amount of Executive's Base Salary that is accrued but not yet paid as of the Termination Date.

1.3 "Accrued Obligations" means, as of any date, the sum of Executive's Accrued Base Salary, Accrued Annual Incentive, any accrued but unpaid paid time off, and any other amounts and benefits which are then due to be paid or provided to Executive by the Company, but have not yet been paid or provided (as applicable).

1.4 "Affiliate" means any Person (including the Subsidiary) that directly or indirectly controls, is controlled by, or is under common control with, the Company. For purposes of this definition the term "control" with respect to any Person means the power to direct or cause the direction of management or policies of such Person, directly or indirectly, whether through the ownership of Voting Securities, by contract or otherwise.

1.5 "Agreement Date" — see the introductory paragraph of this Agreement.

1.6 "Agreement Term" means the period commencing on the Agreement Date and ending on the second anniversary of the Agreement Date or, if later, such later date to which the Agreement Term is extended under the following sentence, unless earlier terminated as provided herein. Commencing on the first anniversary of the Agreement Date, the Agreement Term shall automatically be extended each day by one day to create a new two-year term until, at any time after the first anniversary of the Agreement Date, the Company delivers written notice (an "Expiration Notice") to Executive that the Agreement shall expire on a date specified in the Expiration Notice (the "Expiration Date") that is not less than 12 months after the date the Expiration Notice is delivered to Executive; provided, however, that if a Change Date, Imminent Control Change, Disaggregation or Significant Acquisition occurs before the Expiration Date specified in the Expiration Notice, then such Expiration Notice shall be void and of no further effect. If such Imminent Control Change or Disaggregation does not culminate in a Change Date, then such Expiration Notice shall be reinstated and the Agreement shall expire on the date originally specified as the Expiration Date, or if later, the date the Imminent Control Change lapses or the end of the sixtieth day after the Disaggregation. Notwithstanding anything herein to the contrary, the Agreement Term shall end at the end of the Severance Period if applicable, or if there is no Severance Period, the earliest of the following: (a) the second anniversary of the Change Date, (b) eighteen (18) months after the Significant Acquisition, provided there has been no Change Date, (c) the end of the sixtieth day after the Disaggregation if there has been no Change Date after the Disaggregation, or (d) the Termination Date.

1.7 "Annual Incentive" — see Section 2.7.

1.8 "Applicable Trigger Date" means

(a) the Change Date with respect to the Post-Change Period;

(b) the date of an Imminent Control Change with respect to the Imminent Control Change Period;

(c) the date of a Significant Acquisition with respect to a Post-Significant Acquisition Period; and

(d) the date of a Disaggregation with respect to a Post-Disaggregation Period.

1.9 "Article" means an article of this Agreement.

1.10 "Base Salary" — see Section 2.6.

1.11 "Beneficial Owner" means such term as defined in Rule 13d-3 of the SEC under the Exchange Act.

1.12 "Beneficiary" — see Section 10.4.

1.13 "Board" means the Board of Directors of Company or, from and after the effective date of a Corporate Transaction (as defined in Section 1.16), the Board of Directors of the corporation resulting from a Corporate Transaction or, if securities representing at least 50%

of the aggregate voting power of such resulting corporation are directly or indirectly owned by another corporation, such other corporation.

1.14 "Cause" — see Section 3.3.

1.15 "Change Date" means the date on which a Change in Control first occurs during the Agreement Term.

1.16 "Change in Control" means, except as otherwise provided below, the first to occur of any of the following during the Agreement Term:

(a) any SEC Person becomes the Beneficial Owner of 20% or more of the then outstanding common stock of the Company or of Voting Securities representing 20% or more of the combined voting power of all the then outstanding Voting Securities of Company (such an SEC Person, a "20% Owner"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change in Control: (1) 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), (2) any acquisition by the Company, (3) 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 (4) 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 (2), if any 20% Owner of the Company other than the Company or any Company Plan becomes a 20% Owner by reason of an acquisition by the Company, and such 20% Owner of the Company shall, after such acquisition by the Company, become the beneficial owner of any additional outstanding common shares of the Company or any additional outstanding Voting Securities of the Company (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 (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's 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) Consummation of a reorganization, merger or consolidation ("Merger"), 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 reorganization, merger, consolidation, 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 common stock of Company and outstanding Voting Securities of the Company 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 common stock of Company and outstanding Voting Securities of the Company, as the case may be;

(ii) no SEC Person (other than 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 common stock of the Company or the outstanding Voting Securities of the Company, as the case may be) becomes a 20% Owner, directly or indirectly, of 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 Company's shareholders 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 by an affiliated company.

Notwithstanding the occurrence of any of the foregoing events, a Change in Control shall not occur with respect to Executive if, in advance of such event, Executive agrees in writing that such event shall not constitute a Change in Control.

1.17 "Code" means the Internal Revenue Code of 1986, as amended.

1.18 "Company" — see the introductory paragraph to this Agreement.

1.19 "Competitive Business" means, as of any date, any utility business and any individual or entity (and any branch, office, or operation thereof) which engages in, or proposes to engage in (with Executive's assistance) (i) the harnessing, production, transmission,

distribution, marketing or sale of energy or the transmission or distribution thereof through wire or cable or similar medium, (ii) any other business engaged in by the Company prior to Executive's Termination Date which represents for any calendar year or is projected by the Company (as reflected in a business plan adopted by the Company before Executive's Termination Date) to yield during any year during the first three-fiscal year period commencing on or after Executive's Termination Date, more than 5% of the gross revenue of Company, and, in either case, which is located (x) anywhere in the United States, or (y) anywhere outside of the United States where Company is then engaged in, or proposes as of the Termination Date to engage in to the knowledge of the Executive, any of such activities.

1.20 "Confidential Information" shall mean any information, ideas, processes, methods, designs, devices, inventions, data, techniques, models and other information developed or used by the Company or any Affiliate and not generally known in the relevant trade or industry relating to the Company's or its Affiliates' products, services, businesses, operations, employees, customers or suppliers, whether in tangible or intangible form, which gives the Company and its Affiliates a competitive advantage in the harnessing, production, transmission, distribution, marketing or sale of energy or the transmission or distribution thereof through wire or cable or similar medium or in the energy services industry and other businesses in which the Company or an Affiliate is engaged, or of third parties which the Company or Affiliate is obligated to keep confidential, or which was learned, discovered, developed, conceived, originated or prepared during or as a result of Executive's performance of any services on behalf of the Company and which falls within any of the following general categories:

(a) information relating to trade secrets of the Company or Affiliate or any customer or supplier of the Company or Affiliate;

(b) information relating to existing or contemplated products, services, technology, designs, processes, formulae, algorithms, research or product developments of the Company or Affiliate or any customer or supplier of the Company or Affiliate;

(c) information relating to business plans or strategies, sales or marketing methods, methods of doing business, customer lists, customer usages and/or requirements, supplier information of the Company or Affiliate or any customer or supplier of the Company or Affiliate;

(d) information subject to protection under the Uniform Trade Secrets Act, as adopted by the State of Illinois, or to any comparable protection afforded by applicable law; or

(e) any other confidential information which either the Company or Affiliate or any customer or supplier of the Company or Affiliate may reasonably have the right to protect by patent, copyright or by keeping it secret and confidential.

1.21 "Disability" — see Section 3.1(b).

1.22 "Disaggregated Entity" means the Disaggregated Unit or any other Person (other than the Company or an Affiliate) that controls or is under common control with the Disaggregated Unit.

1.23 "Disaggregation" means the consummation, in contemplation of a Change in Control, of a sale, spin-off or other disaggregation by the Company or the Affiliate or business unit of the Company ("Disaggregated Unit") which employed Executive immediately prior to the sale, spin-off or other disaggregation.

1.24 "Employer" means, collectively or severally, the Company and the Subsidiary (or other Affiliate employing Executive).

1.25 "Exchange Act" means the Securities Exchange Act of 1934, as amended.

1.26 "Good Reason" — see Section 3.4.

1.27 "Imminent Control Change" means, as of any date on or after the Agreement Date and prior to the Change Date, the occurrence of any one or more of the following:

(a) the Company enters into an agreement the consummation of which would constitute a Change in Control;

(b) Any SEC Person commences a "tender offer" (as such term is used in Section 14(d) of the Exchange Act) or exchange offer, which, if consummated, would result in a Change in Control; or

(c) Any SEC Person files with the SEC a preliminary or definitive proxy solicitation or election contest to elect or remove one or more members of the Board, which, if consummated or effected, would result in a Change in Control;

provided, however, that an Imminent Control Change will lapse and cease to qualify as an Imminent Control Change:

(i) With respect to an Imminent Control Change described in clause (a) of this definition, the date such agreement is terminated, cancelled or expires without a Change Date occurring;

(ii) With respect to an Imminent Control Change described in clause (b) of this definition, the date such tender offer or exchange offer is withdrawn or terminates without a Change Date occurring;

(iii) With respect to an Imminent Control Change described in clause (c) of this definition, (1) the date the validity of such proxy solicitation or election contest expires under relevant state corporate law, or (2) the date such proxy solicitation or election contest culminates in a shareholder vote, in either case without a Change Date occurring; or

(iv) The date a majority of the members of the Incumbent Board make a good faith determination that any event or condition described in clause (a), (b), or (c) of this definition no longer constitutes an Imminent Control Change, provided that such determination may not be made prior to the twelve (12) month anniversary of the occurrence of such event.

1.28 "Imminent Control Change Period" means the period commencing on the date of an Imminent Control Change, and ending on the first to occur thereafter of

(a) a Change Date, provided

(i) such date occurs no later than the one-year anniversary of the Termination Date, and

(ii) either the Imminent Control Change has not lapsed, or the Imminent Control Change in effect upon such Change Date is the last Imminent Control Change in a series of Imminent Control Changes unbroken by any period of time between the lapse of an Imminent Control Change and the occurrence of a new Imminent Control Change;

(b) if Executive's business unit undergoes Disaggregation and Executive retains substantially the same position with the Disaggregated Entity as immediately prior to such Disaggregation (determined without regard to reporting obligations) the earlier to occur after such Disaggregation of a Change Date or the end of the 60th day following such Disaggregation without the occurrence of a Change Date,

(c) the date an Imminent Control Changes lapses without the prior or concurrent occurrence of a new Imminent Control Change; or

(d) the twelve-month anniversary of the Termination Date.

1.29 "Incentive Plan" means the Exelon Corporation Annual Incentive Plan for Senior Executives or such other annual incentive award arrangement of the Company in which the Executive is a participant in lieu of such program.

1.30 "Including" means including without limitation.

1.31 "Incumbent Board" — see definition of Change in Control.

1.32 "IRS" means the Internal Revenue Service of the United States of America.

1.33 "LTIP" means the Exelon Corporation Long-Term Incentive Plan, as amended from time to time, or any successor thereto, and including any Stock Options or Restricted Stock granted thereunder to replace stock options or restricted stock initially granted under the Unicom Corporation Long-Term Incentive Plan.

1.34 "LTIP Performance Period" means the one-year performance period applicable to an LTIP award, as designated in accordance with the LTIP.

1.35 "Merger" — see definition of Change in Control.

1.36 "Notice of Termination" means a written notice given in accordance with Section 10.9 which sets forth (i) the specific termination provision in this Agreement relied upon

by the party giving such notice and (ii) in reasonable detail the specific facts and circumstances claimed to provide a basis for such Termination of Employment.

1.37 "Performance Shares" — see Section 4.1(c). After a Disaggregation, "Performance Shares" shall also refer to performance shares, performance units or similar stock incentive awards granted by a Disaggregated Entity (or an affiliate thereof) in replacement of performance shares, performance units or similar stock incentive awards granted under the Exelon Performance Share Program under the LTIP.

1.38 "Person" means any individual, sole proprietorship, partnership, joint venture, limited liability company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or government instrumentality, division, agency, body or department.

1.39 "Plans" means plans, practices, policies and programs of the Company (or, if applicable to Executive, the Disaggregated Entity or Affiliate).

1.40 "Post-Change Period" means the period commencing on the Change Date and ending on the earlier of the Termination Date or the second anniversary of the Change Date.

1.41 "Post-Disaggregation Period" means the period commencing on the first date during the Agreement Term on which a Change in Control occurs following a Disaggregation, provided such Change Date occurs no more than 60 days following such Disaggregation, and ending on the earlier of the Termination Date or the second anniversary of the Change Date. If no Change Date occurs within 60 days after the Disaggregation, there shall be no Post-Disaggregation Period.

1.42 "Post-Significant Acquisition Period" means the period commencing on the date of a Significant Acquisition that occurs during the Agreement Term prior to a Change Date, and ending on the first to occur of (a) the end of the 18-month period commencing on the date of the Significant Acquisition, (b) the Change Date, or (c) the Termination Date.

1.43 "Restricted Stock" — see Section 4.1(d). After a Disaggregation, "Restricted Stock" shall also refer to deferred stock units, restricted stock or restricted share units granted by a Disaggregated Entity (or an affiliate thereof) in replacement of deferred stock units, restricted stock or restricted share units granted by the Company other than under the Exelon Performance Share Program under the LTIP.

1.44 "SEC" means the United States Securities and Exchange Commission.

1.45 "SEC Person" means any person (as such term is used in Rule 13d-5 of the SEC under the Exchange Act) or group (as such term is defined in Sections 3(a)(9) and 13(d)(3) of the Exchange Act), other than (a) the Company or an Affiliate, or (b) any employee benefit plan (or any related trust) of the Company or any of its Affiliates.

1.46 "Section" means, unless the context otherwise requires, a section of this Agreement.

1.47 "SERP" means the PECO Energy Company Supplemental Retirement Plan or the Exelon Corporation Supplemental Management Retirement Plan, whichever is applicable to Executive, or any successor to either or both.

1.48 "Severance Incentive" means the greater of (a) the Target Incentive for the performance period in which the Termination Date occurs, or (b) the average (mean) 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.

1.49 "Severance Period" means the period beginning on the Executive's Termination Date, provided Executive's Termination of Employment entitles Executive to benefits under Section 4.1, 4.2 or 4.3, and ending on the third anniversary thereof. There shall be no Severance Period if Executive's Termination of Employment is on account of death or Disability or if Executive's employment is terminated by the Company for Cause or by Executive other than for Good Reason.

1.50 "Significant Acquisition" means a Corporate Transaction affecting the Executive's business unit (or, if Executive is employed at the headquarters for the Company's corporate business operations ("Corporate Center"), a Corporate Transaction that affects the Corporate Center) that is consummated after the Agreement Date and prior to the Change Date, which Corporate Transaction is not a Change in Control, provided that as a result of such Corporate Transaction, all or substantially all of the individuals and entities who are the Beneficial Owners, respectively, of the outstanding common stock of Company and outstanding Voting Securities of the Company immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than 60% but not more than 66- 2/3% 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 common stock of Company and outstanding Voting Securities of the Company, as the case may be.

1.51 "Stock Options" — see Section 4.1(b). After a Disaggregation, "Stock Options" shall also refer to stock options, stock appreciation rights, or similar incentive awards granted by the Disaggregated Entity (or an affiliate thereof) in replacement of stock options, stock appreciation rights, or similar incentive awards granted under the LTIP.

1.52 "Target Incentive" as of a certain date means an amount equal to the product of Base Salary determined as of such date multiplied by the percentage of such Base Salary to which Executive would have been entitled immediately prior to such date under the Incentive Plan for the applicable performance period if the performance goals established pursuant to such Incentive Plan were achieved at the 100% (target) level as of the end of the applicable performance period (taking into account for this purpose any negative discretion exercised by the Compensation Committee of the Board in establishing such target); provided, however, that any

reduction in Executive's Base Salary or Annual Incentive that would qualify as Good Reason shall be disregarded for purposes of this definition.

1.53 "Taxes" means the incremental federal, state, local and foreign income, employment, excise and other taxes payable by Executive with respect to any applicable item of income.

1.54 "Termination Date" means the effective date of Executive's Termination of Employment, which shall be the date on which Executive has a "separation from service," within the meaning of Section 409A of the Code; provided, however, that if the Executive terminates Executive's employment for Good Reason, then the Termination Date shall not be earlier than the thirtieth day following the Company's receipt of Executive's Notice of Termination, unless the Company consents in writing to an earlier Termination Date.

1.55 "Termination of Employment" means any termination of Executive's employment with the Company and its Affiliates, whether such termination is initiated by the Employer or by Executive; provided that if the Executive's cessation of employment with the Company and its Affiliates is effected through a Disaggregation, and Executive is employed by the Disaggregated Entity immediately following the Disaggregation, and a Change Date occurs no more than 60 days after such Disaggregation, then the Disaggregation shall not be deemed to effect a "Termination of Employment" for purposes of this Agreement, and after the Disaggregation, "Termination of Employment" means any termination of Executive's employment with the Disaggregated Entity, whether such termination is initiated by the Disaggregated Entity or by Executive.

1.56 "20% Owner" — see paragraph (a) of the definition of "Change in Control."

1.57 "Voting Securities" means with respect to a corporation, securities of such corporation that are entitled to vote generally in the election of directors of such corporation.

1.58 "Waiver and Release" — see Section 4.5.

1.59 "Welfare Plans" — see Section 2.8(a)(ii).

Article II.

Terms of Employment

2.1 Position and Duties During a Post-Change Period. During the Post-Change Period prior to the Termination Date, (i) Executive's position, duties and responsibilities (other than the position or level of officer to whom the Executive reports or any change that is part of a policy, program or arrangement applicable to peer executives of the Company and any successor to the Company) shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 90-day period immediately before the Change Date (or if the Change Date ended an Imminent Control Change Period, during the 90-day period immediately before the beginning of the Imminent Control Change Period) and (ii) Executive's services shall be performed at the location where Executive was employed immediately before the Change Date (or if the Change Date ended an Imminent Control Change

Period, before the beginning of such Imminent Control Change Period) or any other location no more than 50 miles from such location (unless such other location is closer to Executive's residence than the prior location).

2.2 Position and Duties During an Imminent Control Change Period. During the portion of any Imminent Control Change Period that occurs before the Termination Date, the Company may in its discretion change the Executive's position, authority and duties and may change the location where Executive's services shall be performed.

2.3 Position and Duties During a Post-Significant Acquisition Period. During the portion of any Post-Significant Acquisition Period that occurs before the Termination Date, the Company may in its discretion change the Executive's position, authority and duties, and may change the location where Executive's services shall be performed.

2.4 Position and Duties During a Post-Disaggregation Period. During the Post-Disaggregation Period, (i) Executive's position with the Disaggregated Entity shall be at least commensurate in all material respects with the most significant position held by Executive with the Disaggregated Entity immediately following the Disaggregation, and (ii) unless Executive otherwise consents, Executive's services shall be performed at the location where Executive was employed immediately prior to the Change Date or any other location no more than 50 miles from such location (unless such other location is closer to Executive's residence than the prior location); provided, however, that in determining whether the Executive's Termination of Employment is for Cause, "Cause" shall be determined as though the provisions of Section 3.3(a) applied commencing with the first day of the Post-Disaggregation Period.

2.5 Executive's Obligations. During the Executive's employment (other than any periods of paid time off, sick leave or disability to which Executive is entitled), Executive agrees to devote Executive's full attention and time to the business and affairs of the Company (or, in the case of a Disaggregation, the Disaggregated Entity) and to use Executive's best efforts to perform such duties. Executive may (i) serve on corporate, civic or charitable boards or committees, (ii) deliver lectures, fulfill speaking engagements or teach at educational institutions and (iii) manage personal investments, so long as such activities are consistent with the Plans of the Employer (or in the case of a Disaggregation, the Disaggregated Entity) in effect from time to time, and do not significantly interfere with the performance of Executive's duties under this Agreement.

2.6 Base Salary During the Post-Change Period.

(a) Base Salary During Post-Change Period. Prior to the Termination Date during the Post-Change Period, the Company shall pay or cause to be paid to Executive an annual base salary in cash, which shall be paid in a manner consistent with the Employer's payroll practices in effect immediately before the Applicable Trigger Date at an annual rate not less than 12 times the highest monthly base salary paid or payable to Executive by the Employer in respect of the 12-month period immediately before the Applicable Trigger Date (such annual rate salary, the "Base Salary"). During the Post-Change Period, the Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to Executive prior to the Applicable Trigger Date and thereafter

shall be reviewed and shall be increased at any time and from time to time as shall be substantially consistent with increases in base salary awarded to peer executives of the Company generally. Base Salary shall not be reduced unless such reduction is part of a policy, program or arrangement applicable to peer executives of the Company (including peer executives of any successor to the Company), and the term Base Salary as used in this Agreement shall refer to Base Salary as so increased. Any increase in Base Salary shall not limit or reduce any other obligation of the Company to the Executive under this Agreement.

(b) Base Salary During the Imminent Control Change Period, Post-Significant Acquisition Period and Post-Disaggregation Period. Section 2.6(a) shall not apply during the Imminent Control Change Period, Post-Significant Acquisition Period or Post-Disaggregation Period.

2.7 Annual Incentive.

(a) Annual Incentive During the Post-Change Period. In addition to Base Salary, the Company shall provide or cause to be provided to Executive the opportunity to receive payment of an annual incentive (the "Annual Incentive") with an award opportunity no less, including target performance goals not materially more difficult to achieve, than that in effect immediately prior to the Applicable Trigger Date for each applicable performance period which commences prior to the Termination Date and ends during the Post-Change Period. The amount of the Executive's award opportunity in effect for any relevant period shall be determined taking into account any negative discretion exercised by the Compensation Committee of the Board in establishing such opportunity.

(b) Annual Incentive during the Imminent Control Change Period, Post-Significant Acquisition Period or Post-Disaggregation Period. Section 2.7(a) shall not apply during the Imminent Control Change Period, Post-Significant Acquisition Period or Post-Disaggregation Period.

2.8 Other Compensation and Benefits.

(a) Other Compensation and Benefits during the Post-Change Period. In addition to Base Salary and Annual Incentive, prior to the Termination Date the Company shall provide or cause to be provided, throughout the Post-Change Period, the following other compensation and benefits to Executive, provided that, in no event shall such additional compensation and benefits (including incentives, measured with respect to long term and special incentives, to the extent, if any, that such distinctions are applicable) be materially less favorable, in the aggregate, than those provided at any time after the Applicable Trigger Date to peer executives of the Company (including peer executives of any successor to the Company) generally:

(i) Incentive, Savings and Retirement Plans. Executive shall be entitled to participate in all incentive, savings and retirement Plans applicable to peer executives of the Company generally.

(ii) Welfare Benefit Plans. 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 ("Welfare Plans") (including medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance benefits, but excluding any severance pay) provided by the Employer from time to time to peer executives of the Company generally.

(iii) Other Employee Benefits. Executive shall be entitled to other employee benefits, perquisites and fringe benefits in accordance with the most favorable Plans applicable to peer executives of the Company generally.

(iv) Expenses. Executive shall be entitled to receive prompt reimbursement for all reasonable business expenses incurred by the Executive in accordance with the most favorable Plans applicable to peer executives of the Company generally.

(v) Office and Support Staff. Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to secretarial and other assistance substantially equivalent to the office or offices, furnishings, appointments and assistance as in effect with respect to Executive on the Applicable Trigger Date.

(vi) Paid Time Off. Executive shall be entitled to paid time off in accordance with the Plans applicable to peer executives of the Company generally.

(vii) LTIP Awards. Awards under the LTIP shall be granted to Executive with aggregate target opportunities not less than those granted to peer executives of the Company.

(b) Other Compensation and Benefits During the Imminent Control Change Period, Post-Significant Acquisition Period or Post-Disaggregation Period. Section 2.8(a) shall not apply during Imminent Control Change Period, Post-Significant Acquisition Period or Post-Disaggregation Period.

(c) Stock Options, Restricted Stock, and Performance Shares During the Post-Disaggregation Period.

(i) Stock Options.

(A) Extinguished or Converted at Disaggregation. If so provided in the documents and instruments ("Disaggregation Documents") pursuant to which the Disaggregation is effected, then all of Executive's Stock Options shall (I) be extinguished immediately prior to the Disaggregation for such consideration as is provided for in the Disaggregation Documents (but not less than the product of the number of Executive's vested Stock Options multiplied by the difference between the fair market value of Exelon stock immediately prior to the Disaggregation

and the option exercise price), or (II) be converted into options to acquire stock of the Disaggregated Entity or an affiliate thereof on a basis determined by the Company in good faith to preserve economic value.

(B) Extinguished or Converted at Merger. If the Change in Control following the Disaggregation is a Merger, and if so provided in the agreement pursuant to which the Merger is effected, then all of Executive's Company Stock Options that were not extinguished or converted to options to acquire stock in the Disaggregated Entity or an affiliate shall (I) be extinguished immediately prior to the Change in Control for such consideration as is provided for Stock Options of peer executives employed by the Company or an Affiliate, or (II) be converted into options to acquire stock of the corporation resulting from the Merger ("Merger Survivor") or an affiliate thereof, on the same basis as Stock Options of employees of the Company are converted.

(C) Stock Options after the Disaggregation. Executive's unextinguished Stock Options, whether or not they are converted to options for stock of the Disaggregated Entity or Merger Survivor, shall continue to vest and, once vested, shall remain exercisable in accordance with their terms, subject to Section 4.3(b).

(ii) Performance Shares.

(A) Extinguished or Converted at Disaggregation. If so provided in the Disaggregation Documents, all of Executive's Performance Shares shall (I) be extinguished immediately prior to the Disaggregation for such consideration as is provided under the Disaggregation Documents (but no less than the fair market value, immediately prior to the Disaggregation, of a number of Exelon shares equal to the sum of Executive's earned and awarded Performance Shares and the target number of Executive's Performance Shares that have not yet been earned and awarded), or (II) shall be converted into performance shares with respect to the Disaggregated Entity or an affiliate (on a basis determined by the Company in good faith to preserve economic value for the Executive); provided, however, that to the extent the Performance Shares are considered deferred compensation that is subject to Section 409A of the Code, any consideration payable to Executive pursuant to clause (I) above shall be payable at the same time at which the Performance Shares would have been payable to Executive, or at such other time as shall be permitted under Section 409A of the Code.

(B) Extinguished or Converted at Merger. If the Change in Control following the Disaggregation is a Merger, and if so provided in the agreement pursuant to which the Merger is effected, then all of Executive's Performance Shares that were not extinguished or converted to performance shares of the Disaggregated Entity or an affiliate shall (I) be extinguished immediately prior to the Change in Control for such consideration as is provided for Performance Shares of peer executives

employed by the Company or an Affiliate, or (II) be converted into performance shares of the Merger Survivor or an affiliate thereof, on the same basis as Performance Shares of employees of the Company are converted; provided, however, that to the extent the Performance Shares are considered deferred compensation that is subject to Section 409A of the Code, any consideration payable to Executive pursuant to clause (I) above shall be payable at the same time at which the Performance Shares would have been payable to Executive, or at such other time as shall be permitted under Section 409A of the Code.

(C) Performance Shares after the Disaggregation. Executive's unextinguished Performance Shares, whether or not they are converted into performance shares of the Disaggregated Entity or Merger Survivor, will continue to vest during the Post-Disaggregation Period, subject to Section 4.3(c).

(iii) Restricted Stock.

(A) Extinguished or Converted at Disaggregation. If so provided in the Disaggregation Documents, all of Executive's Restricted Stock shall (I) be extinguished immediately prior to the Disaggregation for an amount equal to the fair market value of an equal number of shares of Exelon common stock, or (II) shall be converted into restricted stock of the Disaggregated Entity or an affiliate (on a basis determined by the Company in good faith to preserve economic value for the Executive).

(B) Extinguished or Converted at Merger. If the Change in Control following the Disaggregation is a Merger, and if so provided in the agreement pursuant to which the Merger is effected, then all of Executive's Restricted Stock that was not extinguished or converted to restricted stock of the Disaggregated Entity or an affiliate shall (I) be extinguished immediately prior to the Change in Control for such consideration as is provided for Restricted Stock of peer executives employed by the Company or an Affiliate, or (II) be converted into restricted stock of the Merger Survivor or an affiliate thereof, and such converted restricted stock will continue to vest during the Post-Disaggregation Period prior to the Termination Date.

(C) Restricted Stock after the Disaggregation. Executive's unextinguished Restricted Stock, whether or not converted to restricted stock of the Disaggregated Entity or Merger Survivor, will continue to vest during the Post-Disaggregation Period, subject to Section 4.3(d).

Article III.

Termination of Employment

3.1 Disability.

(a) During the Agreement Term, the Employer (or, if applicable, the Disaggregated Entity) may terminate Executive's employment at any time because of Executive's Disability by giving Executive or his or her legal representative, as applicable, (i) written notice in accordance with Section 10.9 of the Company's intention to terminate Executive's employment pursuant to this Section and (ii) a certification of Executive's Disability by a physician selected by the Employer or its insurers, subject to the reasonable consent of Executive or Executive's legal representative, which consent shall not be unreasonably withheld or delayed. Executive's employment shall terminate effective on the 30th day after Executive's receipt of such notice (which such 30th day shall be deemed to be the "Disability Effective Date") unless, before such 30th day, Executive shall have resumed the full-time performance of 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 that renders Executive unable to perform the duties required under this Agreement.

3.2 Death. Executive's employment shall terminate automatically upon Executive's death during the Agreement Term.

3.3 Termination by the Company for Cause. During the Post-Change Period, Post-Disaggregation Period, Imminent Control Change Period or Post-Significant Acquisition Period, the Company may terminate Executive's employment (or cause Executive's employment to be terminated) for Cause solely in accordance with all of the substantive and procedural provisions of this Section 3.3.

(a) Definition of Cause. "Cause" means any one or more of the following:

(i) the refusal to perform or habitual neglect in the performance of the Executive's duties or responsibilities, or of specific directives of the officer or other executive of the Company or any of its affiliates to whom the Executive reports which are not materially inconsistent with the scope and nature of the Executive's employment duties and responsibilities;

(ii) an Executive's willful or reckless commission of act(s) or omission(s) which have resulted in or are likely to result in, a material loss to, or material damage to the reputation of, the Company or any of its affiliates, or that compromise the safety of any employee or other person;

(iii) the Executive's commission of a felony or any crime involving dishonesty or moral turpitude;

(iv) an Executive's material violation of the Company's or any of its affiliates' Code of Business Conduct (including the corporate policies referenced therein) which would constitute grounds for immediate termination of employment, or of any statutory or common-law duty of loyalty to the Company or any of its affiliates; or

(v) any breach by the Executive of any one or more of the Restrictive Covenants.

For purposes of this Section, 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 other than Executive 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.

(b) Procedural Requirements for Termination for Cause During a Post-Change Period. The Executive's Termination of Employment for which the Notice of Termination is given during a Post-Change Period shall not be deemed to be for Cause under this Section 3.3 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 written notice of such meeting 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's acts, or failure to act, constitutes Cause and specifying the particulars thereof in detail.

(c) Procedural Requirements for Termination for Cause During a Post-Disaggregation Period. In the event Executive's Termination of Employment is from a Disaggregated Entity in a Post-Disaggregation Period, the procedural requirements for termination for Cause in this Section 3.3 shall be applied by substituting "Disaggregated Entity" for "Company," "affiliate of the Disaggregated Entity" for "Affiliate," and "Disaggregated Entity's Board" for "Board." Further, the Company shall have no obligation to provide payments or benefits under Section 4.3 if the Board determines that the Company could have terminated Executive's employment for Cause if the Executive had been employed by the Company, such determination by the Board to be made as provided in Section 3.3(b) but applying the flush language at the end of Section 3.3(a) by substituting "Disaggregated Entity" for "Company" and "Disaggregated Entity's Board" for "Board."

(d) Procedural Requirements for Termination for Cause During the Imminent Control Change Period or Post-Significant Acquisition Period. The Executive's Termination of Employment for which the Notice of Termination is given during the Imminent Control Change Period or Post-Significant Acquisition Period shall not be deemed to be for Cause under this Section 3.3 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 a majority of the entire membership of the Board, finding that the Executive's acts or failure to act, constitute Cause and specifying the particulars thereof in detail. Executive shall receive advance notice of such vote of the Board, but shall not have the right to appear in person or by counsel before the Board.

3.4 Termination by the Executive for Good Reason. During the Post-Change Period, an Imminent Control Change Period, a Post-Significant Acquisition Period or Post-Disaggregation Period, Executive may terminate his or her employment for Good Reason in accordance with the substantive and procedural provisions of this Section 3.4.

(a) Definition of Good Reason. For purposes of this Section 3.4, and subject to the provisions of subsections (b) through (e), "Good Reason" means the occurrence of any one or more of the following actions or omissions prior to the Termination Date during the Post-Change Period, the Imminent Control Change Period, the Post-Significant Acquisition Period or the Post-Disaggregation Period:

(i) a material reduction of the Executive's salary, incentive compensation opportunity or aggregate benefits unless such reduction is part of a policy, program or arrangement applicable to peer executives (including peer executives of any successor to the Company;

(ii) a material adverse reduction in the Executive's position, duties, or responsibilities, other than in a Post-Significant Acquisition period, and other than a change in the position or level of officer to whom the Executive reports or a change that is part of a policy, program or arrangement applicable to peer executives (including peer executives of any successor to the Company);

(iii) the failure of any successor to the Company to assume this Agreement;

(iv) a relocation (other than in a Post-Significant Acquisition Period), by more than 50 miles of (I) the Executive's primary workplace, or (II) the principal offices of the Company or its successor (if such offices are the Executive's workplace), in each case without Executive's consent; provided, however, in both cases of (I) and (II) of this Section 3.4(a)(iv), such new location is farther from Executive's residence then the prior location; or

(v) a material breach of this Agreement by the Company or its successor;

provided that the occurrence of a Disaggregation shall not be Good Reason if the Executive retains substantially the same position (determined without regard to reporting requirements) with the Disaggregated Entity, with substantially the same compensation and benefits in the aggregate, as immediately prior to such Disaggregation, notwithstanding Sections 3.4(a)(i), 3.4(a)(ii) and 3.4(a)(v).

(b) Application of "Good Reason" Definition During the Imminent Control Change Period. During the Imminent Control Change Period, "Good Reason" shall not include the events or conditions described in Section 3.4(a)(i), 3.4(a)(ii) or 3.4(a)(iv) unless the Imminent Control Change Period culminates in a Change Date. Further, if Executive's Termination of Employment occurs during an Imminent Control Change Period that culminates in a Change Date, then, except as provided in Section 3.4(c), the definition of "Good Reason" shall be applied as though Sections 2.1, 2.6, 2.7, and 2.8

were applicable during the Imminent Control Change Period prior to the Executive's Termination of Employment.

(c) Special Conditions Relating to Good Reason During the Post-Disaggregation Period. If Executive is employed with the Disaggregated Entity immediately following a Disaggregation, then (1) Section 3.4(a)(ii) shall apply with respect to the Executive's position, duties or responsibilities as in effect on the day before the Disaggregation, (2) subsection 3.4(a)(iv) shall apply with respect to relocations that are required after the Disaggregation and prior to the expiration of the Post-Disaggregation Period and shall be applied by substituting "Disaggregated Entity" for "any successor to the Company," and (3) all references in Section 3.4 to the Company or its successor shall be to the Disaggregated Entity or its successor.

(d) Limitations on Good Reason. Notwithstanding the foregoing provisions of this Section 3.4, no act or omission shall constitute a material breach of this Agreement by the Company, nor grounds for "Good Reason":

(i) unless the Executive gives the Company a Notice of Termination at least 30 days' prior to the Termination Date 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 90 days before the Executive gives the Company and the Employer such Notice of Termination; or

(iii) if the Executive has consented in writing to such act or omission.

(e) Notice by Executive. In the event of any Termination of Employment by Executive for Good Reason, Executive shall as soon as practicable thereafter notify the Company and the Employer (and Disaggregated Entity, if applicable) of the events constituting such Good Reason by a Notice of Termination. Subject to the limitations in Section 3.4(d), a delay in the delivery of such Notice of Termination shall not waive any right of Executive under this Agreement.

Article IV.

Company's Obligations Upon Certain Terminations of Employment

4.1 Termination During the Post-Change Period or Post-Significant Acquisition Period. If, during the Post-Change Period or Post-Significant Acquisition Period (other than any portion of any of such periods that are also a Post-Disaggregation Period), the Employer terminates Executive's employment other than for Cause or Disability, or Executive terminates employment for Good Reason, the Company's sole obligations to Executive under Articles II and IV shall be as set forth in this Section 4.1.

(a) Termination during the Post-Change Period or Post-Significant Acquisition Period: Severance Payments. The Company shall pay or provide (or cause to be provided) to Executive, according to the payment terms set forth in Section 4.4 below, the following:

(i) Accrued Obligations. All Accrued Obligations;

(ii) Annual Incentive for Year of Termination. An amount equal to the Target Incentive applicable to the Executive under the Incentive Plan for the performance period in which the Termination Date occurs, but in no event greater than the Annual Incentive based on the extent to which the performance goals established under the Incentive Plan are attained for such performance period (determined without regard to any negative discretion exercised by the Compensation Committee of the Board in establishing such opportunity).

(iii) Deferred Compensation and Non-Qualified Defined Contribution Plans. All amounts previously deferred by, or accrued to the benefit of, Executive under the Exelon Corporation Deferred Compensation Plan, the Exelon Corporation Deferred Stock Plan, or any successor of either of them, or under any non-qualified defined contribution or deferred compensation plan of the Company or an Affiliate whether vested or unvested, together with any accrued earnings thereon, to the extent that such amounts and earnings have not been previously paid by the Employer and are not provided under the terms of either such non-qualified plan;

(iv) Pension Enhancements. An amount payable under the SERP equal to the positive difference, if any, between:

(1) the lump sum value of Executive's benefit, if any, under the SERP, calculated as if Executive had:

(A) become fully vested in all benefits under the SERP and the tax-qualified defined benefit plan maintained by the Company in which the Executive is a participant (the "Pension Plan",

(B) to the extent age is relevant under the Pension Plan covering Executive, attained as of the Termination Date an age that is 2.0 years greater than Executive's actual age and that includes the number of years of age credited to Executive pursuant to any other agreement between the Company and Executive,

(C) to the extent that service is relevant under the Pension Plan covering Executive, accrued a number of years of service (for purposes of determining the amount of such benefits, entitlement to - but not commencement of - early retirement benefits, and all other purposes of the Pension Plan and the SERP) that is 2.0 years greater than the sum of the number of years of

service actually accrued by Executive as of the Termination Date and that includes the number of years of service credited to Executive pursuant to any other written agreement between the Company and the Executive, and

(D) received the benefits specified in Section 4.1(a)(ii) and 2.0 years of the benefits specified in Section 4.1(a)(vi) as covered compensation in equal monthly installments during the Severance Period,

minus

(2) the aggregate amounts paid or payable to Executive under the SERP.

(v) Unvested Benefits Under Defined Benefit Plan. To the extent not paid pursuant to clause (iii) or (iv) of this Section 4.1(a), an amount payable under the SERP equal to the actuarial equivalent present value of any unvested portion of Executive's cash balance account (as applicable) under the Pension Plan as of the Termination Date and forfeited by Executive by reason of the Termination of Employment; and

(vi) Multiple of Salary and Severance Incentive. An amount equal to 2.99 times the sum of (x) Base Salary plus (y) the Severance Incentive.

(b) Termination during the Post-Change Period or Post-Significant Acquisition Period: Stock Options. Each of the Executive's stock options, stock appreciation rights or similar incentive awards granted under the LTIP ("Stock Options") shall (i) become fully vested, and (ii) remain exercisable until (1) the option expiration date for any such Stock Options granted prior to January 1, 2002 or (2) the fifth anniversary of the Termination Date or, if earlier, the option expiration date for any such Stock Options granted on or after January 1, 2002; provided that this Section shall not limit the right of the Company to cancel the Stock Options in connection with a corporate transaction pursuant to the terms of the LTIP.

(c) Termination during the Post-Change Period or Post-Significant Acquisition Period: LTIP Vesting. On the Termination Date all of the performance shares, performance units or similar stock incentive awards granted to the Executive under the Exelon Performance Share Program under the LTIP ("Performance Shares") to the extent earned by and awarded to the Executive (i.e. as to which the applicable performance cycle has elapsed) as of the Termination Date, shall become fully vested at the actual level earned and awarded, and, to the extent not yet earned by and awarded to the Executive (i.e. as to which the current performance cycle has not elapsed) as of the Termination Date, shall become fully vested at the based on the extent to which the performance goals established under the LTIP for such performance period are attained as of the last day of the year in which the Termination Date occurs.

(d) Termination During the Post-Change Period or Post-Significant Acquisition Period: Other Restricted Stock. 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 other than under the Exelon Performance Share Program under the LTIP ("Restricted Stock") shall (except as specifically provided to the contrary in the applicable awards) lapse immediately and all such awards will become fully vested.

(e) Termination During the Post-Change Period or Post-Significant Acquisition Period: Continuation of Welfare Benefits. During the Severance Period (and continuing through such later date as any Welfare Plan may specify), the Company shall continue to provide (or shall cause the continued provision) to Executive and Executive's family welfare benefits under the Welfare Plans to the same extent as if Executive had remained employed during the Severance Period. Such provision of welfare benefits shall be subject to the following:

(i) In determining benefits applicable 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 Base Salary and Annual Incentive.

(ii) The cost of such welfare benefits to Executive and family under this Section 4.1(e) shall not exceed the cost of such benefits to peer executives who are actively employed after the Termination Date.

(iii) The Executive's rights under this Section 4.1(e) 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.

(iv) If the Executive has, as of the last day of the Severance Period, attained age 50 and completed at least 10 years of service (or any lesser age and service requirement then in effect under the Exelon Corporation Severance Benefit Plan or any successor plan), the Executive shall be entitled to the retiree benefits provided under any Welfare Plan of the Company; provided, however, that for purposes hereof, any years of credited service granted to the Executive in any other written plan or agreement between Executive and the Company shall be taken into account. For purposes of determining eligibility for (but not the time of commencement of) such retiree benefits, the Executive shall also be considered (1) to have remained employed until the last day of the Severance Period and to have retired on the last day of such period, and (2) to have attained at least the age the Executive would have attained on the last day of the Severance Period.

Notwithstanding the foregoing, if the Executive obtains a specific type of coverage under welfare plan(s) sponsored by another employer of Executive (e.g. medical, prescription, vision, dental, disability, individual life insurance benefits, group life insurance benefits, but excluding for the purposes of this sentence retiree benefits if Executive is so eligible),

then the Company shall not be obligated to provide any such specific type of coverage. The Executive shall promptly notify the Company of any such coverage.

(f) Termination during the Post-Change Period or Post-Significant Acquisition Period: Outplacement. To the extent actually incurred by Executive, the Company shall pay or cause to be paid on behalf of Executive, as incurred, all reasonable fees and costs charged by a nationally recognized outplacement firm selected by the Executive for outplacement services provided up to 12 months after the Termination Date. No cash shall be paid in lieu of such fees and costs.

(g) Termination during the Post-Change Period or Post-Significant Acquisition Period: Indemnification. The Executive shall be indemnified and held harmless by the Company to the greatest extent permitted under applicable law as the same now exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification than was permitted prior to such amendment) and the Company's by-laws as such exist on the Applicable Trigger Date if the Executive was, is, or is threatened to be, made a party to any pending, completed or threatened action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or any other proceeding brought by a third party (and not by or on behalf of the Company or its shareholders) whether civil, criminal, administrative or investigative, and whether formal or informal, by reason of the fact that the Executive is or was, or had agreed to become, a director, officer, employee, agent, or fiduciary of the Company or any other entity which the Executive is or was serving at the request of the Company ("Proceeding"), against all expenses (including all reasonable attorneys' fees) and all claims, damages, liabilities and losses incurred or suffered by the Executive or to which the Executive may become subject for any reason; provided, that the Company shall not be required to indemnify the Executive in connection with any proceeding initiated by the Executive, including a counterclaim or cross claim, unless such proceeding was authorized by the Company and Executive fully cooperates in the investigation and defense of such Proceeding. A Proceeding shall not include any proceeding to the extent it concerns or relates to a matter described in Section 6.1(a) (concerning reimbursement of certain costs and expenses). Upon receipt from Executive of (i) a written request for an advancement of expenses, which Executive reasonably believes will be subject to indemnification hereunder and (ii) a written undertaking by Executive to repay any such amounts if it shall ultimately be determined that Executive is not entitled to indemnification under this Agreement or otherwise, the Company shall, to the extent permitted by applicable law, advance such expenses to Executive or pay such expenses for Executive, all in advance of the final disposition of any such matter.

(h) Termination during the Post-Change Period or Post-Significant Acquisition Period: Directors' and Officers' Liability Insurance. For a period of six years after the Termination Date (or for any known longer applicable statute of limitations period), the Company shall provide Executive with coverage under a directors' and officers' liability insurance policy in an amount no less than, and on terms no less favorable than, those provided to senior executive officers and directors of the Company on the Applicable Trigger Date.

4.2 Termination During an Imminent Control Change Period. If, during an Imminent Control Change Period, Executive has a Termination of Employment that would entitle Executive to benefits under Section 4 of the Exelon Corporation Senior Management Severance Plan or its successor, then the Company shall, prior to the occurrence of a Change Date, provide Executive any benefits to which Executive may be entitled under Section 4 (i.e., non-change in control) of the Exelon Corporation Senior Management Severance Plan or its successor. If, during an Imminent Control Change Period, the Employer terminates Executive's employment other than for Disability and other than for Cause, or if Executive terminates employment for Good Reason then subject to the preceding sentence, unless such Termination of Employment occurred during the Post-Significant Acquisition Period, the Company's sole obligations to Executive under Articles II and IV shall be as set forth in this Section 4.2. The Company's obligations to Executive under this Section 4.2 shall be reduced by any amounts or benefits paid or provided pursuant to the Exelon Corporation Senior Management Severance Plan (whether under Section 4 thereof or any other provision) or any successor thereto. If Executive's Termination of Employment occurred during any portion of an Imminent Control Change Period that is also a Post-Significant Acquisition Period, the Company's obligations to Executive, if any, shall be determined under Section 4.1.

(a) Termination During an Imminent Control Change Period: Cash Severance Payments. If the Imminent Control Change Period culminates in a Change Date, the Company shall pay (or cause to be paid) to Executive the amounts described in Section 4.1(a)(i) through (vi). Such amounts shall be paid to Executive as described in Section 4.4, provided that amounts that would have been paid prior to the Change Date shall be paid in a lump sum (without interest) within 30 business days after the Change Date.

(b) Termination During an Imminent Control Change Period: Vested Stock Options. Executive's Stock Options, to the extent vested on the Termination Date,

(i) will not expire (unless such Stock Options would have expired had Executive remained an employee of the Company) during the Imminent Control Change Period; and

(ii) will continue to be exercisable after the Termination Date to the extent provided in the applicable grant agreement or Plan, and thereafter, such Stock Options shall not be exercisable during the Imminent Control Change Period.

If the Imminent Control Change Period lapses without a Change Date, then Executive's Stock Options, to the extent vested on the Termination Date, may be exercised, in whole or in part, during the 30-day period following the lapse of the Imminent Control Change Period, or, if longer, the period during which Executive's vested Stock Options could otherwise be exercised under the terms of the applicable grant agreement or Plan (but in no case shall any Stock Options remain exercisable after the date on which such Stock Options would have expired if Executive had remained an employee of the Company).

If the Imminent Control Change Period culminates in a Change Date, then effective upon the Change Date, Executive's Stock Options, to the extent vested on the Termination

Date, may be exercised in whole or in part by the Executive at any time until (1) the option expiration date for such Stock Options granted prior to January 1, 2002 or (2) the earlier of the fifth anniversary of the Change Date or the option expiration date for such Stock Options granted on or after January 1, 2002; provided that this Section shall not limit the right of the Company to cancel the Stock Options in connection with a corporate transaction pursuant to the terms of the LTIP.

(c) Termination During an Imminent Control Change Period: Unvested Stock Options. Executive's Stock Options that are not vested on the Termination Date

(i) will not expire (unless such Stock Options would have expired had Executive remained an employee of the Company) during the Imminent Control Change Period; and

(ii) will not continue to vest and will not be exercisable during the Imminent Control Change Period after the expiration of the period for post-termination exercise under the terms of the applicable Stock Option Agreement.

If the Imminent Control Change lapses without a Change Date, such unvested Stock Options will thereupon expire.

If the Imminent Control Change culminates in a Change Date, then immediately prior to the Change Date, such unvested Stock Options shall become fully vested, and may thereupon be exercised in whole or in part by the Executive at any time until (1) the option expiration date for such Stock Options granted prior to January 1, 2002 or (2) the earlier of the fifth anniversary of the Change Date, or the option expiration date for such Stock Options granted on or after January 1, 2002; provided that this Section shall not limit the right of the Company to cancel the Stock Options in connection with a corporate transaction pursuant to the terms of the LTIP.

(d) Termination During an Imminent Control Change Period: Performance Shares. Executive's Performance Shares granted under the Exelon Performance Share Program under the LTIP will not be forfeited during the Imminent Control Change Period, and will not continue to vest during the Imminent Control Change Period. If the Imminent Control Change lapses without a Change Date, such Performance Shares shall be governed according to the terms of Section 4 of the Exelon Corporation Senior Management Severance Plan. If the Imminent Control Change Period culminates in a Change Date:

(1) All Performance Shares granted to the Executive under the Exelon Performance Share Program under the LTIP, which, as of the Termination Date, have been earned by and awarded to the Executive, shall become fully vested at the actual earned level on the Change Date, and

(2) All of the Performance Shares granted to the Executive under the Exelon Performance Share Program under the LTIP which, as of the Termination Date, have not been earned by and awarded to the

Executive shall become fully vested on the Change Date at the LTIP Target Level.

(e) Termination During an Imminent Control Change Period: Restricted Stock. Executive's unvested Restricted Stock will:

(i) not be forfeited during the Imminent Control Change Period; and

(ii) not continue to vest during the Imminent Control Change Period.

If the Imminent Control Change Period lapses without a Change Date, such unvested Restricted Stock shall thereupon be forfeited.

If the Imminent Control Change Period culminates in a Change Date, then immediately prior to the Change Date, Executive's Restricted Stock shall (except as specifically provided to the contrary in the award) become fully vested.

(f) Termination During an Imminent Control Change Period: Continuation of Welfare Benefits. The Company shall continue to provide to Executive and Executive's family welfare benefits (other than any severance pay that may be considered a welfare benefit) during the Imminent Change Period which are at least as favorable as welfare benefits under the most favorable Welfare Plans of the Company applicable with respect to peer executives who are actively employed after the Termination Date and their families; subject to the following:

(i) In determining benefits applicable 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 Base Salary and Annual Incentive;

(ii) The cost of such welfare benefits to Executive and family under this Section 4.2(f) shall not exceed the cost of such benefits to peer executives who are actively employed after the Termination Date.

(iii) Executive's rights under this Section 4.2(f) 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.

If the Imminent Control Change Period lapses without a Change Date, welfare benefit plan coverage under this Section 4.2(f) shall thereupon cease, subject to Executive's rights, if any, to continued coverage under a Welfare Plan, Section 4 of the Exelon Corporation Senior Management Severance Plan, or applicable law. If the Imminent Control Change Period culminates in a Change Date, then for the remainder of the Severance Period (and continuing through such later date as any Welfare Plan may specify), the Company shall continue to provide Executive and Executive's family welfare benefits as described in, and subject to the limitations of Section 4.1(e).

Notwithstanding the foregoing, if the Executive obtains a specific type of coverage under welfare plan(s) sponsored by another employer of Executive (e.g. medical, prescription, vision, dental, disability, individual life insurance benefits, group life insurance benefits, but excluding for the purposes of this sentence retiree benefits if Executive is so eligible), then the Company shall not be obligated to provide such any specific type of coverage. The Executive shall immediately notify the Company of any such coverage.

(g) Termination During an Imminent Control Change Period: Outplacement. To the extent actually incurred by Executive, the Company shall pay or cause to be paid on behalf of Executive, as incurred, all reasonable fees and costs charged by a nationally recognized outplacement firm selected by the Executive for outplacement services provided up to 12 months after the Termination Date. No cash shall be paid in lieu of such fees and costs.

(h) Termination During an Imminent Control Change Period: Indemnification. The Executive shall be indemnified and held harmless by the Company to the same extent as provided in Section 4.1(g), but only during the Imminent Control Change Period (or greater period provided under the Company's by-laws) if the Imminent Control Change Period lapses without a Change Date.

(i) Termination During an Imminent Control Change Period: Directors' and Officers' Liability Insurance. The Company shall provide the same level of directors' and officers' liability insurance for Executive as provided in Section 4.1(h), but only during the Imminent Control Change Period (or greater period provided under the Company's by-laws) if the Imminent Control Change Period lapses without a Change Date.

4.3 Termination During a Post-Disaggregation Period. If, during a Post-Disaggregation Period the Disaggregated Entity terminates Executive's employment other than for Cause or Disability, or if Executive terminates employment for Good Reason, the Company's sole obligations to Executive under Articles II and IV shall be as set forth in this Section 4.3, subject to Section 3.3(c), but only to the extent not provided by the Disaggregated Entity.

(a) Termination During a Post-Disaggregation Period: Cash Severance Payments. The Company shall pay Executive the amounts described in Section 4.1(a), as provided in Section 4.4.

(b) Termination During a Post-Disaggregation Period: Stock Options. All of Executive's Stock Options granted prior to the Disaggregation that have not expired, whether or not converted to options or stock of the Disaggregated Entity or Merger Survivor, shall be fully vested, and may be exercised in whole or in part by the Executive at any time until (1) the remaining option expiration date for such Stock Options granted prior to January 1, 2002 and (2) the earlier of the fifth anniversary of the Termination Date or the option expiration date for such Stock Options granted on or after January 1, 2002; provided that this Section shall not limit the right of the Company to cancel the Stock Options in connection with a corporate transaction pursuant to the terms of the LTIP.

(c) Termination During a Post-Disaggregation Period: Performance Shares. Executive's Performance Shares granted prior to the Disaggregation, whether or not earned by and awarded to the Executive as of the Disaggregation, and whether or not converted to performance shares of the Disaggregated Entity or the Merger Survivor, shall become fully vested (at the earned level for Performance Shares earned and awarded, and at the target level for any converted performance shares not yet earned and awarded) on the Termination Date.

(d) Termination During a Post-Disaggregation Period: Restricted Stock. Executive's unvested Restricted Stock, whether or not converted to restricted stock of the Disaggregated Entity or Merger Survivor, shall become fully vested on the Termination Date.

(e) Termination During a Post-Disaggregation Period: Continuation of Welfare Benefits. Until the end of the Severance Period, the Company shall continue to provide to Executive and Executive's family welfare benefits with the same rights in relation to continuation coverage, status in relation to other employer benefits, scope and cost as described in Section 4.1(e); provided that, to the extent Executive is eligible for post-termination continuation coverage under the plans of the Disaggregated Entity, whether pursuant to Section 4980B of the Code or otherwise, the continued coverage required hereunder shall be provided under the plans of the Disaggregated Entity (and the Company shall reimburse the cost to Executive of such coverage).

(f) Termination During a Post-Disaggregation Period: Outplacement. To the extent actually incurred by Executive, the Company shall pay or cause to be paid on behalf of Executive, as incurred, all reasonable fees and costs charged by a nationally recognized outplacement firm selected by the Executive for outplacement services provided up to 12 months after the Termination Date. No cash shall be paid in lieu of such fees and costs.

(g) Termination During a Post-Disaggregation Period: Indemnification. The Executive shall be indemnified and held harmless by the Company to the same extent as provided in Section 4.1(g).

(h) Termination During a Post-Disaggregation Period: Directors' and Officers' Liability Insurance. The Company shall provide Executive with directors' and officers' liability insurance to the same extent as provided in Section 4.1(h).

4.4 Timing of Severance Payments. Unless otherwise specified herein, the amounts described in Section 4.1(a)(i) shall be paid within 30 business days of the Termination Date, and such amounts shall be considered "short-term deferrals" with the meaning of Section 409A of the Code. The amounts described in Sections 4.1(a)(ii), (iii), (iv) and (v) shall be paid in accordance with the applicable Incentive Plan, deferred compensation plan or SERP and, if applicable, Executive's distribution election thereunder as of the Termination Date (or, if no affirmative election is in effect as of such date, the default election as of such date). The severance payments described in Section 4.1(a)(vi) shall be paid as follows:

(a) Beginning no later than forty five days after the Termination Date, the Company shall make periodic payments to the Executive according to the Company's normal payroll practices at a monthly rate equal to $^1/_{12}$ of the sum of (i) the Executive's Base Salary in effect as of the Termination Date plus (ii) the Severance Incentive; and

(b) Within 30 business days of the second anniversary of the Termination Date, the Company shall pay Executive a cash lump sum equal to the difference between the total Severance Payment less the total amount paid pursuant to normal payroll practices under Section 4.4(a);

provided that in the event the Company determines that Executive is a "specified employee," within the meaning of Section 409A of the Code, and that certain of the payments made to Executive under Section 4.1(a)(vi) constitute the payment of deferred compensation that is subject to Section 409A of the Code, then any of such payments that pursuant to this Section 4.4 would be paid prior to the six-month anniversary of Executive's Termination Date shall, to the extent required by Section 409A of the Code, be delayed and be paid to Executive on the six-month anniversary of Executive's Termination Date. The Stock Options, Performance Shares and Restricted Stock awards shall be paid in accordance with the LTIP and the applicable award agreements; provided that, in the event the Company determines that Executive is a "specified employee," within the meaning of Section 409A of the Code, and that an award constitutes the payment of deferred compensation that is subject to Section 409A of the Code, then any payment of such award pursuant to this Section 4.4 that would be paid prior to the six-month anniversary of Executive's Termination Date shall, to the extent required by Section 409A of the Code, be delayed and paid to Executive on the six-month anniversary of Executive's Termination Date. The in-kind benefits and reimbursements provided under each of Sections 4.1(e), 4.1(g), 4.2(f), 4.2(h), 4.3(e) and 4.4(g) during any calendar year shall not affect the benefits or reimbursements to be provided under such section in any subsequent calendar year. The right to such benefits and reimbursements shall not be subject to liquidation or exchange for any other benefit.

4.5 Waiver and Release. Notwithstanding anything herein to the contrary, Executive's right to the benefits provided under Article IV or Article V hereof shall be contingent upon (i) Executive having executed and delivered to the Company a waiver and general release provided by the Company (the "Waiver and Release") not later than the date set forth in the release (but in no event more than 45 days after the Termination Date) (the "Consideration Period"), (ii) Executive not revoking such release in accordance with the terms of the release and (ii) Executive not violating any of Executive's on-going obligations under this Agreement; provided, however, that the Company has the discretion to pay such benefits prior to receipt of the Waiver and Release and/or the expiration of the revocation period; provided further that if Executive does not execute and deliver a release to the Company prior to the expiration of the Consideration Period or if the Executive revokes the release in accordance with its terms, Executive shall pay to the Company within 10 days following the expiration of the Consideration Period or the date such release was revoked, a lump sum payment of all payments received by Executive to date hereunder.

4.6 Breach of Covenants. If a court determines that Executive has breached any non-competition, non-solicitation, confidential information or intellectual property covenant entered into between Executive and Company, the Company shall not be obligated to pay or provide any

severance or benefits under Articles IV or V, all unexercised Stock Options shall terminate as of the date of the breach, and all Restricted Stock shall be forfeited as of the date of the breach.

4.7 Termination by the Company for Cause. If the Company (or Affiliate or, if applicable, the Disaggregated Entity) terminates Executive's employment for Cause during the Post-Change Period, the Imminent Control Change Period, the Post-Significant Acquisition Period, or the Post-Disaggregation Period, the Company's sole obligation to Executive under Articles II, IV, and V shall be to pay Executive, pursuant to the Company's then-effective Plans, a lump-sum cash amount equal to all Accrued Obligations determined as of the Termination Date. The remaining applicable provisions of this Agreement (including the restrictive covenants in Article VIII) shall continue to apply.

4.8 Termination by Executive Other Than for Good Reason. If Executive elects to retire or otherwise terminate employment during the Post-Change Period, the Imminent Control Change Period, the Post-Significant Acquisition Period, or the Post-Disaggregation Period, other than for Good Reason, Disability or death, the Company's sole obligation to Executive under Articles II, IV, and V shall be to pay Executive, pursuant to the Company's then-effective Plans, a lump-sum cash amount equal to all Accrued Obligations determined as of the Termination Date. The remaining provisions of this Agreement (including the restrictive covenants in Article VIII) shall continue to apply.

4.9 Termination by the Company for Disability. If the Company (or Disaggregated Entity, if applicable) terminates Executive's employment by reason of Executive's Disability during a Post-Change Period, Imminent Control Change Period that culminates in a Change Date, Post-Significant Acquisition Period or Post-Disaggregation Period, the Company's sole obligation to Executive under Articles II, IV, and V shall be as follows, and such obligations shall be reduced by amounts paid or provided by the Disaggregated Entity:

(a) to pay Executive, a lump-sum cash amount equal to the sum of amounts specified in Section 4.1(a)(i) and (ii) determined as of the Termination Date,

(b) to pay Executive the amounts described in Section 4.1(a)(iii) in accordance with the applicable deferred compensation plan and Executive's distribution election thereunder as of the Termination Date (or, if no affirmative election is in effect as of such date, the default election as of such date) and

(c) to provide Executive disability and other benefits after the Termination Date that are not less than the most favorable of such benefits then available under Plans of the Company to disabled peer executives of the Company in effect immediately before the Termination Date.

The remaining provisions of this Agreement (including the restrictive covenants in Article VIII) shall continue to apply.

4.10 Upon Death. If Executive's employment is terminated by reason of Executive's death during a Post-Change Period, Imminent Control Change Period that culminates in a Change Date, Post-Significant Acquisition Period or Post-Disaggregation Period, the Company's

sole obligations to Executive and Executive's Beneficiary under Articles II, IV, and V shall be as follows, and such obligations shall be reduced by amounts paid or provided by the Disaggregated Entity:

(a) to pay Executive's Beneficiary, pursuant to the Company's then-effective Plans or, if the timing of payment is not governed by the terms of a Plan, within 30 days after the date of Executive's death, a lump-sum cash amount equal to all Accrued Obligations; and

(b) to provide Executive's Beneficiary survivor and other benefits that are not less than the most favorable of such benefits then available under Plans of the Company to surviving families of peer executives of the Company in effect immediately before the Executive's death, including retiree health care coverage under any Welfare Plan of the Company that provides such coverage without regard to whether the Executive had satisfied the eligibility requirements for such coverage as of the date of his or her death.

4.11 Sole and Exclusive Obligations. The obligations of the Company under this Agreement with respect to any Termination of Employment of the Executive during the Post-Change Period, Imminent Control Change Period, Post-Significant Acquisition Period, or Post-Disaggregation Period shall, except as provided in Section 4.2, supersede any severance obligations of the Company in any other plan of the Company or agreement between Executive and the Company, including, without limitations, the Exelon Corporation Senior Management Severance Plan under Section 4 or any other provision thereof, or any other plan or agreement (including an offer of employment or employment contract) of the Company or any Affiliates which provides for severance benefits. In the event of any inconsistency, ambiguity or conflict between the terms of such other plan of the Company or agreement between Executive and the Company and this Agreement with respect to any severance obligations of the Company (other than obligations with respect to credited service under the SERP in any agreement other than a prior Change in Control Agreement entered into by and among Executive, Unicom Corporation, Commonwealth Edison Company or PECO Energy Company), this Agreement shall govern.

Article V.

Certain Additional Payments by the Company

5.1 No Excise Tax Gross-Up.

(a) If it is determined by the Company's independent auditors that any monetary or other benefit received or deemed received by Executive from the Company or any Affiliate thereof 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 would, if paid, become subject to any excise tax under Section 4999 of the Code or any similar tax under any United States federal, state, local or other law (such excise tax and all such similar taxes collectively, "Excise Taxes"), then the total Potential Parachute Payments shall be reduced such that the value of the aggregate Potential Parachute Payments shall be one dollar ($1) less than the maximum amount which the Executive may receive without becoming subject to Excise Taxes (the "Capped Amount"), and only the Capped Amount shall be paid. The tax (and

interest) imposed under Section 409A of the Code shall not be "any similar tax" for purposes of this Agreement.

(b) Notwithstanding Section 5.1(a), if receipt of the total Potential Parachute Payments without reduction would leave Executive with a greater amount, after payment of Taxes and Excise Taxes with respect thereto, than payment of the Capped Amount after payment of Taxes with respect thereto, then the reduction described in Section 5.1(a) shall not be made.

(c) In the event payment of the Capped Amount is to be made, the Potential Parachute Payments shall be reduced or eliminated upon notice by the Executive in writing delivered to the Company within 10 days of his receipt of the Company Certificate (or, if later within 10 days after his deliver of the Executive Certificate), or if the Executive fails to so notify the Company, then as the Company shall reasonably determine, with regard for avoiding the imposition of taxes and interest payments under Section 409A of the Code, if possible, so that under the bases of calculations set forth in the Company Certificate (or, if applicable, the Executive Certificate), there will be no amount subject to the tax imposed by Section 4999 of the Code. Such reduction shall be applied, to the extent necessary, first to any cash severance payments hereunder, followed by any Annual Incentive payable for the year in which the Termination of Employment occurs, followed by any Performance Shares payable for such year or preceding years and then to any Options.

(d) The determination of the Company's independent auditors described in Section 5.1(a), including the detailed calculations of the amounts of the Potential Parachute Payments, the Capped Amount, the amount of Excise Taxes and Taxes and the assumptions relating thereto, shall be set forth in a written certificate of such auditors (the "Company Certificate") delivered to Executive. Executive or the Company may at any time request the preparation and delivery to Executive of a Company Certificate. The Company shall cause the Company Certificate to be delivered to Executive as soon as reasonably possible after such request.

5.2 Determination by Executive.

(a) If (i) the Company shall fail to deliver a Company Certificate to Executive within 30 days after its receipt of his written request therefor, or (ii) at any time after Executive's receipt of a Company Certificate, Executive disputes any portion of the Company Certificate, then Executive may elect to deliver a determination ("Executive Certificate") to the Company, setting forth Executive's determination as to whether Section 5.1(a) applies, and if so, the amount of the Capped Amount. If the Executive Certificate specifies that the Company is required to pay an amount less than the amount specified in the Company Certificate, setting forth in detail how such lesser amount was determined, the Executive Certificate shall be controlling for all purposes. If the Executive Certificate specifies that the Company is required to pay an amount greater than the amount specified in the Company Certificate, the Executive Certificate shall specify the full amount of the Potential Parachute Payments determined by Executive (together with the detailed calculations of the Capped Amount, amounts of Excise Taxes and Taxes and the assumptions relating thereto) and shall be accompanied by an Executive Counsel Opinion (as defined in Section 5.3) regarding the applicability or inapplicability (as appropriate) of the reduction described in Section 5.1(a) (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 Executive the full amount specified in the Executive's Determination (less the portion thereof, if any, previously paid to Executive by the Company) or (ii) deliver to Executive a Company Certificate and a Company Counsel Opinion (as defined in Section 5.3), and pay Executive the amount specified in such Company Certificate. If for any reason the Company fails to comply with the preceding sentence, the amounts specified in the Executive's Determination shall be controlling for all purposes.

(b) If Executive does not request a Company Certificate, the Company does not deliver a Company Certificate to Executive, and Executive does not deliver an Executive Certificate to the Company, then the Potential Parachute Payments shall be made without regard to Section 5.1(a).

5.3 Opinion of Counsel. "Executive Counsel Opinion" means an opinion of nationally recognized executive compensation counsel to the effect (i) that the Capped Amount determined by Executive pursuant to Section 5.2 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 Executive, that there is no reasonable basis or no substantial authority for the calculation of the Capped Amount set forth in the Company Certificate. "Company Counsel Opinion" means an opinion of nationally recognized executive compensation counsel to the effect that the amount of the Capped Amount 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 most likely to decide to have been calculated in accordance with this Article and applicable law, and that there is no substantial authority for the calculation set forth in the Executive's Certificate.

Article VI.

Expenses, Interest and Dispute Resolution

6.1 Enforcement and Late Payments.

(a) If, after the Agreement Date, Executive incurs reasonable legal fees or other expenses (including arbitration costs and expenses under Section 6.3) in an effort to secure, preserve, or obtain benefits under this Agreement, the Company shall, regardless of the outcome of such effort, reimburse Executive (in accordance with Section 6.1(b)) for such fees and expenses.

(b) Reimbursement of legal fees and expenses and gross-up payments shall be made on a current basis, promptly after Executive's written submission of a request for reimbursement together with evidence that such fees and expenses were incurred.

(c) If Executive does not prevail (after exhaustion of all available judicial remedies) in respect of a claim by Executive or by the Company hereunder, and the Company establishes before a court of competent jurisdiction by clear and convincing evidence that Executive had no reasonable basis for Executive's claim hereunder, or for Executive's response to the Company's claim hereunder, or that Executive acted in bad

faith, no further reimbursement for legal fees and expenses shall be due to Executive in respect of such claim and Executive shall refund any amounts previously reimbursed hereunder with respect to such claim.

6.2 Interest. If the Company does not pay any cash amount due to Executive under this Agreement within three business days after such amount first 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.

6.3 Arbitration. Any dispute, controversy or claim between the parties hereto arising out of or in connection with or relating to this Agreement (other than disputes related to Article V or to an alleged breach of the covenant contained in Article VIII) or any breach or alleged breach thereof, or any benefit or alleged benefit hereunder, shall be settled by arbitration in Chicago, Illinois, 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 Chicago office of AAA. The arbitrator shall have the authority to interpret and apply the provisions of this Agreement, consistent with Section 10.12 below. The decision of the arbitrator shall be final and binding upon the parties and a judgment thereon may be entered in the highest court of a forum, state or federal, having jurisdiction. The expenses of the arbitration shall be borne according to Section 6.1. No arbitration shall be commenced after the date when institution of legal or equitable proceedings based upon such subject matter would be barred by the applicable statutes of limitations. Notwithstanding anything to the contrary contained in this Section 6.3 or elsewhere in this Agreement, either party may bring an action in the District Court of Cook County, or the United States District Court for the Northern District of Illinois, if jurisdiction there lies, in order to maintain the status quo ante of the parties. The "status quo ante" is defined as the last peaceable, uncontested status between the parties. However, neither the party bringing the action nor the party defending the action thereby waives its right to arbitration of any dispute, controversy or claim arising out of or in connection or relating to this Agreement. Notwithstanding anything to the contrary contained in this Section 6.3 or elsewhere in this Agreement, either party may seek relief in the form of specific performance, injunctive or other equitable relief in order to enforce the decision of the arbitrator. The parties agree that in any arbitration commenced pursuant to this Agreement, the parties shall be entitled to such discovery (including depositions, requests for the production of documents and interrogatories) as would be available in a federal district court pursuant to Rules 26 through 37 of the Federal Rules of Civil Procedure. In the event that either party fails to comply with its discovery obligations hereunder, the arbitrator shall have full power and authority to compel disclosure or impose sanctions to the full extent of Rule 37 of the Federal Rules of Civil Procedure.

Article VII.

No Set-off or Mitigation

7.1 No Set-off by Company. Executive's right to receive when due the payments and other benefits provided for under this Agreement is absolute, unconditional and subject to no setoff, counterclaim or legal or equitable defense; provided, however that the Company shall have no further obligation to pay or provide severance benefits under Article II, Article IV or Article V if at any time it determines, in accordance with the procedural requirements in Section 3.3, that in the course of his or her employment the Executive engaged in conduct described in Section 3.3(a)(iii) or the last clause of Section 3.3(a)(iv), and all incentive compensation paid or payable hereunder shall be subject to any officer compensation recoupment policy as in effect on the Change Date. Time is of the essence in the performance by the Company of its obligations under this Agreement. Any claim which the Company may have against 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 Executive to enforce any rights against the Company under this Agreement.

7.2 No Mitigation. Executive shall not have any duty to mitigate the amounts payable by the Company under this Agreement by seeking new employment or self-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 Executive as the result of Executive's employment by another unaffiliated employer or self-employment.

Article VIII.

Restrictive Covenants

8.1 Confidential Information. The Executive acknowledges that in the course of performing services for the Companies and Affiliates, he or she may create (alone or with others), learn of, have access to and receive Confidential Information**.** Confidential Information shall not include: (i) information that is or becomes generally known through no fault of Executive; (ii) information received from a third party outside of the Company that was disclosed without a breach of any confidentiality obligation; or (iii) information approved for release by written authorization of the Company. The Executive recognizes that all such Confidential Information is the sole and exclusive property of the Company and its Affiliates or of third parties which the Company or Affiliate is obligated to keep confidential, that it is the Company's policy to keep all such Confidential Information confidential, and that disclosure of Confidential Information would cause damage to the Company and its Affiliates. The Executive agrees that, except as required by the duties of Executive's employment with the Company or any of its Affiliates and except in connection with enforcing the Executive's rights under this Agreement or if compelled by a court or governmental agency, in each case provided that prior written notice is given to Company, Executive will not, without the written consent of Company, willfully disseminate or otherwise disclose, directly or indirectly, any Confidential Information obtained during his or her employment with the Company or its Affiliates, and will take all necessary precautions to prevent disclosure, to any unauthorized individual or entity inside or outside the Company, and will not use the Confidential Information or permit its use for the benefit of Executive or any other person or entity other than the Company or its Affiliates. These obligations shall continue during and after the termination of Executive's employment

(whether or not after a Change in Control, Imminent Control Change, Significant Acquisition or Disaggregation).

8.2 Non-Competition. During the period beginning on the Agreement Date and ending on the second anniversary of the Termination Date, whether or not after a Change in Control, Imminent Control Change, Significant Acquisition or Disaggregation, Executive hereby agrees that without the written consent of the Company Executive shall not at any time, directly or indirectly, in any capacity:

(a) engage or participate in, become employed by, serve as a director of, or render advisory or consulting or other services in connection with, any Competitive Business; provided, however, that after the Termination Date this Section 8.2 shall not preclude Executive from being an employee of, or consultant to, any business unit of a Competitive Business if (i) such business unit does not qualify as a Competitive Business in its own right and (ii) Executive does not have any direct or indirect involvement in, or responsibility for, any operations of such Competitive Business that cause it to qualify as a Competitive Business.

(b) make or retain any financial investment, whether in the form of equity or debt, or own any interest, in any Competitive Business. Nothing in this subsection shall, however, restrict Executive from making an investment in any Competitive Business if such investment does not (i) represent more than 1% of the aggregate market value of the outstanding capital stock or debt (as applicable) of such Competitive Business, (ii) give Executive any right or ability, directly or indirectly, to control or influence the policy decisions or management of such Competitive Business, and (iii) create a conflict of interest between Executive's duties under this Agreement and his or her interest in such investment.

8.3 Non-Solicitation. During the period beginning on the Agreement Date and ending on the second anniversary of any Termination Date, whether or not after a Change in Control, Imminent Control Change, Significant Acquisition or Disaggregation, Executive shall not, directly or indirectly:

(a) other than in connection with the good-faith performance of his or her duties as an officer of the Company, cause or attempt to cause any employee or agent of the Company to terminate his or her relationship with the Company;

(b) employ, engage as a consultant or adviser, or solicit the employment or engagement as a consultant or adviser, of any employee or agent of the Company (other than by the Company or its Affiliates), or cause or attempt to cause any Person to do any of the foregoing;

(c) establish (or take preliminary steps to establish) a business with, or cause or attempt to cause others to establish (or take preliminary steps to establish) a business with, any employee or agent of the Company, if such business is or will be a Competitive Business; or

(d) interfere with the relationship of the Company with, or endeavor to entice away from the Company, any Person who or which at any time during the period commencing one year prior to the Termination Date was or is, to the Executive's knowledge, a material customer or material supplier of, or maintained a material business relationship with, the Company.

8.4 Intellectual Property. During the period of Executive's employment with the Company and any Affiliate, and thereafter upon the Company's request, whether or not after a Change in Control, Imminent Control Change, Significant Acquisition or Disaggregation, Executive shall disclose immediately to the Company all ideas, inventions and business plans that he or she makes, conceives, discovers or develops alone or with others during the course of his or her employment with the Company or during the one year period following Executive's Termination Date, including any inventions, modifications, discoveries, developments, improvements, computer programs, processes, products or procedures (whether or not protectable upon application by copyright, patent, trademark, trade secret or other proprietary rights) ("Work Product") that: (i) relate to the business of the Company or any customer or supplier to the Company or any of the products or services being developed, manufactured, sold or otherwise provided by the Company or that may be used in relation therewith; or (ii) result from tasks assigned to Executive by the Company; or (iii) result from the use of the premises or personal property (whether tangible or intangible) owned, leased or contracted for by the Company. Executive agrees that any Work Product shall be the property of the Company and, if subject to copyright, shall be considered a "work made for hire" within the meaning of the Copyright Act of 1976, as amended (the "Act"). If and to the extent that any such Work Product is not a "work made for hire" within the meaning of the Act, Executive hereby assigns to the Company all right, title and interest in and to the Work Product, and all copies thereof, and the copyright, patent, trademark, trade secret and all proprietary rights in the Work Product, without further consideration, free from any claim, lien for balance due or rights of retention thereto on the part of Executive.

(a) The Company hereby notifies Executive that the preceding paragraph does not apply to any inventions for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on the Executive's own time, unless: (i) the invention relates (a) to the Company's business, or (b) to the Company's actual or demonstrably anticipated research or development, or (ii) the invention results from any work performed by the Executive for the Company.

(b) Executive agrees that upon disclosure of Work Product to the Company, Executive will, during his or her employment and at any time thereafter, at the request and cost of the Company, execute all such documents and perform all such acts as the Company or its duly authorized agents may reasonably require: (i) to apply for, obtain and vest in the name of the Company alone (unless the Company otherwise directs) letters patent, copyrights or other analogous protection in any country throughout the world, and when so obtained or vested to renew and restore the same; and (ii) to prosecute or defend any opposition proceedings in respect of such applications and any opposition proceedings or petitions or applications for revocation of such letters patent, copyright or other analogous protection, or otherwise in respect of the Work Product.

(c) In the event that the Company is unable, after reasonable effort, to secure Executive's execution as provided in subsection (b) above, whether because of Executive's physical or mental incapacity or for any other reason whatsoever, Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as his or her agent and attorney-in-fact, to act for and on his or her behalf to execute and file any such application or applications and to do all other lawfully permitted acts to further the prosecution, issuance and protection of letters patent, copyright and other intellectual property protection with the same legal force and effect as if personally executed by Executive.

8.5 Reasonableness of Restrictive Covenants.

(a) Executive acknowledges that the covenants contained in Sections 8.1, 8.2, 8.3 and 8.4 are reasonable in the scope of the activities restricted, the geographic area covered by the restrictions, and the duration of the restrictions, and that such covenants are reasonably necessary to protect the Company's legitimate interests in its Confidential Information and in its relationships with its employees, customers and suppliers. Executive further acknowledges such covenants are essential elements of this Agreement and that, but for such covenants, the Company would not have entered into this Agreement.

(b) The Company and Executive have each consulted with their respective legal counsel and have been advised concerning the reasonableness and propriety of such covenants. Executive acknowledges that Executive's observance of the covenants contained in Sections 8.1, 8.2, 8.3 and 8.4 will not deprive Executive of the ability to earn a livelihood or to support his or her dependents.

8.6 Right to Injunction; Survival of Undertakings.

(a) In recognition of the confidential nature of the Confidential Information, and in recognition of the necessity of the limited restrictions imposed by Sections 8.1, 8.2, 8.3 and 8.4 the parties agree that it would be impossible to measure solely in money the damages which the Company would suffer if Executive were to breach any of his or her obligations under such Sections. Executive acknowledges that any breach of any provision of such Sections would irreparably injure the Company. Accordingly, Executive agrees that if he or she breaches any of the provisions of such Sections, the Company shall be entitled, in addition to any other remedies to which the Company may be entitled under this Agreement or otherwise, to an injunction to be issued by a court of competent jurisdiction, to restrain any breach, or threatened breach, of such provisions, and Executive hereby waives any right to assert any claim or defense that the Company has an adequate remedy at law for any such breach.

(b) If a court determines that any of the covenants included in this Article VIII is unenforceable in whole or in part because of such covenant's duration or geographical or other scope, such court shall have the power to modify the duration or scope of such provision, as the case may be, so as to cause such covenant as so modified to be enforceable.

(c) All of the provisions of this Article VIII shall survive any Termination of Employment without regard to (i) the reasons for such termination or (ii) the expiration of the Agreement Term.

(d) The Company shall have no further obligation to pay or provide severance or benefits under Article II, Article IV, or Article V if a court determines that the Executive has breached any covenant in this Article VIII.

Article IX.

Non-Exclusivity of Rights

9.1 Other Rights. Except as expressly provided in Section 4.11 or elsewhere in this Agreement, this Agreement shall not prevent or limit Executive's continuing or future participation in any benefit, bonus, incentive or other Plans provided by the Company and for which Executive may qualify, nor shall this Agreement limit or otherwise affect such rights as Executive may have under any other agreements with the Company. Amounts which are vested benefits or which Executive is otherwise entitled to receive under any Plan 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.

9.2 No Right to Continued Employment. Nothing in this Agreement shall guarantee the right of Executive to continue in employment, and the Company retains the right to terminate the Executive's employment at any time for any reason or for no reason.

Article X.

Miscellaneous

10.1 No Assignability. This Agreement is personal to Executive and without the prior written consent of the Company shall not be assignable by Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Executive's legal representatives.

10.2 Successors. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Any successor to the business or assets of the Company which assumes or agrees to perform this Agreement by operation of law, contract, or otherwise shall be jointly and severally liable with the Company under this Agreement as if such successor were the Company.

10.3 Affiliates. To the extent that immediately prior to the Applicable Trigger Date, the Executive has been on the payroll of, and participated in the incentive or employee benefit plans of, an Affiliate of the Company, the references to the Company contained in

Sections 2.8(a)(i) through (vii) and the other Sections of this Agreement referring to benefits to which the Executive may be entitled shall be read to refer to such Affiliate.

10.4 Payments to Beneficiary. If Executive dies before receiving amounts to which Executive is entitled under this Agreement, such amounts shall be paid in a lump sum to one or more beneficiaries designated in writing by Executive (each, a "Beneficiary") within 90 days after the date of Executive's death. If none is so designated, the Executive's estate shall be his or her Beneficiary.

10.5 Payment of Reimbursable Expenses. Any reimbursement (including any advancement) payable to Executive pursuant to this Agreement shall be conditioned on the submission by Executive of all expense reports reasonably required by the Company under any applicable expense reimbursement policy, and shall be paid to the Executive within 30 days following receipt of such expense reports (or invoices), but in no event later than the last day of the calendar year following the calendar year in which Executive incurred the reimbursable expense. Any amount of expenses eligible for reimbursement during a calendar year shall not affect the expenses eligibility for reimbursement during any other calendar year. The right to reimbursement pursuant to this Agreement shall not be subject to liquidation or exchange for any other benefit.

10.6 Non-Alienation 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 Executive, and any such attempt to dispose of any right to benefits payable under this Agreement shall be void.

10.7 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.

10.8 Amendments This Agreement shall not be amended or modified except by written instrument executed by the Company and Executive.

10.9 Notices. All notices and other communications under this Agreement shall be in writing and delivered by hand, by nationally-recognized delivery service that promises overnight delivery, or by first-class registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Executive, to Executive at his or her most recent home address on file with the Company.

If to the Company:

Exelon Corporation
54th Floor
10 S. Dearborn Street
Chicago, Illinois 60603
Attention: Senior Vice President and General Counsel
Facsimile No.: (312) 394-5433

With copy to:

Pamela Baker, Esq.
SNR Denton
8000 Sears Tower
Chicago, Illinois 60606
Facsimile No.: (312) 876-7934

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.

10.10 Joint and Several Liability. The Company and the Subsidiary shall be jointly and severally liable for the obligations of the Company, the Subsidiary, or the Employer hereunder.

10.11 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.

10.12 Governing Law. This Agreement shall be interpreted and construed in accordance with the laws of the State of Illinois, without regard to its choice of law principles.

10.13 Captions. The captions of this Agreement are not a part of the provisions hereof and shall have no force or effect.

10.14 Number and Gender. Wherever appropriate, the singular shall include the plural, the plural shall include the singular, and the masculine shall include the feminine.

10.15 Tax Withholding. The Company may withhold from any amounts payable under this Agreement or otherwise payable to Executive any Taxes the Company determines to be appropriate under applicable law and may report all such amounts payable to such authority as is required by any applicable law or regulation.

10.16 Section 409A. This Agreement shall be interpreted and construed in a manner that avoids the imposition of additional taxes and penalties under Section 409A of the Code ("409A Penalties"). In the event the terms of this Agreement would subject Executive to 409A Penalties, the Company and Executive shall cooperate diligently to amend the terms of the Agreement to avoid such 409A Penalties, to the extent possible. The payments to Executive pursuant to Section 4 of this Agreement are intended to be exempt from Section 409A of the Code to the

maximum extent possible, under either the separation pay exemption pursuant to Treasury regulation §1.409A-1(b)(9)(iii) or as a short-term deferral pursuant to Treasury regulation §1.409A-1(b)(4), and for purposes of the separation pay exemption, each installment paid to Executive under Section 4 shall be considered a separate payment. Notwithstanding any other provision in this Agreement, if on the date of Executive's Termination Date, (i) the Company is a publicly traded corporation and (ii) Executive is a "specified employee," as defined in Section 409A of the Code, then to the extent any amount payable under this Agreement constitutes the payment of nonqualified deferred compensation, within the meaning of Section 409A of the Code, that under the terms of this Agreement would be payable prior to the six-month anniversary of the Termination Date, such payment shall be delayed until the earlier to occur of (A) the six-month anniversary of the Termination Date or (B) the date of Executive's death.

10.17 No Waiver. Executive's failure to insist upon strict compliance with any provision of this Agreement shall not be deemed a waiver of such provision or any other provision of this Agreement. 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.

10.18 Entire Agreement. This Agreement, as amended and restated effective February 10, 2011, contains the entire understanding of Company and Executive with respect to its subject matter.

IN WITNESS WHEREOF, Executive and Exelon Corporation have executed this Change in Control Employment Agreement effective as of February 10, 2011.

EXECUTIVE

____

EXELON CORPORATION

By: ______________________________

Title: ______________________________

Exelon Corporation Subsidiaries Listing

Affiliate	Jurisdiction of Formation
Adwin Realty Company	Pennsylvania
AgriWind LLC	Illinois
AgriWind Project L.L.C.	Delaware
AllEnergy Gas & Electric Marketing Company, L.L.C.	Delaware
ATNP Finance Company	Delaware
B & K Energy Systems, LLC	Minnesota
BC Energy LLC	Minnesota
Bellevue Wind Energy, LLC	Delaware
Bennett Creek Windfarm, LLC	Idaho
Big Top, LLC	Oregon
Blissfield Wind Energy, LLC	Delaware
Blue Breezes II, L.L.C.	Minnesota
Blue Breezes, L.L.C.	Minnesota
Braidwood 1 NQF, LLC	Nevada
Braidwood 2 NQF, LLC	Nevada
Breezy Bucks-I LLC	Minnesota
Breezy Bucks-II LLC	Minnesota
Butter Creek Power, LLC	Oregon
Byron 1 NQF, LLC	Nevada
Byron 2 NQF, LLC	Nevada
Cassia Gulch Wind Park LLC	Idaho
Cassia Wind Farm LLC	Idaho
Christoffer Transmission Systems, LLC	Minnesota
Christoffer Wind Energy I LLC	Minnesota
Christoffer Wind Energy II LLC	Minnesota
Christoffer Wind Energy III LLC	Minnesota
Christoffer Wind Energy IV LLC	Minnesota
Cisco Wind Energy LLC	Minnesota
ComEd Financing III	Delaware
ComEd Funding, LLC	Delaware
ComEd Transitional Funding Trust	Delaware
Commonwealth Edison Company	Illinois
Commonwealth Edison Company of Indiana, Inc.	Indiana
Conemaugh Fuels, LLC	Delaware
Cow Branch Wind Power, L.L.C.	Missouri
CP Windfarm, LLC	Minnesota
CR Clearing, LLC	Missouri
DAJAW Transmission LLC	Minnesota
DL Windy Acres, LLC	Minnesota
Dresden 1 NQF, LLC	Nevada
Dresden 2 NQF, LLC	Nevada
Dresden 3 NQF, LLC	Nevada
Elbridge Wind Farm, LLC	Delaware
ENEH Services, LLC	Delaware
ETT Canada, Inc.	New Brunswick
Ewington Energy Systems LLC	Minnesota
Ex-FM, Inc.	New York

Ex-FME, Inc.	Delaware
Exelon AOG Holding #1, Inc.	Delaware
Exelon AOG Holding #2, Inc	Delaware
Exelon Business Services Company, LLC	Delaware
Exelon Capital Trust I	Delaware
Exelon Capital Trust II	Delaware
Exelon Capital Trust III	Delaware
Exelon Corporation	Pennsylvania
Exelon Edgar, LLC	Delaware
Exelon Energy Company	Delaware
Exelon Energy Delivery Company, LLC	Delaware
Exelon Enterprises Company, LLC	Pennsylvania
Exelon Framingham Development, LLC	Delaware
Exelon Framingham, LLC	Delaware
Exelon Generation Acquisitions, LLC	Delaware
Exelon Generation Clinton NQF, LLC	Nevada
Exelon Generation Company, LLC	Pennsylvania
Exelon Generation Consolidation, LLC	Nevada
Exelon Generation Finance Company, LLC	Delaware
Exelon Generation International, Inc.	Pennsylvania
Exelon Generation Oyster Creek NQF, LLC	Nevada
Exelon Generation TMI NQF, LLC	Nevada
Exelon Hamilton LLC	Delaware
Exelon International Commodities, LLC	Delaware
Exelon Investment Holdings, LLC	Illinois
Exelon Mechanical, LLC	Delaware
Exelon New Boston, LLC	Delaware
Exelon New England Development, LLC	Delaware
Exelon New England Holdings, LLC	Delaware
Exelon New England Power Marketing, Limited Partnership	Delaware
Exelon Nuclear Security, LLC	Delaware
Exelon Nuclear Texas Holdings, LLC	Delaware
Exelon Peaker Development General, LLC	Delaware
Exelon Peaker Development Limited, LLC	Delaware
Exelon PowerLabs, LLC	Pennsylvania
Exelon SHC, LLC	Delaware
Exelon Solar Chicago LLC	Delaware
Exelon Transmission Company, LLC	Delaware
Exelon Ventures Company, LLC	Delaware
Exelon West Medway Development, LLC	Delaware
Exelon West Medway Expansion, LLC	Delaware
Exelon West Medway, LLC	Delaware
Exelon Wind 1, LLC	Texas
Exelon Wind 2, LLC	Texas
Exelon Wind 3, LLC	Texas
Exelon Wind 4, LLC	Texas
Exelon Wind 5, LLC	Texas
Exelon Wind 6, LLC	Texas
Exelon Wind 7, LLC	Texas
Exelon Wind 8, LLC	Texas
Exelon Wind 9, LLC	Texas
Exelon Wind 10, LLC	Texas

Exelon Wind 11, LLC	Texas
Exelon Wind Canada Inc.	Canada
Exelon Wind, LLC	Delaware
Exelon Wyman, LLC	Delaware
ExTel Corporation, LLC	Delaware
ExTex LaPorte Limited Partnership	Texas
ExTex Retail Services Company, LLC	Delaware
F & M Holdings Company, L.L.C.	Delaware
Four Corners Windfarm, LLC	Oregon
Four Mile Canyon Windfarm, LLC	Oregon
G-Flow Wind, LLC	Minnesota
Green Acres Breeze, LLC	Minnesota
Greensburg Wind Farm, LLC	Delaware
Harvest II Windfarm, LLC	Delaware
Harvest Windfarm, LLC	Michigan
High Plains Wind Power, LLC	Texas
Hot Springs Windfarm, LLC	Idaho
K & D Energy LLC	Minnesota
KC Energy LLC	Minnesota
Keystone Fuels, LLC	Delaware
KSS Turbines LLC	Minnesota
La Salle 1 NQF, LLC	Nevada
La Salle 2 NQF, LLC	Nevada
Limerick 1 NQF, LLC	Nevada
Limerick 2 NQF, LLC	Nevada
Loess Hills Wind Farm, LLC	Missouri
Marshall Wind 1, LLC	Minnesota
Marshall Wind 2, LLC	Minnesota
Marshall Wind 3, LLC	Minnesota
Marshall Wind 4, LLC	Minnesota
Marshall Wind 5, LLC	Minnesota
Marshall Wind 6, LLC	Minnesota
Michigan Wind 1, LLC	Delaware
Michigan Wind 2, LLC	Delaware
Minnesota Breeze, LLC	Minnesota
Newcosy, Inc.	Delaware
Northwind Thermal Technologies Canada Inc.	New Brunswick
NuStart Energy Development, LLC	Delaware
OldcoVSI, Inc.	Delaware
OldPecoGasCo, Company	Pennsylvania
Oregon Trail Windfarm, LLC	Oregon
OSP Servicios, S.A. de C.V.	Mexico
Pacific Canyon Windfarm, LLC	Oregon
Peach Bottom 1 NQF, LLC	Nevada
Peach Bottom 2 NQF, LLC	Nevada
Peach Bottom 3 NQF, LLC	Nevada
PEC Financial Services, LLC	Pennsylvania
PECO Energy Capital Corp.	Delaware
PECO Energy Capital Trust III	Delaware
PECO Energy Capital Trust IV	Delaware
PECO Energy Capital Trust V	Delaware
PECO Energy Capital Trust VI	Delaware

PECO Energy Capital, L.P.	Delaware
PECO Energy Company	Pennsylvania
PECO Wireless, LLC	Delaware
Prairie Wind Power LLC	Minnesota
Quad Cities 1 NQF, LLC	Nevada
Quad Cities 2 NQF, LLC	Nevada
Roadrunner-I LLC	Minnesota
S & P Windfarms, LLC	Minnesota
Salem 1 NQF, LLC	Nevada
Salem 2 NQF, LLC	Nevada
Salty Dog-I LLC	Minnesota
Salty Dog-II LLC	Minnesota
Sand Ranch Windfarm, LLC	Oregon
Scherer Holdings 1, LLC	Delaware
Scherer Holdings 2, LLC	Delaware
Scherer Holdings 3, LLC	Delaware
Shane's Wind Machine LLC	Minnesota
Spruce Equity Holdings, L.P.	Delaware
Spruce Holdings G.P. 2000, L.L.C.	Delaware
Spruce Holdings L.P. 2000, L.L.C.	Delaware
Spruce Holdings Trust	Delaware
Sunset Breeze, LLC	Minnesota
Tamuin International, Inc.	Delaware
TEG Holdings, LLC	Delaware
Texas-Ohio Gas, Inc.	Texas
The Proprietors of the Susquehanna Canal	Maryland
Threemile Canyon Wind I, LLC	Oregon
Tuana Springs Energy, LLC	Idaho
UII, LLC	Illinois
URI, LLC	Illinois
Wagon Trail, LLC	Oregon
Wally's Wind Farm LLC	Minnesota
Wansley Holdings 1, LLC	Delaware
Wansley Holdings 2, LLC	Delaware
Ward Butte Windfarm, LLC	Oregon
Wind Capital Holdings, LLC	Missouri
Windy Dog-1 LLC	Minnesota
Wolf Wind Enterprises, LLC	Minnesota
Wolf Wind Transmission, LLC	Minnesota
Zion 1 NQF, LLC	Nevada
Zion 2 NQF, LLC	Nevada

Exelon Generation Company, LLC Subsidiaries Listing

Affiliate	Jurisdiction of Formation
AgriWind LLC	Illinois
AgriWind Project L.L.C.	Delaware
AllEnergy Gas & Electric Marketing Company, LLC	Delaware
B & K Energy Systems, LLC	Minnesota
BC Energy LLC	Minnesota
Bellevue Wind Energy, LLC	Delaware
Bennett Creek Windfarm, LLC	Idaho
Big Top, LLC	Oregon
Blissfield Wind Energy, LLC	Delaware
Blue Breezes II, L.L.C.	Minnesota
Blue Breezes, L.L.C.	Minnesota
Braidwood 1 NQF, LLC	Nevada
Braidwood 2 NQF, LLC	Nevada
Breezy Bucks-I LLC	Minnesota
Breezy Bucks-II LLC	Minnesota
Butter Creek Power, LLC	Oregon
Byron 1 NQF, LLC	Nevada
Byron 2 NQF, LLC	Nevada
Cassia Gulch Wind Park LLC	Idaho
Cassia Wind Farm LLC	Idaho
Christoffer Transmission Systems, LLC	Minnesota
Christoffer Wind Energy I LLC	Minnesota
Christoffer Wind Energy II LLC	Minnesota
Christoffer Wind Energy III LLC	Minnesota
Christoffer Wind Energy IV LLC	Minnesota
Cisco Wind Energy LLC	Minnesota
Conemaugh Fuels, LLC	Delaware
Cow Branch Wind Power, L.L.C.	Missouri
CP Windfarm, LLC	Minnesota
CR Clearing, LLC	Missouri
DAJAW Transmission LLC	Minnesota
DL Wind Acres, LLC	Minnesota
Dresden 1 NQF, LLC	Nevada
Dresden 2 NQF, LLC	Nevada
Dresden 3 NQF, LLC	Nevada
Elbridge Wind Farm, LLC	Delaware
ENEH Services, LLC	Delaware
Ewington Energy Systems, LLC	Minnesota
Exelon AOG Holding # 1, Inc.	Delaware
Exelon AOG Holding # 2, Inc.	Delaware
Exelon Edgar, LLC	Delaware
Exelon Energy Company	Delaware
Exelon Framingham Development, LLC	Delaware
Exelon Framingham, LLC	Delaware
Exelon Generation Acquisitions, LLC	Delaware
Exelon Generation Clinton NQF, LLC	Nevada
Exelon Generation Consolidation, LLC	Nevada

Exelon Generation Finance Company, LLC	Delaware
Exelon Generation International, Inc.	Pennsylvania
Exelon Generation Oyster Creek NQF, LLC	Nevada
Exelon Generation TMI NQF, LLC	Nevada
Exelon Hamilton, LLC	Delaware
Exelon International Commodities, LLC	Delaware
Exelon New Boston, LLC	Delaware
Exelon New England Development, LLC	Delaware
Exelon New England Holdings, LLC	Delaware
Exelon New England Power Marketing, Limited Partnership	Delaware
Exelon Nuclear Security, LLC	Delaware
Exelon Nuclear Texas Holdings, LLC	Delaware
Exelon Peaker Development General, LLC	Delaware
Exelon Peaker Development Limited, LLC	Delaware
Exelon PowerLabs, LLC	Pennsylvania
Exelon SHC, LLC	Delaware
Exelon Solar Chicago LLC	Delaware
Exelon West Medway Development, LLC	Delaware
Exelon West Medway Expansion, LLC	Delaware
Exelon West Medway, LLC	Delaware
Exelon Wind 1, LLC	Texas
Exelon Wind 2, LLC	Texas
Exelon Wind 3, LLC	Texas
Exelon Wind 4, LLC	Texas
Exelon Wind 5, LLC	Texas
Exelon Wind 6, LLC	Texas
Exelon Wind 7, LLC	Texas
Exelon Wind 8, LLC	Texas
Exelon Wind 9, LLC	Texas
Exelon Wind 10, LLC	Texas
Exelon Wind 11, LLC	Texas
Exelon Wind Canada Inc.	Canada
Exelon Wind, LLC	Delaware
Exelon Wyman, LLC	Delaware
ExTex LaPorte Limited Partnership	Texas
ExTex Retail Services Company, LLC	Delaware
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Four Mile Canyon Windfarm, LLC	Oregon
G-Flow Wind, LLC	Minnesota
Green Acres Breeze, LLC	Minnesota
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Harvest II Windfarm, LLC	Delaware
Harvest Windfarm, LLC	Michigan
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KC Energy LLC	Minnesota
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KSS Turbines LLC	Minnesota
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LaSalle 2 NQF, LLC	Nevada
Limerick 1 NQF, LLC	Nevada

Limerick 2 NQF, LLC	Nevada
Loess Hills Wind Farm, LLC	Missouri
Marshall Wind 1, LLC	Minnesota
Marshall Wind 2, LLC	Minnesota
Marshall Wind 3, LLC	Minnesota
Marshall Wind 4, LLC	Minnesota
Marshall Wind 5, LLC	Minnesota
Marshall Wind 6, LLC	Minnesota
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Prairie Wind Power LLC	Minnesota
Quad Cities 1 NQF, LLC	Nevada
Quad Cities 2 NQF, LLC	Nevada
Roadrunner-I LLC	Minnesota
S & P Windfarms, LLC	Minnesota
Salem 1 NQF, LLC	Nevada
Salem 2 NQF, LLC	Nevada
Salty Dog-I LLC	Minnesota
Salty Dog-II LLC	Minnesota
Sand Ranch Windfarm, LLC	Oregon
Shane’s Wind Machine LLC	Minnesota
Sunset Breeze, LLC	Minnesota
Tamuin International, Inc.	Delaware
TEG Holdings, LLC	Delaware
Texas Ohio Gas, Inc.	Texas
The Proprietors of the Susquehanna Canal	Maryland
Threemile Canyon Wind I, LLC	Oregon
Tuana Springs Energy, LLC	Idaho
Wagon Trail, LLC	Oregon
Wally’s Wind Farm LLC	Minnesota
Ward Butte Windfarm, LLC	Oregon
Wind Capital Holdings, LLC	Missouri
Windy Dog-1 LLC	Minnesota
Wolf Wind Enterprises, LLC	Minnesota
Wolf Wind Transmission, LLC	Minnesota
Zion 1 NQF, LLC	Nevada
Zion 2 NQF, LLC	Nevada

Commonwealth Edison Company Subsidiaries Listing

Affiliate	Jurisdiction of Formation
ComEd Financing III	Delaware
ComEd Funding, LLC	Delaware
ComEd Transitional Funding Trust	Delaware
Commonwealth Edison Company of Indiana, Inc.	Indiana

PECO Energy Company Subsidiaries Listing

Affiliate	Jurisdiction of Formation
Adwin Realty Company	Pennsylvania
ATNP Finance Company	Delaware
ExTel Corporation, LLC	Delaware
OldPecoGasCo, Company	Pennsylvania
PEC Financial Services, LLC	Pennsylvania
PECO Energy Capital Corp.	Delaware
PECO Energy Capital Trust III	Delaware
PECO Energy Capital Trust IV	Delaware
PECO Energy Capital Trust V	Delaware
PECO Energy Capital Trust VI	Delaware
PECO Energy Capital, LP	Delaware
PECO Wireless, LLC	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-164782) and on Form S-8 (No. 333-37082, 333-49780, 333-127377, and 333-61390) of Exelon Corporation of our report dated February 10, 2011 relating to the financial statements, financial statement schedules and the effectiveness of internal control over financial reporting of Exelon Corporation, which appears in this Form 10-K.

PricewaterhouseCoopers LLP
Chicago, Illinois
February 10, 2011

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-164782-07) of Exelon Generation Company, LLC of our report dated February 10, 2011 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting of Exelon Generation Company, LLC, which appears in this Form 10-K.

PricewaterhouseCoopers LLP
Chicago, Illinois
February 10, 2011

Exhibit 23.3

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-158920) and on Form S-8 (No. 333-33847) of Commonwealth Edison Company of our report dated February 10, 2011 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting of Commonwealth Edison Company, which appears in this Form 10-K.

PricewaterhouseCoopers LLP
Chicago, Illinois
February 10, 2011

Exhibit 23.4

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-164782-03) of PECO Energy Company of our report dated February 10, 2011 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting of PECO Energy Company, which appears in this Form 10-K.

PricewaterhouseCoopers LLP
Chicago, Illinois
February 10, 2011

Exhibit 24-1

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **John A. Canning, Jr.** do hereby appoint John W. Rowe and Darryl M. Bradford, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Exelon Corporation, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ JOHN A. CANNING, JR.
John A. Canning, Jr.

DATE: February 4, 2011

Exhibit 24-2

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **M. Walter D'Alessio** do hereby appoint John W. Rowe and Darryl M. Bradford, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Exelon Corporation, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ M. WALTER D'ALESSIO

M. Walter D'Alessio

DATE: February 4, 2011

Exhibit 24-3

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **Nicholas DeBenedictis** do hereby appoint John W. Rowe and Darryl M. Bradford, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Exelon Corporation, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ NICHOLAS DEBENEDICTIS

Nicholas DeBenedictis

DATE: February 7, 2011

Exhibit 24-4

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **Nelson A. Diaz** do hereby appoint John W. Rowe and Darryl M. Bradford, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Exelon Corporation, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ NELSON A. DIAZ

Nelson A. Diaz

DATE: February 4, 2011

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **Sue L. Gin** do hereby appoint John W. Rowe and Darryl M. Bradford, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Exelon Corporation, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ SUE L. GIN

Sue L. Gin

DATE: February 7, 2011

Exhibit 24-6

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **Rosemarie B. Greco** do hereby appoint John W. Rowe and Darryl M. Bradford, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Exelon Corporation, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ ROSEMARIE B. GRECO

Rosemarie B. Greco

DATE: February 8, 2011

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **Paul L. Joskow** do hereby appoint John W. Rowe and Darryl M. Bradford, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Exelon Corporation, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ PAUL L. JOSKOW

Paul L. Joskow

DATE: February 6, 2011

Exhibit 24-8

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **Richard W. Mies** do hereby appoint John W. Rowe and Darryl M. Bradford, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Exelon Corporation, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ RICHARD W. MIES

Richard W. Mies

DATE: February 6, 2011

Exhibit 24-9

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **John M. Palms** do hereby appoint John W. Rowe and Darryl M. Bradford, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Exelon Corporation, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ JOHN M. PALMS

John M. Palms

DATE: February 4, 2011

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **William C. Richardson** do hereby appoint John W. Rowe and Darryl M. Bradford, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Exelon Corporation, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ WILLIAM C. RICHARDSON
William C. Richardson

DATE: February 4, 2011

Exhibit 24-11

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **Thomas J. Ridge** do hereby appoint John W. Rowe and Darryl M. Bradford, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Exelon Corporation, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ THOMAS J. RIDGE

Thomas J. Ridge

DATE: February 6, 2011

Exhibit 24-12

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **John W. Rogers, Jr.** do hereby appoint John W. Rowe and Darryl M. Bradford, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Exelon Corporation, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ JOHN W. ROGERS, JR.

John W. Rogers, Jr.

DATE: February 4, 2011

Exhibit 24-13

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **Stephen D. Steinour** do hereby appoint John W. Rowe and Darryl M. Bradford, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Exelon Corporation, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ STEPHEN D. STEINOUR

Stephen D. Steinour

DATE: February 4, 2011

Exhibit 24-14

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **Donald Thompson** do hereby appoint John W. Rowe and Darryl M. Bradford, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Exelon Corporation, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ DONALD THOMPSON

Donald Thompson

DATE: February 3, 2011

Exhibit 24-15

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **James W. Compton** do hereby appoint Frank M. Clark and Thomas F. O'Neill, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Commonwealth Edison Company, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ JAMES W. COMPTON

James W. Compton

DATE: February 7, 2011

Exhibit 24-16

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **Peter V. Fazio, Jr.** do hereby appoint Frank M. Clark and Thomas F. O'Neill, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Commonwealth Edison Company, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ PETER V. FAZIO, JR.

Peter V. Fazio, Jr.

DATE: February 4, 2011

Exhibit 24-17

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **Sue L. Gin** do hereby appoint Frank M. Clark and Thomas F. O'Neill, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Commonwealth Edison Company, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ SUE L. GIN

Sue L. Gin

DATE: February 7, 2011

Exhibit 24-18

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **Edgar D. Jannotta** do hereby appoint Frank M. Clark and Thomas F. O'Neill, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Commonwealth Edison Company, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ EDGAR D. JANNOTTA

Edgar D. Jannotta

DATE: February 7, 2011

Exhibit 24-19

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **Edward J. Mooney** do hereby appoint Frank M. Clark and Thomas F. O’Neill, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Commonwealth Edison Company, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ EDWARD J. MOONEY
Edward J. Mooney

DATE: February 7, 2011

Exhibit 24-20

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **Michael Moskow** do hereby appoint Frank M. Clark and Thomas F. O'Neill, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Commonwealth Edison Company, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ MICHAEL MOSKOW

Michael Moskow

DATE: February 7, 2011

Exhibit 24-21

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **Jesse H. Ruiz** do hereby appoint Frank M. Clark and Thomas F. O'Neill, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Commonwealth Edison Company, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ JESSE H. RUIZ

Jesse H. Ruiz

DATE: February 9, 2011

Exhibit 24-22

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **Richard L. Thomas** do hereby appoint Frank M. Clark and Thomas F. O'Neill, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of Commonwealth Edison Company, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ RICHARD L. THOMAS
Richard L. Thomas

DATE: February 6, 2011

Exhibit 24-23

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **M. Walter D'Alessio** do hereby appoint Denis P. O'Brien and Paul Bonney, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of PECO Energy Company, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ M. WALTER D'ALESSIO

M. Walter D'Alessio

DATE: February 4, 2011

Exhibit 24-24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **Nelson A. Diaz** do hereby appoint Denis P. O'Brien and Paul Bonney, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of PECO Energy Company, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ NELSON A. DIAZ

Nelson A. Diaz

DATE: February 4, 2011

Exhibit 24-25

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **Rosemarie B. Greco** do hereby appoint Denis P. O'Brien and Paul Bonney, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of PECO Energy Company, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ ROSEMARIE B. GRECO

Rosemarie B. Greco

DATE: February 8, 2011

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **Thomas J. Ridge** do hereby appoint Denis P. O'Brien and Paul Bonney, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of PECO Energy Company, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ THOMAS J. RIDGE

Thomas J. Ridge

DATE: February 6, 2011

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **Ronald Rubin** do hereby appoint Denis P. O'Brien and Paul Bonney, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of PECO Energy Company, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ RONALD RUBIN

Ronald Rubin

DATE: February 4, 2011

Exhibit 24-28

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, **Charisse R. Lillie** do hereby appoint Denis P. O'Brien and Paul Bonney, or either of them, attorney for me and in my name and on my behalf to sign the annual Securities and Exchange Commission report on Form 10-K for 2010 of PECO Energy Company, together with any amendments thereto, to be filed with the Securities and Exchange Commission, and generally to do and perform all things necessary to be done in the premises as fully and effectually in all respects as I could do if personally present.

/S/ CHARISSE R. LILLIE
Charisse R. Lillie

DATE: February 4, 2011

Exhibit 31-1

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, John W. Rowe, certify that:

1. I have reviewed this annual report on Form 10-K of Exelon Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 10, 2011

/s/ JOHN W. ROWE

Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31-2

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Matthew F. Hilzinger, certify that:

1. I have reviewed this annual report on Form 10-K of Exelon Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 10, 2011

/s/ MATTHEW F. HILZINGER

Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

Exhibit 31-3

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, John W. Rowe, certify that:

1. I have reviewed this annual report on Form 10-K of Exelon Generation Company, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 10, 2011

/s/ JOHN W. ROWE

Chairman
(Principal Executive Officer)

Exhibit 31-4

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Matthew F. Hilzinger, certify that:

1. I have reviewed this annual report on Form 10-K of Exelon Generation Company, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 10, 2011

/s/ MATTHEW F. HILZINGER

Chief Financial Officer and Treasurer
(Principal Financial Officer)

Exhibit 31-5

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Frank M. Clark, certify that:

1. I have reviewed this annual report on Form 10-K of Commonwealth Edison Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 10, 2011

/s/ FRANK M. CLARK

Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31-6

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Joseph R. Trpik, Jr., certify that:

1. I have reviewed this annual report on Form 10-K of Commonwealth Edison Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 10, 2011

/s/ JOSEPH R. TRPIK, JR.

Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

Exhibit 31-7

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Denis P. O'Brien, certify that:

1. I have reviewed this annual report on Form 10-K of PECO Energy Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 10, 2011

/s/ DENIS P. O'BRIEN

Chief Executive Officer and President
(Principal Executive Officer)

Exhibit 31-8

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Phillip S. Barnett, certify that:

1. I have reviewed this annual report on Form 10-K of PECO Energy Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 10, 2011

/s/ PHILLIP S. BARNETT

Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32-1

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the Report on Form 10-K of Exelon Corporation for the year ended December 31, 2010, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Exelon Corporation.

Date: February 10, 2011

/s/ JOHN W. ROWE

John W. Rowe
Chairman and Chief Executive Officer

Exhibit 32-2

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the Report on Form 10-K of Exelon Corporation for the year ended December 31, 2010, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Exelon Corporation.

Date: February 10, 2011

/s/ MATTHEW F. HILZINGER

Matthew F. Hilzinger
Senior Vice President, Chief Financial Officer and Treasurer

Exhibit 32-3

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the Report on Form 10-K of Exelon Generation Company, LLC for the year ended December 31, 2010, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Exelon Generation Company, LLC.

Date: February 10, 2011

/S/ JOHN W. ROWE

John W. Rowe
Chairman

Exhibit 32-4

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the Report on Form 10-K of Exelon Generation Company, LLC for the year ended December 31, 2010, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Exelon Generation Company, LLC.

Date: February 10, 2011

/s/ MATTHEW F. HILZINGER

Matthew F. Hilzinger
Chief Financial Officer and Treasurer
(Principal Financial Officer)

Exhibit 32-5

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the Report on Form 10-K of Commonwealth Edison Company for the year ended December 31, 2010, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Commonwealth Edison Company.

Date: February 10, 2011

/S/ FRANK M. CLARK

Frank M. Clark
Chairman and Chief Executive Officer

Exhibit 32-6

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the Report on Form 10-K of Commonwealth Edison Company for the year ended December 31, 2010, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Commonwealth Edison Company.

Date: February 10, 2011

/s/ JOSEPH R. TRPIK, JR.
Joseph R. Trpik, Jr.
Senior Vice President, Chief Financial Officer and Treasurer

Exhibit 32-7

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the Report on Form 10-K of PECO Energy Company for the year ended December 31, 2010, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of PECO Energy Company.

Date: February 10, 2011

/s/ DENIS P. O'BRIEN

Denis P. O'Brien
Chief Executive Officer and President

Exhibit 32-8

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the Report on Form 10-K of PECO Energy Company for the year ended December 31, 2010, that (i) the report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of PECO Energy Company.

Date: February 10, 2011

/s/ PHILLIP S. BARNETT

Phillip S. Barnett
Senior Vice President and Chief Financial Officer