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

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period Ended March 31, 2003
OR
[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number	Name of Registrant; State of Incorporation; Address of Principal Executive Offices; and Telephone Number	IRS Employer Identification Number
1-16169	EXELON CORPORATION (a Pennsylvania corporation) 10 South Dearborn Street - 37th Floor P.O. Box 805379 Chicago, Illinois 60680-5379 (312) 394-7398	23-2990190
1-1839	COMMONWEALTH EDISON COMPANY (an Illinois corporation) 10 South Dearborn Street - 37th Floor P.O. Box 805379 Chicago, Illinois 60680-5379 (312) 394-4321	36-0938600
1-1401	PECO ENERGY COMPANY (a Pennsylvania corporation) P.O. Box 8699 2301 Market Street Philadelphia, Pennsylvania 19101-8699 (215) 841-4000	23-0970240
333-85496	EXELON GENERATION COMPANY, LLC (a Pennsylvania limited liability company) 300 Exelon Way Kennett Square, Pennsylvania 19348 (610) 765-6900	23-3064219

Indicate by check mark whether the registrant (1) has 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) has been subject to such filing requirements for the past 90 days. Yes [X] No [_].

The number of shares outstanding of each registrant's common stock as of March 31, 2003 was:

Exelon Corporation Common Stock, without par value	324,234,521
Commonwealth Edison Company Common Stock, $12.50 par value	127,016,427
PECO Energy Company Common Stock, without par value	170,478,507
Exelon Generation Company, LLC	not applicable

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Exelon Corporation Yes [X] No [ ] Commonwealth Edison Company, PECO Energy Company and Exelon Generation Company, LLC Yes [ ] No [X].

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FILING FORMAT

This combined Form 10-Q is being filed separately by Exelon Corporation, Commonwealth Edison Company, PECO Energy Company and Exelon Generation Company, LLC (Registrants). Information contained herein relating to any individual registrant has been filed by such registrant on its own behalf. No registrant makes any representation as to information relating to any other registrant.

FORWARD-LOOKING STATEMENTS

Except for the historical information contained herein, 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 discussed herein, as well as those discussed in (a) the Registrants' 2002 Annual Report on Form 10-K - ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations--Business Outlook and the Challenges in Managing Our Business for Exelon, ComEd, PECO and Generation, (b) the Registrants' 2002 Annual Report on Form 10-K - ITEM 8. Financial Statements and Supplementary Data: Exelon - Note 19, ComEd - Note 16, PECO - Note 18 and Generation - Note 13 and (c) other factors discussed in filings with the United States Securities and Exchange Commission (SEC) by the Registrants. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this 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 the Registrants file with the SEC at the SEC's public reference room at 450 Fifth Street, N.W., 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 http://www.sec.gov and Exelon Corporation's website at www.exeloncorp.com.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

EXELON CORPORATION

EXELON CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited)

(in millions, except per share data)	Three Months Ended March 31, 2003	2002
OPERATING REVENUES	$ 4,074	$ 3,357
OPERATING EXPENSES		
Purchased Power	840	612
Purchased Power from Unconsolidated Affiliate	67	56
Fuel	830	496
Operating and Maintenance	1,109	1,067
Depreciation and Amortization	274	335
Taxes Other Than Income	197	186
Total Operating Expenses	3,317	2,752
OPERATING INCOME	757	605
OTHER INCOME AND DEDUCTIONS		
Interest Expense	(225)	(249)
Distributions on Preferred Securities of Subsidiaries	(12)	(11)
Equity in Earnings of Unconsolidated Affiliates, net	18	13
Other, Net	(141)	28
Total Other Income and Deductions	(360)	(219)
INCOME BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	397	386
INCOME TAXES	148	148
INCOME BEFORE CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	249	238
CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES (net of income taxes of $69 and $(90) for the three months ended March 31, 2003 and 2002, respectively)	112	(230)
NET INCOME	$ 361	$ 8
OTHER COMPREHENSIVE INCOME (LOSS) (net of income taxes)		
Cash Flow Hedge Adjustment	(146)	(53)
Foreign Currency Translation Adjustment	1	--
Unrealized Gain (Loss) on Marketable Securities, net	163	(15)
Interest in Other Comprehensive Income (Loss) of Unconsolidated Affiliates	(9)	--
Total Other Comprehensive Income (Loss), net	9	(68)
TOTAL COMPREHENSIVE INCOME (LOSS)	$ 370	$ (60)
AVERAGE SHARES OF COMMON STOCK OUTSTANDING - Basic	324	321
AVERAGE SHARES OF COMMON STOCK OUTSTANDING - Diluted	326	323
EARNINGS PER AVERAGE COMMON SHARE:		
BASIC:		
Income Before Cumulative Effect of Changes in Accounting Principles	$ 0.77	$ 0.74
Cumulative Effect of Changes in Accounting Principles	0.34	(0.72)
Net Income	$ 1.11	$ 0.02
DILUTED:		
Income Before Cumulative Effect of Changes in Accounting Principles	$ 0.77	$ 0.73
Cumulative Effect of Changes in Accounting Principles	0.34	(0.71)
Net Income	$ 1.11	$ 0.02
DIVIDENDS PER COMMON SHARE	$ 0.46	$ 0.44

See Condensed Combined Notes to Consolidated Financial Statements

EXELON CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in millions)	Three Months Ended March 31, 2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 361	$ 8
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation and Amortization, including nuclear fuel	423	427
Cumulative Effect of Changes in Accounting Principles (net of income taxes)	(112)	230
Provision for Uncollectible Accounts	31	29
Deferred Income Taxes	(64)	67
Equity in (Earnings) Losses of Unconsolidated Affiliates, net	(18)	(13)
Writedown of Investments	205	2
Net Realized (Gains) Losses on Nuclear Decommissioning Trust Funds	(6)	10
Other Operating Activities	(16)	8
Changes in Assets and Liabilities:		
Accounts Receivable	(57)	58
Inventories	43	13
Accounts Payable, Accrued Expenses and Other Current Liabilities	(99)	(7)
Other Current Assets	(262)	(134)
Deferred Energy Costs	(28)	34
Pension and Non-Pension Postretirement Benefits Obligations	(77)	(3)
Other Noncurrent Assets and Liabilities	59	97
Net Cash Flows provided by Operating Activities	383	826
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	(427)	(586)
Proceeds from Nuclear Decommissioning Trust Funds	572	580
Investment in Nuclear Decommissioning Trust Funds	(622)	(605)
Note Receivable from Unconsolidated Affiliate	--	(46)
Other Investing Activities	20	27
Net Cash Flows used in Investing Activities	(457)	(630)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of Long-Term Debt	951	408
Retirement of Long-Term Debt	(963)	(471)
Issuance of Preferred Securities of Subsidiaries	200	--
Retirement of Preferred Securities of Subsidiaries	(200)	--
Change in Short-Term Debt	219	78
Dividends Paid on Common Stock	(145)	(141)
Change in Restricted Cash	74	135
Proceeds from Employee Stock Plans	31	18
Other Financing Activities	(59)	(12)
Net Cash Flows provided by Financing Activities	108	15
INCREASE IN CASH AND CASH EQUIVALENTS	34	211
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	469	485
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 503	$ 696

See Condensed Combined Notes to Consolidated Financial Statements

EXELON CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions)	March 31, 2003	December 31, 2002
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 503	$ 469
Restricted Cash	322	396
Accounts Receivable, net		
Customer	2,121	2,095
Other	243	265
Receivable from Unconsolidated Affiliate	20	32
Inventories, at average cost		
Fossil Fuel	163	218
Materials and Supplies	317	306
Deferred Income Taxes	10	6
Other	625	331
Total Current Assets	4,324	4,118
PROPERTY, PLANT AND EQUIPMENT, NET	20,237	17,134
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory Assets	5,459	5,938
Nuclear Decommissioning Trust Funds	3,032	3,053
Investments	1,171	1,393
Goodwill, net	4,788	4,992
Other	890	850
Total Deferred Debits and Other Assets	15,340	16,226
TOTAL ASSETS	$39,901	$37,478

See Condensed Combined Notes to Consolidated Financial Statements

EXELON CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions)	March 31, 2003	December 31, 2002
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes Payable	$ 900	$ 681
Note Payable to Unconsolidated Affiliate	534	534
Long-Term Debt Due Within One Year	1,147	1,402
Accounts Payable	1,815	1,563
Accrued Expenses	1,182	1,311
Other	481	483
Total Current Liabilities	6,059	5,974
LONG-TERM DEBT	13,368	13,127
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred Income Taxes	3,849	3,702
Unamortized Investment Tax Credits	298	301
Nuclear Decommissioning Liability for Retired Plants	--	1,395
Asset Retirement Obligation	2,406	--
Pension Obligation	1,848	1,959
Non-Pension Postretirement Benefits Obligation	911	877
Spent Nuclear Fuel Obligation	861	858
Regulatory Liabilities	633	--
Other	976	871
Total Deferred Credits and Other Liabilities	11,782	9,963
COMMITMENTS AND CONTINGENCIES		
MINORITY INTEREST OF CONSOLIDATED SUBSIDIARIES	78	77
PREFERRED SECURITIES OF SUBSIDIARIES	610	595
SHAREHOLDERS' EQUITY		
Common Stock	7,099	7,059
Deferred Compensation	--	(1)
Retained Earnings	2,254	2,042
Accumulated Other Comprehensive Income (Loss)	(1,349)	(1,358)
Total Shareholders' Equity	8,004	7,742
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 39,901	$ 37,478

See Condensed Combined Notes to Consolidated Financial Statements

COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited)

(in millions)	Three Months Ended March 31, 2003	2002
OPERATING REVENUES		
Operating Revenues	$ 1,411	$ 1,304
Operating Revenues from Affiliates	13	11
Total Operating Revenues	1,424	1,315
OPERATING EXPENSES		
Purchased Power	6	6
Purchased Power from Affiliate	572	532
Operating and Maintenance	231	195
Operating and Maintenance from Affiliates	30	42
Depreciation and Amortization	94	135
Taxes Other Than Income	80	73
Total Operating Expenses	1,013	983
OPERATING INCOME	411	332
OTHER INCOME AND DEDUCTIONS		
Interest Expense	(110)	(126)
Distributions on Company-Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trusts Holding Solely the Company's Subordinated Debt Securities	(7)	(7)
Interest Income from Affiliates	7	8
Other, Net	15	6
Total Other Income and Deductions	(95)	(119)
INCOME BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE	316	213
INCOME TAXES	126	84
NET INCOME BEFORE CUMULTIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE	190	129
CUMULTIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE (net of income taxes of $0)	5	--
NET INCOME	$ 195	$ 129
OTHER COMPREHENSIVE INCOME (net of income taxes)		
Cash Flow Hedge Adjustment	31	3
Foreign Currency Translation Adjustment	1	--
Total Other Comprehensive Income	32	3
TOTAL COMPREHENSIVE INCOME	$ 227	$ 132

See Condensed Combined Notes to Consolidated Financial Statements

COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in millions)	Three Months Ended March 31, 2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 195	$ 129
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation and Amortization	94	135
Cumulative Effect of a Change in Accounting Principle (net of income taxes)	(5)	--
Provision for Uncollectible Accounts	12	11
Deferred Income Taxes	63	53
Other Operating Activities	(3)	13
Changes in Assets and Liabilities:		
Accounts Receivable	(5)	--
Inventories	(1)	10
Accounts Payable, Accrued Expenses and Other Current Liabilities	(143)	1
Changes in Receivables and Payables to Affiliates, net	(146)	(90)
Pension and Non-Pension Postretirement Benefits Obligations	(36)	7
Other Noncurrent Assets and Liabilities	42	9
Net Cash Flows provided by Operating Activities	67	278
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	(174)	(182)
Other Investing Activities	10	7
Net Cash Flows used in Investing Activities	(164)	(175)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of Long-Term Debt	700	400
Retirement of Long-Term Debt	(377)	(297)
Issuance of Company Obligated Mandatorily Redeemable Preferred Securities	200	--
Retirement of Company Obligated Mandatorily Redeemable Preferred Securities	(200)	--
Change in Short-Term Debt	(26)	--
Dividends on Common Stock	(120)	(118)
Change in Restricted Cash	(5)	(20)
Other Financing Activities	(59)	(9)
Net Cash Flows provided by (used in) Financing Activities	113	(44)
INCREASE IN CASH AND CASH EQUIVALENTS	16	59
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	16	23
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 32	$ 82

See Condensed Combined Notes to Consolidated Financial Statements

COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions)	March 31, 2003	December 31, 2002
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 32	$ 16
Restricted Cash	70	65
Accounts Receivable, net		
Customer	759	782
Other	88	72
Inventories, at average cost	66	65
Deferred Income Taxes	20	20
Receivables from Affiliates	6	15
Other	14	14
Total Current Assets	1,055	1,049
PROPERTY, PLANT AND EQUIPMENT, NET	7,840	7,744
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory Assets	--	447
Investments	48	54
Goodwill, net	4,711	4,916
Receivables from Affiliates	2,221	1,300
Other	355	320
Total Deferred Debits and Other Assets	7,335	7,037
TOTAL ASSETS	$ 16,230	$ 15,830

See Condensed Combined Notes to Consolidated Financial Statements

COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions)	March 31, 2003	December 31, 2002
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes Payable	$ 45	$ 71
Long-Term Debt Due Within One Year	871	698
Accounts Payable	192	201
Accrued Expenses	352	477
Payables to Affiliates	200	416
Customer Deposits	82	81
Other	70	79
Total Current Liabilities	1,812	2,023
LONG-TERM DEBT	5,421	5,268
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred Income Taxes	1,739	1,650
Unamortized Investment Tax Credits	50	51
Pension Obligation	46	91
Non-Pension Postretirement Benefits Obligation	147	138
Payables to Affiliates	7	224
Regulatory Liabilities	633	--
Other	345	297
Total Deferred Credits and Other Liabilities	2,967	2,451
COMMITMENTS AND CONTINGENCIES		
COMPANY-OBLIGATED MANDATORILY REDEEMABLE PREFERRED SECURITIES OF SUBSIDIARY TRUSTS HOLDING SOLELY THE COMPANY'S SUBORDINATED DEBT SECURITIES	344	330
SHAREHOLDERS' EQUITY		
Common Stock	1,588	1,588
Preference Stock	7	7
Other Paid in Capital	4,029	4,239
Receivable from Parent	(584)	(615)
Retained Earnings	652	577
Accumulated Other Comprehensive Income (Loss)	(6)	(38)
Total Shareholders' Equity	5,686	5,758
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 16,230	$ 15,830

See Condensed Combined Notes to Consolidated Financial Statements

PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited)

(in millions)	Three Months Ended March 31, 2003	2002
OPERATING REVENUES		
Operating Revenues	$ 1,214	$ 1,017
Operating Revenues from Affiliates	3	3
Total Operating Revenues	1,217	1,020
OPERATING EXPENSES		
Purchased Power	65	48
Purchased Power from Affiliate	357	303
Fuel	191	135
Operating and Maintenance	127	111
Operating and Maintenance from Affiliates	12	25
Depreciation and Amortization	120	112
Taxes Other Than Income	63	59
Total Operating Expenses	935	793
OPERATING INCOME	282	227
OTHER INCOME AND DEDUCTIONS		
Interest Expense	(86)	(95)
Company-Obligated Mandatorily Redeemable Preferred Securities of a Partnership, which Holds Solely Subordinated Debentures of the Company	(2)	(2)
Other, Net	9	1
Total Other Income and Deductions	(79)	(96)
INCOME BEFORE INCOME TAXES	203	131
INCOME TAXES	66	42
NET INCOME	137	89
Preferred Stock Dividends	(2)	(2)
NET INCOME ON COMMON STOCK	$ 135	$ 87
OTHER COMPREHENSIVE INCOME (net of income taxes)		
Net Income	$ 137	$ 89
Other Comprehensive Income (net of income taxes):		
Cash Flow Hedge Adjustment	--	2
Total Other Comprehensive Income	--	2
TOTAL COMPREHENSIVE INCOME	$ 137	$ 91

See Condensed Combined Notes to Consolidated Financial Statements

PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in millions)	Three Months Ended March 31, 2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 137	$ 89
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Depreciation and Amortization	120	112
Provision for Uncollectible Accounts	17	19
Deferred Income Taxes	(20)	46
Other Operating Activities	3	(2)
Changes in Assets and Liabilities:		
Accounts Receivable	(37)	(3)
Changes in Receivables and Payables to Affiliates, net	6	(17)
Inventories	45	35
Accounts Payable, Accrued Expenses and Other Current Liabilities	14	(83)
Prepaid Taxes	(131)	(133)
Deferred Energy Costs	(28)	34
Other Current Assets	--	(1)
Pension and Non-Pension Postretirement Benefits Obligations	8	2
Other Noncurrent Assets and Liabilities	(8)	2
Net Cash Flows provided by Operating Activities	126	100
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	(65)	(68)
Other Investing Activities	6	3
Net Cash Flows used in Investing Activities	(59)	(65)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of Long-Term Debt	250	--
Retirement of Long-Term Debt	(364)	(160)
Change in Short-Term Debt	43	58
Dividends on Preferred and Common Stock	(91)	(87)
Change in Restricted Cash	136	153
Net Cash Flows used in Financing Activities	(26)	(36)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	41	(1)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	63	32
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 104	$ 31

See Condensed Combined Notes to Consolidated Financial Statements

PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions)	March 31, 2003	December 31, 2002
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 104	$ 63
Restricted Cash	195	331
Accounts Receivable, net		
Customer	389	379
Other	49	39
Inventories, at average cost		
Fossil Fuel	21	67
Materials and Supplies	9	8
Deferred Energy Costs	59	31
Prepaid Taxes	132	1
Other	8	8
Total Current Assets	966	927
PROPERTY, PLANT AND EQUIPMENT, NET	4,199	4,179
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory Assets	5,459	5,491
Investments	19	19
Prepaid Pension Asset	50	41
Other	61	63
Total Deferred Debits and Other Assets	5,589	5,614
TOTAL ASSETS	$ 10,754	$ 10,720

See Condensed Combined Notes to Consolidated Financial Statements

PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions)	March 31, 2003	December 31, 2002
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes Payable	$ 243	$ 200
Payables to Affiliates	146	170
Long-Term Debt Due Within One Year	264	689
Accounts Payable	117	87
Accrued Expenses	354	370
Deferred Income Taxes	27	27
Other	35	33
Total Current Liabilities	1,186	1,576
LONG-TERM DEBT	5,262	4,951
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred Income Taxes	2,890	2,903
Unamortized Investment Tax Credits	24	24
Non-Pension Postretirement Benefits Obligation	268	251
Payable to Affiliate	39	--
Other	120	126
Total Deferred Credits and Other Liabilities	3,341	3,304
COMMITMENTS AND CONTINGENCIES		
COMPANY-OBLIGATED MANDATORILY REDEEMABLE PREFERRED SECURITIES OF A PARTNERSHIP, WHICH HOLDS SOLELY SUBORDINATED DEBENTURES OF THE COMPANY	128	128
SHAREHOLDERS' EQUITY		
Common Stock	1,976	1,976
Receivable from Parent	(1,728)	(1,758)
Preferred Stock	137	137
Retained Earnings	447	401
Accumulated Other Comprehensive Income	5	5
Total Shareholders' Equity	837	761
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 10,754	$ 10,720

See Condensed Combined Notes to Consolidated Financial Statements

EXELON GENERATION COMPANY, LLC AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended March 31,	
(in millions)	2003	2002
OPERATING REVENUES		
Operating Revenues	$ 886	$ 569
Operating Revenues from Affiliates	993	892
Total Operating Revenues	1,879	1,461
OPERATING EXPENSES		
Purchased Power	761	553
Purchased Power from Affiliates	80	66
Fuel	364	209
Operating and Maintenance	445	375
Operating and Maintenance from Affiliates	42	57
Depreciation and Amortization	45	63
Taxes Other Than Income	48	49
Total Operating Expenses	1,785	1,372
OPERATING INCOME	94	89
OTHER INCOME AND DEDUCTIONS		
Interest Expense	(15)	(17)
Interest Expense - Affiliates	(4)	--
Equity in Earnings of Unconsolidated Affiliates	19	23
Other, Net	(167)	16
Total Other Income and Deductions	(167)	22
INCOME (LOSS) BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	(73)	111
INCOME TAXES	(21)	45
INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	(52)	66
CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES (net of income taxes of $70 and $9 for the three months ended March 31, 2003 and 2002, respectively)	108	13
NET INCOME	$ 56	$ 79
OTHER COMPREHENSIVE INCOME (LOSS) (net of income taxes)		
Unrealized Gain (Loss) on Marketable Securities	163	(9)
Cash Flow Hedge Adjustment	(180)	(74)
Interest in Other Comprehensive Income (Loss) of Unconsolidated Affiliates	(9)	6
Total Other Comprehensive Income (Loss)	(26)	(77)
TOTAL COMPREHENSIVE INCOME	$ 30	$ 2

See Condensed Combined Notes to Consolidated Financial Statements

EXELON GENERATION COMPANY, LLC AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in millions)	Three Months Ended March 31, 2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 56	$ 79
Adjustments to Reconcile Net Income (Loss) to Net Cash Flows Provided by Operating Activities:		
Depreciation and Amortization	195	155
Cumulative Effect of Changes in Accounting Principles (net of income taxes)	(108)	(13)
Provision for Uncollectible Accounts	1	2
Deferred Income Taxes	(106)	(2)
Equity in Earnings of Unconsolidated Affiliates	(19)	(23)
Writedown of Investment	200	--
Net Realized (Gains) Losses on Nuclear Decommissioning Trust Funds	(6)	10
Other Operating Activities	4	9
Changes in Assets and Liabilities:		
Accounts Receivable	(57)	53
Changes in Receivables and Payables to Affiliates, net	244	144
Inventories	(10)	(37)
Accounts Payable, Accrued Expenses and Other Current Liabilities	19	127
Other Current Assets	(119)	(26)
Pension and Non-Pension Postretirement Benefits Obligations	(32)	(13)
Other Noncurrent Assets and Liabilities	16	44
Net Cash Flows provided by Operating Activities	278	509
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	(175)	(308)
Proceeds from Nuclear Decommissioning Trust Funds	572	580
Investment in Nuclear Decommissioning Trust Funds	(622)	(605)
Note Receivable from Affiliate	--	(46)
Other Investing Activities	9	--
Net Cash Flows used in Investing Activities	(216)	(379)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of Long-Term Debt	1	--
Retirement of Long-Term Debt	(2)	1
Change in Intercompany Payable, Affiliate	(6)	--
Change in Restricted Cash	(56)	--
Net Cash Flows provided by (used in) Financing Activities	(63)	1
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1)	131
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	58	224
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 57	$ 355

See Condensed Combined Notes to Consolidated Financial Statements

EXELON GENERATION COMPANY, LLC AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions)	March 31, 2003	December 31, 2002
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 57	$ 58
Restricted Cash	56	--
Accounts Receivable, net		
Customer	588	587
Other	80	57
Receivables from Affiliates	343	594
Inventories, at average cost		
Fossil Fuel	140	140
Materials and Supplies	226	217
Deferred Income Taxes	7	7
Other	263	145
Total Current Assets	1,760	1,805
PROPERTY, PLANT AND EQUIPMENT, NET	7,788	4,800
DEFERRED DEBITS AND OTHER ASSETS		
Nuclear Decommissioning Trust Funds	3,032	3,053
Investments	438	657
Receivable from Affiliate	41	220
Deferred Income Taxes	196	271
Prepaid Pension Asset	13	--
Other	210	201
Total Deferred Debits and Other Assets	3,930	4,402
TOTAL ASSETS	$ 13,478	$ 11,007

See Condensed Combined Notes to Consolidated Financial Statements

EXELON GENERATION COMPANY, LLC AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions)	March 31, 2003	December 31, 2002
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
Long-Term Debt Due within One Year	$ 5	$ 5
Accounts Payable	1,304	1,089
Payables to Affiliates	33	10
Notes Payable to Affiliates	857	863
Accrued Expenses	516	480
Other	207	216
Total Current Liabilities	2,922	2,663
LONG-TERM DEBT	2,131	2,132
DEFERRED CREDITS AND OTHER LIABILITIES		
Unamortized Investment Tax Credits	224	226
Nuclear Decommissioning Liability for Retired Plants	--	1,395
Asset Retirement Obligation	2,402	--
Pension Obligation	--	37
Non-Pension Postretirement Benefits Obligation	428	410
Spent Nuclear Fuel Obligation	861	858
Payables to Affiliate, net	920	--
Other	396	333
Total Deferred Credits and Other Liabilities	5,231	3,259
COMMITMENTS AND CONTINGENCIES		
MINORITY INTEREST OF CONSOLIDATED SUBSIDIARY	54	54
MEMBER'S EQUITY		
Membership Interest	2,507	2,296
Undistributed Earnings	980	924
Accumulated Other Comprehensive Income (Loss)	(347)	(321)
Total Member's Equity	3,140	2,899
TOTAL LIABILITIES AND MEMBER'S EQUITY	$ 13,478	$ 11,007

See Condensed Combined Notes to Consolidated Financial Statements

1. BASIS OF PRESENTATION (Exelon, ComEd, PECO and Generation)

The accompanying consolidated financial statements as of March 31, 2003 and for the three months then ended are unaudited, but in the opinion of management of Exelon Corporation (Exelon), Commonwealth Edison Company (ComEd), PECO Energy Company (PECO) and Exelon Generation Company, LLC (Generation) include all adjustments that are considered necessary for a fair presentation of their respective financial statements. All adjustments are of a normal, recurring nature, except as otherwise disclosed. The December 31, 2002 consolidated balance sheets were derived from audited financial statements but do not include all disclosures required by accounting principles generally accepted in the United States of America (GAAP). Certain prior-year amounts have been reclassified for comparative purposes. These reclassifications had no effect on net income or shareholders' or member's equity. These notes should be read in conjunction with the Notes to Consolidated Financial Statements of Exelon, ComEd, PECO and Generation included in or incorporated by reference in ITEM 8 of their Annual Report on Form 10-K for the year ended December 31, 2002.

2. NEW ACCOUNTING PRINCIPLES AND ACCOUNTING CHANGES (Exelon, ComEd, PECO and Generation)

Accounting Principles with a Cumulative Effect upon Adoption
SFAS No. 143

Statement of Financial Accounting Standards (SFAS) No. 143, "Accounting for Asset Retirement Obligations" (SFAS No. 143) provides accounting requirements for retirement obligations (whether statutory, contractual or as a result of principles of promissory estoppel) associated with tangible long-lived assets. Exelon, ComEd, PECO and Generation were required to adopt SFAS No. 143 as of January 1, 2003. In Exelon's case, a significant retirement obligation is Generation's obligation to decommission its nuclear plants at the end of their license lives projected to be from 2029 through 2056. These nuclear plants and the related nuclear decommissioning trust fund investments were transferred to Generation by ComEd and PECO in connection with the Exelon corporate restructuring on January 1, 2001.

Generation had decommissioning assets of $3,053 million and $3,032 million as of December 31, 2002 and March 31, 2003, respectively, in trust accounts. Exelon and Generation anticipate that all trust fund assets will ultimately be used to decommission its nuclear plants.

After considering recent interpretation of the transitional guidance included in SFAS No. 143, Exelon recorded income of $112 million (after income taxes) as a cumulative effect of a change in accounting principle in connection with its adoption of this standard. The components of the cumulative effect of a change in accounting principle, after income taxes, recorded in the first quarter of 2003 are as follows:

Generation (net of income taxes of $52 million)	$ 80
Generation's investments in AmerGen Energy Company, LLC and Sithe Energies, Inc. (net of income taxes of $18 million)	28
ComEd (net of income taxes of $0)	5
Exelon Enterprises Company, LLC (net of income taxes of $(1) million)	(1)
Total	$ 112

The cumulative effect of the change in accounting principle in adopting SFAS No. 143 had no impact on PECO's income statement.

The asset retirement obligations (ARO) were determined under SFAS No. 143 to be $2,366 million and $2,363 million for Exelon and Generation, respectively. As further explained below, the adoption also resulted in recording regulatory assets and liabilities. The following table provides a reconciliation of the AROs reflected on the balance sheet at December 31, 2002 and March 31, 2003:

	Generation	Exelon
Accumulated Depreciation	$2,845	$2,845
Nuclear decommissioning liability for retired units	1,395	1,395
Decommissioning Obligation at December 31, 2002	4,240	4,240
Net reduction due to adoption of SFAS No. 143	1,877	1,874
Decommissioning Obligation at January 1, 2003	2,363	2,366
Accretion expense for first quarter 2003	39	40
Balance at March 31, 2003	$2,402	$2,406

Determination of Asset Retirement Obligation

In accordance with SFAS No. 143, a probability-weighted, discounted cash flow model with multiple scenarios was used to determine the "fair value" of the decommissioning obligation. SFAS No. 143 also stipulates that fair value represent the amount a third party would receive for assuming all of an entity's obligation.

The present value of future estimated cash flows was calculated using credit-adjusted risk-free rates applicable to the various businesses in order to determine the fair value of Exelon's decommissioning obligation at the time of adoption of SFAS No. 143.

Significant changes in the assumptions underlying the items discussed above could materially affect the balance sheet amounts and future costs related to decommissioning recorded in the Consolidated Financial Statements.

Exelon

The following tables set forth Exelon's net income and earnings per common share for the three months ended March 31, 2002 adjusted as if SFAS No. 143 had been applied effective January 1, 2002.

	Three Months Ended March 31, 2002
Reported income before cumulative effect of changes in accounting principles	$ 238
Adjustment as if SFAS No. 143 had been applied effective January 1, 2002	10
Adjusted income before cumulative effect of changes in accounting principles	$ 248

	Three Months Ended March 31, 2002
Reported net income	$ 8
Adjustment as if SFAS No. 143 had been applied effective January 1, 2002:	
Adjustment to income before cumulative effect of changes in accounting principles	10
Cumulative effect of changes in accounting principles	132
Adjusted net income	$ 150

	Three Months Ended March 31, 2002		
Basic earnings per common share:	Reported	Adjustment (1)	Adjusted
Income before cumulative effect of changes in accounting principles	$ 0.74	$ 0.03	$ 0.77
Net Income	$ 0.02	$ 0.44	$ 0.46

	Three Months Ended March 31, 2002		
Diluted earnings per common share:	Reported	Adjustment (1)	Adjusted
Income before cumulative effect of changes in accounting principles	$ 0.73	$ 0.03	$ 0.76
Net Income	$ 0.02	$ 0.44	$ 0.46

(1) The adjustment represents the earnings impact as if SFAS No. 143 had been applied effective January 1, 2002.

Effect of adopting SFAS No. 143

Exelon was required to re-measure the decommissioning liabilities at fair value using the methodology prescribed by SFAS No. 143. The transition provisions of SFAS No. 143 required Exelon to apply this re-measurement back to the historical periods in which asset retirement obligations were incurred, resulting in a re-measurement of these obligations at the date the related assets were acquired. Since the nuclear plants previously owned by ComEd were acquired by Exelon on the October 20, 2000 Merger date, Exelon's historical accounting for its ARO has been revised as if SFAS No. 143 had been in effect at the Merger date.

In the case of the former ComEd plants, the calculation of the SFAS No. 143 ARO yielded decommissioning obligations lower than the value of the corresponding trust assets. ComEd has previously collected amounts from customers (which were subsequently transferred to Generation) in advance of Generation's recognition of decommissioning expense, under SFAS No. 143. While it is expected that the trust assets will ultimately be used entirely for the decommissioning of the plants, the current measurement required by SFAS No. 143 shows an excess of assets over related ARO liabilities. As such, in accordance with regulatory accounting practices and a December 2000 ICC Order, a regulatory liability of $948 million and a corresponding receivable from Generation were recorded at ComEd upon the adoption of SFAS No. 143. Exelon believes that all of the decommissioning assets, including the $73 million of annual collections through 2006, will be used to decommission the former ComEd plants.

Accordingly, Exelon expects the regulatory liability and corresponding receivable from Generation will be reduced to zero at the conclusion of the decommissioning of the former ComEd plants.

In the case of the former PECO plants, the SFAS No. 143 ARO calculation yielded decommissioning obligations greater than the corresponding trust assets. As such, a regulatory asset of $20 million and a corresponding payable to Generation were recorded upon adoption at PECO. Exelon also expects the regulatory asset and corresponding payable to Generation will be reduced to zero at the conclusion of the decommissioning of the former PECO plants.

Prior to the adoption of SFAS No. 143, Generation's Accumulated Depreciation included $2,845 million for decommissioning liabilities related to the active plants. This amount was reclassified to an ARO upon the adoption of SFAS No. 143. Additionally, Generation adjusted the total decommissioning liability for the ComEd plants to $1,575 million and for the PECO plants to $787 million. As described above, Generation recorded a payable to ComEd of $948 million and a receivable from PECO of $20 million. Generation also recorded an Asset Retirement Cost asset (ARC) of $172 million related to the establishment of the PECO ARO in accordance with SFAS No. 143. The ARC will be amortized over the remaining lives of the plants.

As discussed above, Exelon re-measured its 2001 decommissioning related balances associated with the October 2000 Merger purchase price allocation at ComEd and the January 2001 corporate restructuring as if SFAS No. 143 had been in effect at the Merger date. Exelon and ComEd concluded that had SFAS No. 143 been in effect, ComEd would not have recorded an impairment on its regulatory asset for decommissioning of its retired nuclear plants as a purchase price allocation adjustment in 2001 as a result of the December 2000 ICC order. Increased net assets would have been transferred to Generation by ComEd in the corporate restructuring. Accordingly, Exelon recorded a reduction of goodwill of approximately $210 million, with a corresponding reduction in its overall decommissioning obligation in connection with the implementation of SFAS No. 143 on January 1, 2003. Similarly, ComEd recorded a reduction of $210 million of goodwill and of shareholders' equity, and Generation recorded a $210 million increase in member's equity and a corresponding reduction of its decommissioning obligation. In addition, Exelon and ComEd recorded a cumulative effect of a change in accounting principle of $5 million to reverse goodwill amortization that had been recorded in 2001. Exelon and ComEd also reclassified a regulatory asset related to nuclear decommissioning costs for retired units of $248 million to regulatory liabilities.

The following tables set forth ComEd and Generation's net income and Generation's income before cumulative effect of changes in accounting principles for the three months ended March 31, 2002 adjusted as if SFAS No. 143 had been applied effective January 1, 2002. ComEd's income before cumulative effect of a change in accounting principle was not affected by the adoption of SFAS No. 143.

ComEd	Three Months Ended March 31, 2002
Reported net income	$ 129
Adjustment as if SFAS No. 143 had been applied effective January 1, 2002:	
Cumulative effect of a change in accounting principle	5
Adjusted net income	$ 134

Generation	Three Months Ended March 31, 2002
Reported income before cumulative effect of changes in accounting principles	$ 66
Adjustment as if SFAS No. 143 had been applied effective January 1, 2002	10
Adjusted income before cumulative effect of changes in accounting principles	$ 76

Generation	Three Months Ended March 31, 2002
Reported net income	$ 79
Adjustment as if SFAS No. 143 had been applied effective January 1, 2002:	
Adjustment to income before cumulative effect of a change in accounting principle	10
Cumulative effect of a change in accounting principle	128
Adjusted net income	$ 217

Accounting methodology under SFAS No. 143

For the former ComEd plants, realized gains and losses on decommissioning trust funds are reflected in other income and deductions in Generation's Consolidated Statements of Income, while the unrealized gains and losses on marketable securities held in the trust funds adjust the payable Generation currently has to ComEd. The increases in the ARO are recorded in accretion expense, while the funds received from ComEd for decommissioning are recorded in revenue. Generation's payable to ComEd will be adjusted to reflect the difference between the decommissioning assets and the ARO levels. As such, if the ARO increases at a rate faster than the increase in the trust fund assets, ComEd's regulatory liability and receivable from Generation will decrease. If and when the trust assets are exceeded by the decommissioning liability, Generation is responsible for any shortfall in funding. The result of the above accounting will be adjusted to reflect no earnings impact to Generation for as long as the trust assets exceed the decommissioning liabilities for the former ComEd plants.

The above accounting practices are also applicable for former PECO plants owned by Generation, with the addition of the depreciation expense Generation will recognize on the ARC established upon adoption of SFAS No. 143. However, as PECO has the expectation of full recovery of decommissioning costs, the result of the above accounting will be adjusted to reflect no earnings impact to Generation. Therefore, to the extent that the net of decommissioning revenues collected and realized investment income differ from the accretion expense to the decommissioning liability and the related depreciation of the ARC, an adjustment to net the amounts to zero would be recorded by Generation for that period.

The ongoing effects to Generation for the accounting for the decommissioning of the AmerGen Energy Company, LLC (AmerGen) plants are recorded within Generation's equity in earnings of AmerGen.

SFAS No. 141 and SFAS No. 142

In 2001, the FASB issued SFAS No. 141, "Business Combinations" (SFAS No. 141), which requires that all business combinations be accounted for under the purchase method of accounting and establishes criteria for the separate recognition of intangible assets acquired in business combinations. SFAS No. 141 became effective for business combinations initiated after June 30, 2001. In addition, SFAS No. 141 required that unamortized negative goodwill related to pre-July 1, 2001 purchases be recognized as a change in accounting principle concurrent with the adoption of SFAS No. 142, "Goodwill and Other Intangible Assets" (SFAS No. 142). At December 31, 2001, AmerGen, an equity-method investee of Generation, had $43 million of negative goodwill, net of accumulated amortization, recorded on its balance sheet. Upon AmerGen's adoption of SFAS No. 141 in January 2002, Generation recognized its proportionate share of income of $22 million ($13 million, net of income taxes) as a cumulative effect of a change in accounting principle.

Exelon, ComEd, PECO and Generation adopted SFAS No. 142 as of January 1, 2002. SFAS No. 142 establishes new accounting and reporting standards for goodwill and intangible assets. Other than goodwill, Exelon does not have significant other intangible assets recorded on its consolidated balance sheets. As of December 31, 2001, Exelon's Consolidated Balance Sheets reflected approximately $5.3 billion in goodwill net of accumulated amortization, including $4.9 billion of net goodwill related to the October 20, 2000 merger of Unicom Corporation (Unicom), the former parent company of ComEd, and PECO (Merger) recorded on ComEd's Consolidated Balance Sheets, with the remainder related to Exelon Enterprises Company, LLC (Enterprises). The first step of the transitional impairment analysis indicated that ComEd's goodwill was not impaired but that an impairment did exist with respect to goodwill recorded in Enterprises' reporting units. InfraSource Inc. (InfraSource), the energy services business (Exelon Services) and the competitive retail energy sales business (Exelon Energy) were determined to be those reporting units of Enterprises that had goodwill allocated to them. The second step of the analysis, which compared the fair value of each of Enterprises' reporting units' goodwill to the carrying value at December 31, 2001, indicated a total goodwill impairment of $357 million ($243 million, net of income taxes and minority interest). The impairment was recorded as a cumulative effect of a change in accounting principle in the first quarter of 2002.

The components of the net transitional impairment loss recognized in the first quarter of 2002 as a cumulative effect of a change in accounting principle are as follows:

Enterprises goodwill impairment (net of income taxes of $(103))	$ (254)
Minority interest (net of income taxes of $4)	11
Elimination of AmerGen negative goodwill (net of income taxes of $9)	13
Total cumulative effect of a change in accounting principle	$ (230)

At March 31, 2003, Exelon had goodwill of $4.8 billion of which $4.7 billion relates to ComEd and the remaining goodwill relates to Enterprises' reporting units. Consistent with SFAS No. 142, the remaining goodwill is reviewed for impairment on an annual basis, or more frequently if significant events occur that could indicate an impairment exists. ComEd and Enterprises perform their annual reviews in the fourth quarter of their fiscal years. The annual update impairment review during the fourth quarter of 2002 did not identify any goodwill impairment.

Other Accounting Principles and Accounting Changes

EITF Issue 02-3

In the third quarter of 2002, Exelon and Generation adopted the provisions of FASB Emerging Issue Task Force (EITF) Issue No. 02-3, "Accounting for Contracts Involved in Energy Trading and Risk Management Activities" (EITF 02-3) issued by the EITF in June 2002 that requires revenues and energy costs related to energy trading contracts to be presented on a net basis in the income statement. Prior to adoption, revenues from trading activity were presented in Revenue and the energy costs related to energy trading were presented as either Purchased Power or Fuel expense on Exelon and Generation's Consolidated Statements of Income. For comparative purposes, energy costs related to energy trading have been reclassified to revenue in the results of operations for the three months ended March 31, 2002 to conform to the net basis of presentation required by EITF 02-3.

SFAS No. 146

In July 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" (SFAS No. 146). SFAS No. 146 requires that the liability for costs associated with exit or disposal activities be recognized when incurred, rather than at the date of a commitment to an exit or disposal plan. SFAS No. 146 is to be applied prospectively to exit or disposal activities initiated after December 31, 2002. Exelon, ComEd, PECO and Generation's results of operations were unaffected by the adoption SFAS No. 146.

FIN No. 45

In November 2002, the FASB released FASB Interpretation (FIN) No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" (FIN No. 45), providing for expanded disclosures and recognition of a liability for the fair value of the obligation undertaken by the guarantor. Under FIN No. 45, guarantors are required to disclose the nature of the guarantee, the maximum amount of potential future payments, the carrying amount of the liability and the nature and amount of recourse provisions or available collateral that would be recoverable by the guarantor. Exelon, ComEd, PECO and Generation adopted the disclosure requirements under FIN No. 45, which were effective for financial statements for periods ended after December 15, 2002. The recognition and measurement provisions of FIN No. 45 were effective for guarantees issued or modified after December 31, 2002. The adoption of FIN No. 45 had no material effect on Exelon, ComEd, PECO or Generation's results of operations. Liabilities associated with guarantees entered into during the first quarter of 2003 are reflected in Note 8 - Commitments and Contingencies.

SFAS No. 148

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure - an amendment of FASB Statement No. 123" (SFAS No. 148). SFAS No. 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation and requires disclosures in both annual and interim financial statements regarding the method of accounting for stock-based compensation and the effect of the method on financial results. SFAS No. 148 was effective for financial statements for fiscal years ended after December 15, 2002. Exelon adopted the additional disclosure requirements of SFAS No. 148 and continues to account for its stock-compensation plans under the disclosure only provision of SFAS No. 123, "Accounting for Stock-Based Compensation" (SFAS No. 123). The tables below show the effect on net income and earnings per share for Exelon and the effect on net income for ComEd, PECO and Generation had Exelon elected to account for stock-based compensation plans using the fair value method under SFAS No. 123 for the three months ended March 31, 2003 and 2002:

Exelon

	Three Months Ended March 31, 2003	Three Months Ended March 31, 2002
Net income - as reported	$ 361	$ 8
Deduct: Total stock-based compensation expense determined under fair value based method for all awards, net of income taxes	(5)	(8)
Pro forma net income	$ 356	$ --
Earnings per share:		
Basic - as reported	$ 1.11	$ 0.02
Basic - pro forma	$ 1.10	$ --
Diluted - as reported	$ 1.11	$ 0.02
Diluted - pro forma	$ 1.09	$ --

ComEd

	Three Months Ended March 31, 2003	Three Months Ended March 31, 2002
Net income - as reported	$ 195	$ 129
Deduct: Total stock-based compensation expense determined under fair value based method for all awards, net of income taxes	(1)	(3)
Pro forma net income	$ 194	$ 126

PECO

	Three Months Ended March 31, 2003	2002
Net income on common stock- as reported	$ 135	$ 87
Deduct: Total stock-based compensation expense determined under fair value based method for all awards, net of income taxes	(1)	(3)
Pro forma net income	$ 134	$ 84

Generation

	Three Months Ended March 31, 2003	2002
Net income - as reported	$ 56	$ 79
Deduct: Total stock-based compensation expense determined under fair value based method for all awards, net of income taxes	(1)	(4)
Pro forma net income	$ 55	$ 75

FIN No. 46

In January 2003, the FASB issued FIN No. 46, "Consolidation of Variable Interest Entities" (FIN No. 46). FIN No. 46 addresses consolidating certain variable interest entities and applies immediately to variable interest entities created after January 31, 2003. The impact, if any, of adopting FIN No. 46 on Exelon, ComEd, PECO and Generation's consolidated financial position, results of operations and cash flows has not been determined.

SFAS No. 149

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities" (SFAS No. 149). SFAS No. 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contacts, and for hedging activities under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS No. 133). SFAS No. 149 also amends SFAS No. 133 for decisions made (1) as part of the Derivatives Implementation Group process that effectively required amendments to SFAS No. 133, (2) in connection with other FASB projects dealing with financial instruments, and (3) in connection with implementation issues raised in relation to the application of the definition of a derivative.

SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003, except as stated below, and for hedging relationships designated after June 30, 2003. In addition, except as stated below, all provisions of SFAS No. 149 will be applied prospectively.

The provisions of SFAS No. 149 that relate to SFAS No. 133 implementation issues that have been effective for fiscal quarters that began prior to June 15, 2003 should continue to be applied in accordance with their respective effective dates. In addition, certain provisions relating to forward purchases or sales of when-issued securities or other securities that do not yet exist, should be applied to both existing contracts and new contracts entered into after June 30,

2003. Exelon, ComEd, PECO and Generation are currently determining the impact of the adoption of SFAS No. 149 on their financial position and results of operations.

Change in Accounting Estimate
ComEd

Effective July 1, 2002, ComEd lowered its depreciation rates based on a depreciation study reflecting its significant construction program in recent years, changes in and development of new technologies, and changes in estimated plant service lives since the last depreciation study. The annualized reduction in depreciation expense, based on December 31, 2001 plant balances, was estimated to be approximately $100 million ($60 million, after income taxes). As a result of the change, net income for the three months ended March 31, 2003 increased approximately $24 million ($14 million, after income taxes).

3. ACQUISITIONS AND DISPOSITIONS (Exelon and Generation)
Sithe New England Holdings Acquisition

On November 1, 2002, Generation purchased the assets of Sithe New England Holdings, LLC (currently known as Exelon New England), a subsidiary of Sithe Energies, Inc. (Sithe), and related power marketing operations. Exelon New England's primary assets are gas-fired facilities currently under construction. The purchase price for the Exelon New England assets consisted of a $534 million note to Sithe, $14 million of direct acquisition costs and a $208 million adjustment to Generation's investment in Sithe related to Exelon New England. Additionally, Generation assumed various Sithe guarantees. Generation's assumed guarantees are related to an equity contribution agreement between Exelon New England and Sithe Boston Generating, LLC (currently known as Exelon Boston Generating, LLC (EBG)), a project subsidiary of Exelon New England. The equity contribution agreement requires, among other things, that Exelon New England, upon the occurrence of certain events, contribute up to $38 million of equity for the purpose of completing the construction of two generating facilities. EBG has a $1.25 billion credit facility (EBG Facility), which was entered into primarily to finance the construction of these two generating facilities. The $1.0 billion of debt outstanding under the credit facility at March 31, 2003 is reflected on Exelon and Generation's Consolidated Balance Sheets. Exelon New England owns 4,066 megawatts (MWs) of generation capacity, consisting of 1,645 MWs in operation and 2,421 MWs under construction. Exelon New England's generation facilities are located primarily in Massachusetts.

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

Current Assets (including $12 million of cash acquired)	$ 82
Property, Plant and Equipment	1,956
Deferred Debits and Other Assets	62
Current Liabilities	(159)
Deferred Credits and Other Liabilities	(149)
Long-Term Debt	(1,036)
Total Purchase Price	$ 756

The purchase price has been adjusted in the first quarter of 2003 for a $64 million reclassification from Generation's investment in Sithe to property, plant and equipment.

The EBG Facility provides that if these construction projects are not completed by June 12, 2003, the EBG Facility lenders will have the right, but will not be required to, among other things, declare all amounts then outstanding under the EBG Facility to be due, to terminate the interest rate swap agreements, foreclose on all the pledged assets or ownership of the project subsidiaries, or require that all cash held by the project subsidiaries be used to reduce the debt. An event of default under the EBG Facility does not constitute an event of default under any other debt instruments of Exelon or its subsidiaries. Generation believes that the construction projects will be substantially complete by June 12, 2003, but that all of the requirements may not be met by that date. However, Generation continues to monitor and evaluate its construction progress as to whether the requirements of the EBG Facility relating to the construction projects can be satisfied by June 12, 2003. Generation currently expects that arrangements for amendments or waivers, if necessary, can be negotiated with the EBG Facility lenders in the event that the requirements are not satisfied by June 12, 2003.

Acquisition of Generating Plants from TXU

On April 25, 2002, Generation acquired two natural-gas and oil-fired plants from TXU Corp. (TXU) for an aggregate purchase price of $443 million. The purchase included the 893-MW Mountain Creek Steam Electric Station in Dallas and the 1,441-MW Handley Steam Electric Station in Fort Worth. The transaction included a purchased power agreement for TXU to purchase power during the months of May through September from 2002 through 2006. During the periods covered by the purchased power agreement, TXU has agreed to fixed capacity and variable expense payments, and to provide fuel to Exelon in return for exclusive rights to the energy and capacity of the generation plants. Substantially all of the purchase price has been allocated to property, plant and equipment.

Sale of AT&T Wireless

On April 1, 2002, Enterprises sold its 49% interest in AT&T Wireless PCS of Philadelphia, LLC to a subsidiary of AT&T Wireless Services for $285 million in cash. Enterprises recorded a gain of $201 million ($116 million after income taxes) in Other Income and Deductions on Exelon's Consolidated Statements of Income.

4. REGULATORY ISSUES (Exelon and ComEd)

On March 3, 2003, ComEd entered into an agreement with various Illinois electric retail market suppliers, key customer groups and governmental parties regarding several matters affecting ComEd's rates for electric service (Agreement). The Agreement addressed, among other things, issues related to ComEd's residential delivery services rate proceeding, market value index proceeding, the process for competitive service declarations for large-load customers and an extension of the purchased power agreement (PPA) with Generation. The parties to the Agreement agreed to make and support a series of coordinated filings intended to lead to the issuance by the ICC of orders consistent with the Agreement. Those orders, which were issued on March 28, 2003, are subject to rehearing. Rehearing requests have been filed with the ICC. Rehearing requests may be considered through the middle of May 2003. The Agreement will not become effective as long as any of the ICC orders are subject to any pending rehearing request or if a stay is issued with respect to any of those orders.

During the first quarter of 2003, ComEd recorded a charge to earnings, associated with the funding of specified programs and initiatives associated with the Agreement, of $51 million on a present value basis before income taxes. This amount is partially offset by the reversal of a $12 million (before income taxes) reserve established in the third quarter of 2002 for a potential capital disallowance in ComEd's delivery services rate proceeding, and a credit of $10 million (before income taxes) related to the capitalization of employee incentive payments provided for in the delivery services order. The net one-time charge for these items was $29 million (before income taxes).

5. EARNINGS PER SHARE (Exelon)

Diluted earnings per share are calculated by dividing net income by the weighted average number of shares of common stock outstanding, including shares issuable upon exercise of stock options outstanding under Exelon's stock option plans considered to be common stock equivalents. The following table shows the effect of these stock options on the weighted average number of shares outstanding used in calculating diluted earnings per share (in millions):

	Three Months Ended March 31, 2003	Three Months Ended March 31, 2002
Average Common Shares Outstanding	324	321
Assumed Exercise of Stock Options	2	2
Average Dilutive Common Shares Outstanding	326	323

There were five million stock options not included in average common shares used in calculating diluted earnings per share due to their antidilutive effect for the three months ended March 31, 2003 and 2002.

6. SEGMENT INFORMATION (Exelon, ComEd, PECO and Generation)

Exelon operates in three business segments: energy delivery (including ComEd and PECO), generation (includes Generation) and enterprises. Exelon evaluates the performance of its business segments on the basis of net income. ComEd, PECO and Generation each operate in a single business segment. Exelon's segment information for the three months ended March 31, 2003 and 2002 and at March 31, 2003 and December 31, 2002 is as follows:

	Energy Delivery	Generation	Enterprises	Corporate and Intersegment Eliminations	Consolidated
Total Revenues (1):					
2003	$ 2,642	$ 1,879	$ 580	$ (1,027)	$ 4,074
2002	2,335	1,461	490	(929)	3,357
Intersegment Revenues:					
2003	$ 16	$ 993	$ 19	$ (1,028)	$ --
2002	14	892	25	(931)	--
Income (Loss) Before Income Taxes and the Cumulative Effect of Changes in Accounting Principles:					
2003	$ 517	$ (73)	$ (30)	$ (17)	$ 397
2002	341	111	(47)	(19)	386
Income Taxes:					
2003	$ 192	$ (21)	$ (13)	$ (10)	$ 148
2002	126	45	(19)	(4)	148
Cumulative Effect of Changes in Accounting Principles:					
2003	$ 5	$ 108	$ (1)	$ --	$ 112
2002	--	13	(243)	--	(230)
Net Income (Loss):					
2003	$ 330	$ 56	$ (18)	$ (7)	$ 361
2002	215	79	(271)	(15)	8
Total Assets:					
March 31, 2003	$ 26,984	$ 13,478	$ 1,283	$ (1,844)	$ 39,901
December 31, 2002	26,550	11,007	1,297	(1,376)	37,478

(1) $62 million and $57 million in utility taxes are included in the Revenues and Expenses for the three months ended March 31, 2003 and 2002, respectively, for ComEd. $51 million and $44 million in utility taxes are included in the Revenues and Expenses for the three months ended March 31, 2003 and 2002, respectively, for PECO.

7. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (Exelon, ComEd, PECO and Generation)

During the three months ended March 31, 2003 and 2002, Exelon recorded pre-tax gains and (losses) in other comprehensive income relating to mark-to-market (MTM) adjustments of contracts designated as cash flow hedges as follows:

	ComEd	PECO	Generation	Enterprises	Exelon
Three months ended March 31, 2003	$ 1	$ 3	$ (294)	$ 4	$ (286)
Three months ended March 31, 2002	$ (2)	$ 6	$ (122)	$ 17	$ (101)

Generation recognized net MTM losses on non-trading energy derivative contracts not designated as cash flow hedges, in Purchased Power on Generation's Consolidated Statements of

Income of $31 million during the three months ended March 31, 2003 and gains of $6 million during the three months ended March 31, 2002.

Generation recognized net MTM losses on proprietary trading contracts in earnings of $2 million during the three months ended March 31, 2003 and net MTM gains of $1 million during the three months ended March 31, 2002.

During the three months ended March 31, 2003 and 2002, no amounts were reclassified to other income in the Consolidated Statements of Income and Comprehensive Income as a result of the discontinuance of cash flow hedges related to certain forecasted financing transactions that were no longer probable of occurring.

During the three months ended March 31, 2003 and 2002, Generation did not reclassify any amounts from accumulated other comprehensive income into earnings as a result of forecasted energy commodity transactions no longer being probable.

As of March 31, 2003, deferred net gains/(losses) on derivative instruments accumulated in other comprehensive income that are expected to be reclassified to earnings during the next twelve months are as follows:

	ComEd	PECO	Generation	Enterprises	Exelon
Net Gains (Losses) Expected to be Reclassified	$ --	$ 14	$ (364)	$ 5	$ (345)

Amounts in accumulated other comprehensive income related to interest rate cash flow hedges are reclassified into earnings when the forecasted interest payment occurs. Amounts in accumulated other comprehensive income related to energy commodity cash flows are reclassified into earnings when the forecasted purchase or sale of the energy commodity occurs.

As of March 31, 2003, ComEd expects to amortize during the next twelve months $7 million of regulatory assets for settled cash flow swaps. During the first quarter 2003, ComEd reclassified $51 million ($30 million, after income taxes) from other comprehensive income to regulatory assets for cash flow swaps settled during the quarter.

ComEd has also entered into interest rate swaps to effectively convert $485 million in fixed-rate debt to floating rate debt. These swaps have been designated as fair-value hedges as defined in SFAS No. 133, and as such, changes in the fair value of the swaps will be recorded in earnings. However, as long as the hedge remains effective, changes in the fair value of the swaps will be offset by changes in the fair value of the hedged liabilities. Any change in the fair value of the hedge as a result of ineffectiveness would be recorded immediately in earnings. As of March 31, 2003, these swaps had an aggregate fair market value of $42 million which was classified as Other Deferred Debits and Other Assets within the Consolidated Balance Sheets.

Generation classifies investments in the trust accounts for decommissioning nuclear plants as available-for-sale. The following tables show the fair values, gross unrealized gains and losses and amortized cost bases for the securities held in these trust accounts.

	March 31, 2003			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Equity securities	$ 1,852	$ 53	$ (532)	$ 1,373
Debt securities				
Government obligations	916	55	(2)	969
Other debt securities	693	33	(36)	690
Total debt securities	1,609	88	(38)	1,659
Total available-for-sale securities	$ 3,461	$ 141	$ (570)	$ 3,032

	December 31, 2002			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Equity securities	$ 1,763	$ 72	$ (482)	$ 1,353
Debt securities				
Government obligations	938	62	--	1,000
Other debt securities	698	32	(30)	700
Total debt securities	1,636	94	(30)	1,700
Total available-for-sale securities	$ 3,399	$ 166	$ (512)	$ 3,053

Net unrealized losses of $429 million were recognized in Regulatory Assets, Regulatory Liabilities and Accumulated Other Comprehensive Income in Exelon's Consolidated Balance Sheet at March 31, 2003. Net unrealized losses of $429 million were recognized in noncurrent affiliate payables and receivables and Accumulated Other Comprehensive Income in Generation's Consolidated Balance Sheet as of March 31, 2003. Net unrealized losses of $346 million were recognized in Accumulated Depreciation and Accumulated Other Comprehensive Income in the Consolidated Balance Sheets of Exelon and Generation at December 31, 2002.

	Three months ended March 31,	
	2003	2002
Proceeds from sales	$ 572	$ 580
Gross realized gains	15	18
Gross realized losses	(8)	(32)

Net realized gains of $7 million and net realized losses of $10 million for the three months ended March 31, 2003 and 2002 respectively, were recorded in other income and deductions. Net realized losses of $4 million for the three months ended March 31, 2002 were recognized in Accumulated Depreciation. The available-for-sale securities held at March 31, 2003 have an average maturity of eight to ten years. The cost of these securities was determined on the basis of specific identification.

8. COMMITMENTS AND CONTINGENCIES (Exelon, ComEd, PECO and Generation)

For information regarding capital commitments, nuclear decommissioning and spent fuel storage, see the Commitments and Contingencies and Nuclear Decommissioning and Spent Fuel Storage Notes in the Notes to Consolidated Financial Statements of Exelon, ComEd, PECO and Generation for the year ended December 31, 2002. See Note 4 - New Accounting Principles and Accounting Changes for further discussion of nuclear decommissioning commitments and contingencies.

Environmental Liabilities

As of March 31, 2003, Exelon had accrued $143 million for environmental investigation and remediation costs that currently can be reasonably estimated, including $114 million for manufactured gas plant (MGP) investigation and remediation. Exelon has identified 71 sites where former MGP activities have or may have resulted in actual site contamination.

As of March 31, 2003, ComEd had accrued $92 million for environmental investigation and remediation costs that currently can be reasonably estimated. This reserve included $87 million (discounted) for MGP investigation and remediation.

As of March 31, 2003, PECO had accrued $37 million (undiscounted) for environmental investigation and remediation costs that currently can be reasonably estimated, including $27 million for MGP investigation and remediation.

As of March 31, 2003, Generation had accrued $14 million (undiscounted) for environmental investigation and remediation cost, none of which relates to MGP investigation and remediation.

Exelon, ComEd, PECO and Generation cannot predict the extent to which they will incur other significant liabilities for additional investigation and remediation costs at these or additional sites identified by environmental agencies or others, or whether such costs may be recoverable from third parties.

Energy Commitments

Exelon and Generation had long-term commitments relating to the net purchase and sale of energy, capacity and transmission rights from unaffiliated utilities, including Midwest Generation, LLC (Midwest Generation), and others, including AmerGen, as expressed in the following table:

	Net Capacity Purchases (1)	Power Only Sales	Power Only Purchases from AmerGen	Power Only Purchases from Non-Affiliates	Transmission Rights Purchases (2)
2003	$ 543	$2,367	$ 187	$1,625	$ 64
2004	765	1,356	315	1,036	93
2005	426	431	488	319	84
2006	397	124	493	243	3
2007	475	31	227	212	--
Thereafter	3,821	1	1,590	843	--
Total	$6,427	$4,310	$3,300	$4,278	$ 244

(1) Net Capacity Purchases includes Midwest Generation commitments as of March 31, 2003. On October 2, 2002, Generation notified Midwest Generation of its exercise of termination options under the existing Collins Generating Station (Collins) PPA and Peaking Unit (Peaking) PPA. Generation exercised its termination options on 1,727 MWs in 2003 and 2004. In 2003, Generation will take 1,778 MWs of option capacity under the Collins and Peaking Unit Agreements as well as 1,265 MWs of option capacity under the Coal Generation PPA. Net Capacity Purchases in 2004 include 3,474 MWs of optional capacity from Midwest Generation. Net Capacity Purchases also include capacity sales to TXU under the PPA entered into in connection with the purchase of two generating plants in April 2002, which states that TXU will purchase the plant output from May through September from 2002 through 2006. The combined capacity of the two plants is 2,334 MWs.

(2) Transmission Rights Purchases include estimated commitments in 2004 and 2005 for additional transmission rights that will be required to fulfill firm sales contracts.

Additionally, Generation has the following energy commitments:

In connection with the 2001 corporate restructuring, Generation entered into a PPA with ComEd under which Generation has agreed to supply all of ComEd's load requirements through 2004. Prices for this energy vary depending upon the time of day and month of delivery. During 2005 and 2006, ComEd's PPA is a partial requirements agreement under which ComEd will purchase all of its required energy and capacity from Generation, up to the available capacity of the nuclear generating plants formerly owned by ComEd and transferred to Generation. Under the terms of the PPA, Generation is responsible for obtaining any required transmission service, subject to ComEd's obligation to obtain network service over the ComEd system. The PPA also specifies that prior to 2005, ComEd and Generation will jointly determine and agree on a market-based price for energy delivered under the PPA for 2005 and 2006. In the event that the parties cannot agree to market-based prices for 2005 and 2006 prior to July 1, 2004, ComEd has the option of terminating the PPA effective December 31, 2004. ComEd will obtain any additional supply required from market sources in 2005 and 2006, and subsequent to 2006, will obtain all of its supply from market sources, which could include Generation. The PPA for 2005 and 2006 may be extended to a full requirements contract as a result of the Agreement (See Note 4 - Regulatory Issues).

In connection with the 2001 corporate restructuring, Generation entered into a PPA with PECO under which Generation has agreed to supply PECO with substantially all of PECO's electric supply needs through 2010. Also, under the restructuring, PECO assigned its rights and obligations under various PPAs and fuel supply agreements to Generation. Generation supplies power to PECO from the transferred generation assets, assigned PPAs and other market sources.

Under terms of the 2001 corporate restructuring, ComEd remits to Generation any amounts collected from customers for nuclear decommissioning. Under an agreement effective September 2001, PECO remits to Generation any amounts collected from customers for nuclear decommissioning.

Litigation

Exelon

Securities Litigation. Between May 8 and June 14, 2002, several class action lawsuits were filed in the Federal District Court in Chicago asserting nearly identical securities law claims on behalf of purchasers of Exelon securities between April 24, 2001 and September 27, 2001 (Class Period). The complaints allege that Exelon violated Federal securities laws by issuing a series of materially false and misleading statements relating to its 2001 earnings expectations during the Class Period. The court consolidated the pending cases into one lawsuit and has appointed two lead plaintiffs as well as lead counsel.

On October 1, 2002, the plaintiffs filed a consolidated amended complaint. In addition to the original claims, this complaint contains allegations of new facts and contains several new theories of liability. Exelon believes the lawsuit is without merit and is vigorously contesting this matter.

ComEd

FERC Municipal Request for Refund. Three of ComEd's wholesale municipal customers filed a complaint and request for refund with FERC, alleging that ComEd failed to properly adjust its rates, as provided for under the terms of the electric service contracts with the municipal customers and to track certain refunds made to ComEd's retail customers in the years 1992 through 1994. In the third quarter of 1998, FERC granted the complaint and directed that refunds be made, with interest. ComEd filed a request for rehearing. On April 30, 2001, FERC issued an order granting rehearing in which it determined that its 1998 order had been erroneous and that no refunds were due from ComEd to the municipal customers. In August 2001, each of the three wholesale municipal customers appealed the April 30, 2001 FERC order to the Federal circuit court, which consolidated the appeals for the purposes of briefing and decision. The Federal circuit court has stayed the proceedings pending settlement negotiations among the parties. ComEd currently believes that the outcome of this matter will not have a material impact on its results of operations or financial condition.

Retail Rate Law. In 1996, several developers of non-utility generating facilities filed litigation against various Illinois officials claiming that the enforcement against those facilities of an amendment to Illinois law removing the entitlement of those facilities to state-subsidized payments for electricity sold to ComEd after March 15, 1996 violated their rights under the Federal and state constitutions. The developers also filed suit against ComEd for a declaratory judgment that their rights under their contracts with ComEd were not affected by the amendment. On November 25, 2002, the court granted the developers' motions for summary judgment. The judge also entered a permanent injunction enjoining ComEd from refusing to pay the retail rate on the grounds of the amendment, and Illinois from denying ComEd a tax credit on account of such purchases. ComEd and Illinois have each appealed the ruling. ComEd believes that it did not breach the contracts in question and that the damages claimed far exceed any loss that any project incurred by reason of its ineligibility for the subsidized rate. ComEd intends to prosecute its appeal and defend each case vigorously.

Service Interruptions. In August 1999, three class action lawsuits were filed against ComEd, and subsequently consolidated, in the Circuit Court of Cook County, Illinois seeking damages for personal injuries, property damage and economic losses related to a series of service interruptions that occurred in the summer of 1999. The combined effect of these interruptions resulted in over 168,000 customers losing service for more than four hours. Conditional class certification was approved by the court for the sole purpose of exploring settlement. ComEd filed a motion to dismiss the complaints. On April 24, 2001, the court dismissed four of the five counts of the consolidated complaint without prejudice and the sole remaining count was dismissed in part. On June 1, 2001, the plaintiffs filed a second amended consolidated complaint and ComEd has filed an answer. On December 5, 2002, a settlement was reached, pending court approval, whereby ComEd will pay up to $8 million, which includes $4 million paid to date. The settlement, when approved, will release ComEd from all claims arising from the 1999 power outages. A portion of any settlement or verdict may be covered by insurance.

Generation

Cotter Corporation Litigation. During 1989 and 1991, actions were brought in Federal and state courts in Colorado against ComEd and its subsidiary, Cotter Corporation (Cotter), seeking unspecified damages and injunctive relief based on allegations that Cotter permitted radioactive and other hazardous material to be released from its mill into areas owned or occupied by the plaintiffs, resulting in property damage and potential adverse health effects. In 1994, a Federal jury returned nominal dollar verdicts against Cotter on eight plaintiffs' claims in the 1989 cases, which verdicts were upheld on appeal. The remaining claims in the 1989 actions were settled or dismissed. In 1998, a jury verdict was rendered against Cotter in favor of 14 of the plaintiffs in the 1991 cases, totaling approximately $6 million in compensatory and punitive damages, interest and medical monitoring. On appeal, the Tenth Circuit Court of Appeals reversed the jury verdict, and remanded the case for new trial. These plaintiffs' cases were consolidated with the remaining 26 plaintiffs' cases, which had not been tried. The consolidated trial was completed on June 28, 2001. The jury returned a verdict against Cotter and awarded $16 million in various damages. On November 20, 2001, the District Court entered an amended final judgment that included an award of both pre-judgment and post-judgment interests, costs, and medical monitoring expenses that total $43 million. In November 2000, another trial involving a separate sub-group of 13 plaintiffs, seeking $19 million in damages plus interest was completed in Federal District Court in Denver. The jury awarded nominal damages of $42,500 to 11 of 13 plaintiffs, but awarded no damages for any personal injury or health claims, other than requiring Cotter to perform periodic medical monitoring at minimal cost. Cotter appealed these judgments to the Tenth Circuit Court of Appeals. On April 22, 2003, the Tenth Circuit Court of Appeals reversed both judgments and remanded the cases for retrial. Cotter intends to vigorously defend each case.

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 incurred by Cotter as a result of these actions, as well as any liability arising in connection with the West Lake Landfill discussed in the next paragraph. In connection with Exelon's 2001 corporate restructuring, the responsibility to indemnify Cotter for any liability related to these matters was transferred by ComEd to Generation.

The U.S. Environmental Protection Agency (EPA) has advised Cotter that it is potentially liable in connection with radiological contamination at a site known as the West Lake Landfill in Missouri. 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. Cotter, along with three other companies identified by the EPA as potentially responsible parties (PRPs), has submitted a draft feasibility study addressing options for remediation of the site. The PRPs are also engaged in discussions with the State of Missouri and the EPA. The estimated costs of remediation for the site range from $0 to $87 million. Once a remedy is selected, it is expected that the PRPs will agree on an allocation of responsibility for the costs. Until an agreement is reached, Generation cannot predict its share of the costs.

Raytheon Arbitration. In March 2001, two subsidiaries of Sithe New England acquired in November 2002, brought an action in the New York Supreme Court against Raytheon Corporation (Raytheon) relating to its failure to honor its guaranty with respect to the performance of the Mystic and Fore River projects, as a result of the abandonment of the projects by the turnkey contractor. In a related proceeding, in May 2002, Raytheon submitted claims to the International Chamber of Commerce Court of Arbitration seeking equitable relief and damages for alleged owner-caused performance delays in connection with the Fore River Power Plant Engineering, Procurement & Construction Agreement (EPC Agreement). The EPC Agreement, executed by a Raytheon subsidiary and guaranteed by Raytheon, governs the design, engineering, construction, start-up, testing and delivery of an 800-MW combined-cycle power plant in Weymouth, Massachusetts. Raytheon recently amended its claim and now seeks 141 days of schedule relief (which would reduce Raytheon's liquidated damage payment for late delivery by approximately $25 million) and additional damages of $16 million. Raytheon also has asserted a claim in the amount of approximately $12 million for loss of efficiency and productivity as a result of an alleged constructive acceleration. Generation believes the Raytheon assertions are without merit and is vigorously contesting these claims. Hearings by the International Chamber of Commerce Court of Arbitration with respect to liability were held in January and February 2003. A decision on liability is expected to be issued in May 2003 and, if necessary, additional hearings will be held on damages in May and June of 2003.

Clean Air Act. On June 1, 2001, the EPA issued to EBG a Notice of Violation (NOV) and Reporting Requirement pursuant to Sections 113 and 114 of the Clean Air Act, alleging numerous exceedances of opacity limits and violations of opacity-related monitoring, recording and reporting requirements at Mystic Station in Everett, Massachusetts. On January 8, 2002, the EPA indicated that it had decided to resolve the NOV through an administrative compliance order and a judicial civil penalty action. In March 2002, the EPA issued and Sithe Mystic LLC, a wholly owned subsidiary of EBG, voluntarily entered a Compliance Order and Reporting Requirement (Compliance Order) regarding Mystic Station, under which Mystic Station installed new ignition equipment on three of the four units at the plant. Mystic Station also undertook an extensive opacity monitoring and testing program for all four units at the plant to help determine if additional compliance measures were needed. Pursuant to the requirements of the Compliance Order, the EBG switched three of the four units to a lower sulfur fuel oil by June 1, 2002. The Compliance Order does not address civil penalties. By a letter dated April 21, 2003, the United States Department of Justice notified EBG that, at the request of the EPA, it intended to bring a civil penalty action, but also offered to the opportunity to resolve the matter through settlement discussions. EBG is pursuing settlement discussions with the EPA and the Department of Justice.

Real Estate Tax Appeals. Generation is involved in tax appeals regarding a number of its nuclear facilities, Limerick Generating Station (Montgomery County, PA), Peach Bottom Atomic Power Station (York County, PA) and Quad Cities Station (Rock Island County, IL). Generation is also involved in the tax appeal for Three Mile Island (Dauphin County, PA) through AmerGen. Generation does not believe the outcome of these matters will have a material adverse effect on Generation's results of operations or financial condition.

Exelon, ComEd, PECO and Generation

Exelon, ComEd, PECO and Generation are involved in various other litigation matters. The ultimate outcome of such matters, as well as the matters discussed above, while uncertain, are not expected to have a material adverse effect on their respective financial condition or results of operations.

Commercial Commitments

Exelon, ComEd, PECO and Generation's commercial commitments as of March 31, 2003, representing commitments not recorded on the balance sheet but potentially triggered by future events, including obligations to make payment on behalf of other parties and financing arrangements to secure their obligations, are as follows:

		Expiration within			
Exelon	Total	2003	2004-2005	2006-2007	2008 and beyond
Related to Obligations Recorded on the Balance Sheet					
Credit Facility (a)	$ 1,500	$ 1,500	$ --	$ --	$ --
Letters of Credit (non-debt) (b)	112	99	13	--	--
Letters of Credit (long-term debt) (c)	456	175	281	--	--
Insured Long-Term Debt (d)	254	--	--	--	254
Preferred Securities Guarantee (e)	128	--	--	--	128
Preferred Securities Guarantees (f)	350	--	--	--	350
Guarantees of Long-Term Debt (g)	40	--	--	--	40
Midwest Generation Capacity Reservation Agreement Guarantee (h)	35	3	7	7	18
Other					
Guarantees of Letters of Credit (i)	93	87	6	--	--
Performance Guarantees (j)	108	5	2	--	101
Surety Bonds (k)	539	256	78	12	193
Energy Marketing Contract Guarantees (l)	145	110	35	--	--
Nuclear Insurance Guarantees (m)	1,380	--	--	--	1,380
Lease Guarantees (n)	13	--	--	2	11
Exelon New England Equity Guarantee (o)	38	38	--	--	--
Total	$ 5,191	$ 2,273	$ 422	$ 21	$ 2,475

		Expiration within			
ComEd	Total	2003	2004-2005	2006-2007	2008 and beyond
Related to Obligations Recorded on the Balance Sheet					
Credit Facility (a)	$ 100	$ 100	$ --	$ --	$ --
Letters of Credit (non-debt) (b)	23	23	--	--	--
Letters of Credit (long-term debt) (c)	92	92	--	--	--
Insured Long-Term Debt (d)	100	--	--	--	100
Preferred Securities Guarantees (f)	350	--	--	--	350
Midwest Generation Capacity Reservation Agreement Guarantee (h)	35	3	7	7	18
Other					
Performance Guarantees (j)	7	5	2	--	--
Surety Bonds (k)	18	18	--	--	--
Total	$ 725	$ 241	$ 9	$ 7	$ 468

PECO	Total	2003	2004-2005	2006-2007	2008 and beyond
		Expiration within			
Related to Obligations Recorded on the Balance Sheet					
Credit Facility (a)	$ 600	$ 600	$ --	$ --	$ --
Letters of Credit (non-debt) (b)	30	30	--	--	--
Letters of Credit (long-term debt) (c)	17	17	--	--	--
Insured Long-Term Debt (d)	154	--	--	--	154
Preferred Securities Guarantee (e)	128	--	--	--	128
Other					
Surety Bonds (k)	46	46	--	--	--
Total	$ 975	$ 693	$ --	$ --	$ 282

Generation	Total	2003	2004-2005	2006-2007	2008 and beyond
		Expiration within			
Related to Obligations Recorded on the Balance Sheet					
Credit Facility (a)	$ --	$ --	$ --	$ --	$ --
Letters of Credit (non-debt) (b)	14	9	5	--	--
Letters of Credit (long-term debt) (c)	347	66	281	--	--
Other					
Guarantees of Letters of Credit (i)	66	66	--	--	--
Performance Guarantees (j)	101	--	--	--	101
Surety Bonds (k)	43	--	--	--	43
Energy Marketing Contract Guarantees (l)	25	25	--	--	--
Nuclear Insurance Guarantees (p)	134	--	--	--	134
Exelon New England Equity Guarantee (o)	38	38	--	--	--
Total	$ 768	$ 204	$ 286	$ --	$ 278

(a) Credit Facility - Exelon, along with ComEd, PECO and Generation, maintain a $1.5 billion 364-day credit facility to support commercial paper issuances. At March 31, 2003, there were no borrowings against the credit facility. Additionally, at March 31, 2003, commercial paper outstanding was as follows:

Exelon Consolidated	$ 1,150
ComEd	45
PECO	493
Generation	--

At March 31, 2003, $250 million of Exelon and PECO's commercial paper was classified as long-term debt.

(b) 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.

(c) Letters of Credit (Long-Term Debt) - Direct-pay letters of credit issued in connection with variable-rate debt in order to provide liquidity in the event that it is not possible to remarket all of the debt as required following specific events, including changes in the basis of determining the interest rate on the debt.

(d) Insured Long-Term Debt - Borrowings that have been credit-enhanced through the purchase of insurance coverage equal to the amount of principal outstanding plus interest.

(e) Preferred Securities Guarantees - Guarantees issued to guarantee the preferred securities of the subsidiary trusts of PECO.

(f) Preferred Securities Guarantees - Guarantees issued to guarantee the preferred securities of the subsidiary trusts of ComEd.

(g) Guarantees of Long-Term Debt - Issued to guarantee payment of Enterprises' debt.

(h) Midwest Generation Capacity Reservation Agreement Guarantee - In connection with ComEd's agreement with the City of Chicago (Chicago) entered into on February 20, 2003, Midwest Generation assumed from Chicago a Capacity Reservation Agreement which Chicago had entered into with Calumet Energy Team, LLC. ComEd will reimburse Chicago for any nonperformance by Midwest Generation under the Capacity Reservation Agreement. The fair value of this guarantee under FIN 45 of $4 million is included as a liability on Exelon and ComEd's Consolidated Balance Sheets. Additional information regarding this reserve is included within this section under the heading "General" below.

(i) Guarantees of letters of credit - Guarantees issued to provide support for letters of credit as required by third parties. These guarantees could be called upon only in the event of non-payment by a subsidiary.

(j) Performance Guarantees - Guarantees issued to ensure performance under specific contracts.

(k) Surety Bonds - Guarantees issued related to contract and commercial surety bonds, excluding bid bonds.

(l) Energy Marketing Contract Guarantees - Guarantees issued to ensure performance under energy commodity contracts.

(m) Nuclear Insurance Guarantees - Guarantees of nuclear insurance required under the Price-Anderson Act. $1.1 billion of this total exposure is exempt from the $4.5 billion PUHCA guarantee limit by SEC rule.

(n) Lease Guarantees - Guarantees issued to ensure payments on building leases.

(o) Exelon New England Equity Guarantee- See Note 3 - Acquisitions and Dispositions for further information on the $38 million guarantee. After construction of the EBG facilities is complete, Exelon could be required to guarantee up to an additional $42 million in order to ensure that the EBG facilities have adequate funds available for potential outage and other operating costs and requirements.

(p) Nuclear Insurance Guarantee - Guarantees of nuclear insurance required under the Price-Anderson Act. This amount relates to Generation's guarantee of AmerGen's plants. Exelon has a $1.2 billion guarantee relating to Generation's directly owned plants that is not included in this amount.

Unconsolidated Equity Investments

Generation is a 49.9% owner of Sithe and accounts for the investment as an unconsolidated equity investment. In the first quarter of 2003, Exelon and Generation recorded an impairment charge of $200 million before income taxes in other income and deductions, associated with a decline in the Sithe investment value, which is considered to be other than temporary. Exelon and Generation's management considered various factors in the decision to record an impairment of this investment, including management's recent experience of exploring the sale of its interest in Sithe. The discussions surrounding the sale indicated that the fair value of the Sithe investment is below its book value, and as such, an impairment charge was required. This impairment reduced the book value of the investment to $212 million at March 31, 2003.

Generation continues to be subject to a Put and Call Agreement (PCA) that gives Generation the right to purchase (Call) the remaining 50.1% of Sithe, and gives the other Sithe shareholders the right to sell (Put) their interest to Generation. If the Put option is exercised, Generation has the obligation to complete the purchase.

The PCA originally provided that the Put and Call options became exercisable as of December 18, 2002 and expires in December 2005. However, upon Apollo Energy, LLC's (Apollo) purchase of Vivendi's 34.2% ownership and Sithe management's 1% share, Apollo agreed to delay the effective date of its Put right until June 1, 2003 and, if certain conditions are met, until September 1, 2003. There are also certain events that could trigger Apollo's Put right becoming effective prior to June 1, 2003, including Exelon being downgraded below investment grade by Standard and Poor's Rating Group or Moody's Investors Service, Inc., a stock purchase agreement between Exelon and Apollo being executed and subsequently terminated, or the occurrence of any event of default, other than a change of control, under certain Exelon or Apollo credit agreements. Depending on the triggering event, Apollo's Put needs to be funded within 18 or 30 days of the Put being exercised. There have been no changes to the Put and Call terms with respect to Marubeni's remaining 14.9% interest.

If Generation exercises its option to acquire the remaining outstanding common stock in Sithe, or if all the other stockholders exercise their Put rights, the purchase price for Apollo's 35.2% interest will be approximately $460 million, growing at a market rate of interest. The additional 14.9% interest will be valued at fair market value subject to a floor of $141 million and a ceiling of $290 million.

If Generation increases its ownership in Sithe to 50.1% or more, Sithe may become a consolidated subsidiary and Exelon and Generation's financial results may include Sithe's financial results from the date of purchase. At March 31, 2003, Sithe had total assets of $2.5 billion (including the $534 million note from Generation) and total debt of $1.3 billion. The $1.3 billion of debt includes $625 million of subsidiary debt incurred primarily to finance the construction of six new generating facilities, $457 million of subordinated debt, $119 million of line of credit borrowings, $41 million of the current portion of long-term debt and capital leases, $30 million of capital leases, and excludes $464 million of non-recourse project debt associated with Sithe's equity investments. For the three months ended March 31, 2003, Sithe had revenues of $199 million.

Credit Contingencies

Generation is a counterparty to Dynegy in various energy transactions. In early July 2002, the credit ratings of Dynegy were downgraded to below investment grade by two credit rating agencies. As of March 31, 2003, Generation had a net receivable from Dynegy of approximately $4 million and, consistent with the terms of the existing credit arrangement, has received collateral in support of this receivable. Generation also has credit risk associated with Dynegy through Generation's equity investment in Sithe. Sithe is a 60% owner of the Independence generating station (Independence), a 1,040-MW gas-fired qualified facility that has an energy-only long-term tolling agreement with Dynegy, with a related financial swap arrangement. As of March 31, 2003, Sithe had recognized an asset on its balance sheet related to the fair market value of the financial swap agreement with Dynegy that is marked to market under the terms of SFAS No. 133. If Dynegy is unable to fulfill the terms of this agreement, Sithe would be required to impair this financial swap asset. Generation estimates, as a 49.9% owner of Sithe, that the impairment would result in an after-tax reduction of its earnings of approximately $13 million.

In addition to the impairment of the financial swap asset, if Dynegy were unable to fulfill its obligations under the financial swap agreement and the tolling agreement, Generation may incur a further impairment associated with Independence.

Additionally, the future economic value of AmerGen's PPA with Illinois Power Company, a subsidiary of Dynegy, could be impacted by events related to Dynegy's financial condition.

General

On February 20, 2003, ComEd entered into separate agreements with the City of Chicago (Chicago) and with Midwest Generation (Midwest Agreement). Under the terms of the agreement with Chicago, ComEd will pay Chicago $60 million over ten years ($6 million was paid during the first quarter of 2003) and 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. Under the terms of the Midwest Agreement, ComEd will receive from Midwest Generation $32 million, $22 million of which was received during the first quarter 2003, and the remainder was received during April 2003, to relieve Midwest Generation's obligation under the fossil sale agreement. Midwest Generation will also assume from Chicago a Capacity Reservation Agreement which Chicago had entered into with Calumet Energy Team, LLC (CET), which is effective through June 2012. ComEd will reimburse Chicago for any nonperformance by Midwest Generation under the Capacity Reservation Agreement and paid approximately $2 million for amounts owed to CET by Chicago at the time the agreement was executed. In the first quarter of 2003, ComEd recorded a guarantee liability of $4 million under the provisions of FIN 45 related to ComEd's obligation to reimburse Chicago for any nonperformance by Midwest Generation. The net effect of the settlement and the FIN 45 liability to ComEd will be amortized over the remaining life of the franchise agreement with Chicago.

ComEd and PECO have entered into several agreements with a tax consultant related to the filing of refund claims with the Internal Revenue Service (IRS). The fees for these agreements are contingent upon a successful outcome and are based upon a percentage of the refunds recovered from the IRS, if any. As such, ComEd and PECO would have positive net cash flows related to these agreements if any fees are paid to the tax consultant. These potential tax benefits and associated fees could be material to the financial position, results of operations and cash flows of ComEd and PECO. ComEd and PECO cannot predict the timing of the final resolution of these refund claims.

9. MERGER-RELATED COSTS (Exelon, ComEd, PECO and Generation)

In association with the Merger, Exelon recorded certain reserves for restructuring costs. The reserves associated with PECO were charged to expense pursuant to EITF Issue 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)"; while the reserves associated with Unicom Corporation were recorded as part of the application of purchase accounting and did not affect results of operations, consistent with EITF Issue 95-3, "Recognition of Liabilities in Connection with a Purchase Business Combination".

At December 31, 2002, Exelon, ComEd, PECO and Generation had liabilities of $28 million, $13 million, $1 million and $7 million, respectively, for certain benefits such as outplacement services, continuation of health care coverage and educational benefits associated with the merger separation plans. At March 31, 2003, Exelon, ComEd, PECO and Generation's applicable liabilities were $15 million, $5 million, $1 million and $5 million, respectively.

10. LONG-TERM DEBT AND PREFERRED SECURITIES (Exelon, ComEd and PECO)

On January 22, 2003, ComEd issued $350 million of 3.70% First Mortgage Bonds, due in 2008 and $350 million of 5.875% First Mortgage Bonds, due in 2033. These bond issuances were used to refinance long-term debt which had been previously retired during the third and fourth quarters of 2002.

On March 17, 2003, ComEd issued $200 million of trust preferred securities, with an annual distribution rate of 6.35% that are mandatorily redeemable in 2033.

On March 18, 2003, ComEd redeemed $236 million of its First Mortgage Bonds, at a redemption price of 103.863% of the principal amount, plus accrued interest. The bonds, which carried an interest rate of 8.375%, were refinanced with long-term debt issued on April 7, 2003.

On March 20, 2003, ComEd redeemed $200 million of its trust preferred securities at a redemption price of 100% of the principal amount, plus accrued distributions. The preferred securities, which carried an interest rate of 8.48%, were refinanced with trust preferred securities as discussed below.

During the three months ended March 31, 2003, Exelon Corporate and ComEd retired $215 million and $52 million of commercial paper classified as long-term debt, respectively.

In 2003, ComEd entered into forward-starting interest rate swaps with an aggregate notional amount of $240 million to manage interest rate exposure associated with anticipated debt issuance. In connection with the 2003 issuance of First Mortgage Bonds, forward-starting interest rate swaps with an aggregate notional amount of $870 million were settled with net proceeds to counterparties of $51 million ($30 million, after income taxes) that has been deferred in regulatory assets and is being amortized over the life of the First Mortgage Bonds as an increase to interest expense.

During the three months ended March 31, 2003, ComEd recorded prepayment premiums of $9 million and net unamortized premiums, discounts and debt issuance expenses of $23 million, associated with the early retirement of debt in 2003 that have been deferred by ComEd in regulatory assets and will be amortized to interest expense over the life of the related new debt issuance consistent with regulatory recovery.

During the three months ended March 31, 2003, PECO issued $250 million of commercial paper which has been classified as long-term debt (see Note 14 - Subsequent Events).

11. SALE OF ACCOUNTS RECEIVABLE (Exelon and PECO)

PECO is party to an agreement, which expires in November 2005, with a financial institution under which it can sell or finance with limited recourse an undivided interest, adjusted daily, in up to $225 million of designated accounts receivable. As of March 31, 2003, PECO had sold a $225 million interest in accounts receivable, consisting of a $158 million interest in accounts receivable that PECO accounted for as a sale under SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, a Replacement of FASB Statement No. 125" and a $67 million interest in special-agreement accounts receivable which were accounted for as a long-term note payable. PECO retains the servicing responsibility for these receivables. The agreement requires PECO to maintain the $225 million interest, which, if not met, requires cash, which would otherwise be received by PECO under this program, to be held in escrow until the requirement is met. At March 31, 2003, PECO met this requirement.

12. RELATED-PARTY TRANSACTIONS (Exelon, ComEd, PECO and Generation) Exelon and Generation

Exelon and Generation's financial statements reflect related-party transactions with unconsolidated affiliates as reflected in the tables below.

	Three Months Ended March 31,	
	2003	2002
Purchased Power from AmerGen (1)	$ 67	$ 56
Interest Income from AmerGen (2)	--	--
Interest Expense to Sithe (3)	3	--
Services Provided to AmerGen (4)	17	14
Services Provided to Sithe (5)	--	--
Services Provided by Sithe (6, 7)	4	1

	March 31, 2003	December 31, 2002
Net Receivable from AmerGen (1,2,4)	$ 26	$ 39
Net Payable to Sithe (5,6,7)	6	7
Note Payable to Sithe (3)	534	534

(1) Generation has entered into PPAs dated December 18, 2001 and November 22, 1999 with AmerGen. Under the 2001 PPA, Generation has agreed to purchase from AmerGen all the energy from Unit No. 1 at Three Mile Island Nuclear Station from January 1, 2002 through December 31, 2014. Under the 1999 PPA, Generation agreed to purchase from AmerGen all of the residual energy from Clinton Nuclear Power Station (Clinton) through December 31, 2002. The 1999 PPA will be extended through 2026. In accordance with the terms of the AmerGen partnership agreement, Generation has agreed to purchase from AmerGen all of the residual energy from Clinton. Currently, the residual output is approximately 31% of the total output of Clinton.

(2) In February 2002, Generation entered into an agreement to loan AmerGen up to $75 million at an interest rate equal to the one-month London Interbank Offering Rate plus 2.25%. In July 2002, the limit of the loan agreement was increased to $100 million and the maturity date was extended to July 1, 2003. As of March 31, 2003, the outstanding principal balance of the loan was $35 million. Total interest earned on the loan was less than $1 million during the three months ended March 31, 2003 and 2002.

(3) Under the terms of the agreement to acquire Exelon New England dated November 1, 2002, Generation issued a $534 million note to be paid in full on June 18, 2003 to Sithe. The note bears interest at the rate equal to LIBOR plus 0.875%. Interest accrued on the note as of March 31, 2003 was $5 million.

(4) Under a service agreement dated March 1, 1999, Generation provides AmerGen with certain operation and support services to the nuclear facilities owned by AmerGen. This service agreement has an indefinite term and may be terminated by Generation or AmerGen with 90 days notice. Generation is compensated for these services at cost.

(5) Under a service agreement dated December 18, 2000, Generation provides certain engineering and environmental services for fossil facilities owned by Sithe and for certain developmental projects. Generation is compensated for these services at cost. Total revenue earned under this service agreement was less than $1 million for the three months ended March 31, 2003 and 2002.

(6) Under a service agreement dated December 18, 2000, Sithe provides Generation certain fuel and project development services. Sithe is compensated for these services at cost.

(7) Under a service agreement dated November 1, 2002, Sithe provides Generation certain transition services related to the transition of the New England acquisition which occurred on November 1, 2002.

Generation's additional related-party transactions are discussed in the "Generation" section of this note.

ComEd

ComEd's financial statements reflect related-party transactions as reflected in the tables below.

	Three Months Ended March 31, 2003	2002
Operating Revenues from Affiliates		
Generation (1)	$ 11	$ 9
Enterprises (1)	2	2
Purchased Power from Affiliate		
Generation (2)	572	532
Operations & Maintenance from Affiliates		
BSC (3)	27	39
Enterprises (4, 5)	3	3
Interest Income from Affiliates		
UII (6)	6	8
Other	1	--
Capitalized costs		
BSC (3)	1	1
Enterprises (5)	6	7
Cash Dividends Paid to Parent	120	118

	March 31, 2003	December 31, 2002
Receivables from Affiliates (current)		
UII (6)	$ 6	$ 15
Receivables from Affiliates (noncurrent)		
UII (6)	1,284	1,284
Generation (9)	920	--
Other	17	16
Payables to Affiliates, net (current)		
Generation Decommissioning (8)	29	59
Generation (1, 2, 7)	154	339
BSC (3, 7)	13	18
Other	4	--
Payables to Affiliates (noncurrent)		
Generation Decommissioning obligation (8)	--	218
Other	7	6
Shareholders' Equity - Receivable from Parent (10)	584	615

(1) ComEd provides electric, transmission, and other ancillary services to Generation and Enterprises.

(2) Effective January 1, 2001, ComEd entered into a PPA with Generation. See Note 8 - Commitments and Contingencies for further information regarding the PPA. The Generation payable primarily consists of services related to the PPA.

(3) ComEd receives a variety of corporate support services from Exelon Business Services Company (BSC), including legal, human resource, financial, information technology, supply management and corporate governance services. A portion of such services, provided at cost including applicable overhead, is capitalized.

(4) ComEd has contracted with Exelon Services to provide energy conservation services to ComEd customers.

(5) ComEd receives substation and transmission engineering and construction services under contracts with InfraSource. A portion of such services is capitalized.

(6) ComEd has a note and interest receivable from Unicom Investments Inc. (UII) relating to the December 1999 fossil plant sale.

(7) In order to benefit from economics of scale, ComEd processes certain invoice payments on behalf of Generation and BSC.

(8) ComEd has a short-term and had a long-term payable to Generation, primarily representing ComEd's legal requirements to remit collections of nuclear decommissioning costs from customers to Generation.

(9) ComEd has a receivable from Generation, offset by a regulatory liability, as a result of the adoption of SFAS No. 143. For further information see Note 2 - New Accounting Principles and Accounting Changes.

(10) ComEd has a non-interest bearing receivable from Exelon related to Exelon's agreement to fund future income tax payments resulting from the collection by ComEd of instrument funding changes. The receivable is expected to be settled over the years 2003 through 2008.

PECO

PECO's financial statements reflect a number of related-party transactions as reflected in the table below.

	Three Months Ended March 31, 2003	Three Months Ended March 31, 2002
Operating Revenues from Affiliate		
Generation (1)	$ 3	$ 3
Purchased Power from Affiliate		
Generation (2)	357	303
Operations & Maintenance from Affiliates		
BSC (3)	10	17
Enterprises (4)	2	8
Capitalized Costs		
BSC (3)	3	2
Enterprises (4)	6	4
Cash Dividends Paid to Parent	89	85

	March 31, 2003	December 31, 2002
Payables to Affiliates (current)		
Generation (2)	$ 116	$ 124
BSC (3)	27	26
Enterprises (4)	2	19
Other	1	1
Payable to Affiliate (noncurrent)		
Generation (5)	39	--
Shareholders' Equity - Receivable from Parent (6)	1,728	1,758

(1) PECO provides energy to Generation for Generation's own use.

(2) Effective January 1, 2001, PECO entered into a PPA with Generation. See Note 8 - Commitments and Contingencies for further information regarding the PPA.

(3) PECO provides services to BSC related to invoice processing. PECO receives a variety of corporate support services from BSC, including legal, human resource, financial, information technology, supply management and corporate governance services. Such services are provided at cost, including applicable overhead. Some of these costs are capitalized.

(4) PECO receives services from Enterprises for construction, which are capitalized, and the deployment of automated meter reading technology, which is expensed.

(5) PECO has a payable to Generation offset by a regulatory asset as a result of the adoption of SFAS No. 143. See Note 2 - New Accounting Principles and Accounting Changes for further discussion of the adoption of SFAS No. 143.

(6) PECO has a non-interest bearing receivable from Exelon related to Exelon's agreement to fund future income tax payments resulting from the collection of PECO's stranded costs recovery. The receivable is expected to be settled over the years 2001 through 2010.

Generation

In addition to the transactions described in the "Exelon and Generation" section of this note, Generation's financial statements reflect a number of related-party transactions as reflected in the tables below.

	Three Months Ended March 31, 2003	Three Months Ended March 31, 2002
Operating Revenues from Affiliates		
ComEd (1)	$ 572	$ 532
PECO (1)	357	303
Exelon Energy (2)	64	57
Purchased Power from Affiliates		
ComEd (4)	7	6
PECO (4)	--	2
Exelon Energy (4)	6	2
Operations & Maintenance from Affiliates		
ComEd (4)	4	3
PECO (4)	3	1
BSC (6)	35	53
Interest Expense - Affiliate		
Exelon (3)	1	--

	March 31, 2003	December 31, 2002
Receivables from Affiliates (current)		
ComEd (1)	$ 154	$ 339
ComEd Decommissioning Receivable (7)	29	59
PECO (1)	116	124
BSC (6)	--	14
Exelon Energy (2)	18	19
Receivables from Affiliates (noncurrent)		
ComEd Decommissioning Receivable (7)	--	218
PECO (5)	39	--
Other	2	2
Payables to Affiliates (current)		
Exelon (3)	1	3
BSC (6)	26	--
Payable to Affiliate (noncurrent)		
ComEd Decommissioning (5)	920	--
Notes Payable to Affiliate		
Exelon (3)	323	329

(1) Effective January 1, 2001, Generation entered into PPAs with ComEd and PECO. See Note 8 - Commitments and Contingencies for further information on the PPAs.
(2) Generation sells power to Exelon Energy.
(3) Generation had a payable to Exelon related to Generation's short-term liquidity requirements. As of March 31, 2003, the outstanding principal balance was $323 million.
(4) Generation purchases power from PECO for Generation's own use, buys back excess power from Exelon Energy and purchases transmission and ancillary services from ComEd and PECO.

(5) Generation has a long-term payable to ComEd and a long-term receivable from PECO as a result of the adoption of SFAS No. 143. See Note 2 - New Accounting Principles and Accounting Changes for further discussion of the adoption of SFAS No. 143.
(6) Generation receives a variety of corporate support services from BSC, including legal, human resource, financial, information technology, supply management and corporate governance services. Such services are provided at cost, including applicable overhead. Some third party reimbursements due Generation are recovered through BSC.
(7) Generation has a short-term and had a long-term receivable from ComEd, primarily representing ComEd's legal requirements to remit collections of nuclear decommissioning costs from customers to Generation resulting from the 2001 corporate restructuring.

13. SUPPLEMENTAL FINANCIAL INFORMATION (Exelon, ComEd and PECO)

Exelon and ComEd

	March 31, 2003	December 31, 2002
Regulatory Assets (Liabilities)		
Nuclear decommissioning		
(see Note 2 - New Accounting Principles and Accounting Changes)	$ (920)	$ --
Nuclear decommissioning costs for retired plants	--	248
Recoverable transition costs	164	175
Reacquired debt costs and interest rate swap settlements	166	84
Recoverable deferred income taxes	(64)	(68)
Other	21	8
Total	$ (633)	$ 447

Exelon and PECO

	March 31, 2003	December 31, 2002
Regulatory Assets		
Competitive transition charge	$ 4,558	$ 4,639
Recoverable deferred income taxes	735	729
Non-pension postretirement benefits	63	64
Nuclear decommissioning		
(see Note 2 - New Accounting Principles and Accounting Changes)	39	--
Reacquired debt costs	51	53
Compensated absences	13	6
Long-Term Regulatory Assets	5,459	5,491
Deferred energy costs (current asset)	56	31
Total	$ 5,515	$ 5,522

Exelon's long-term regulatory assets as of December 31, 2002 were $5,938 million.

14. SUBSEQUENT EVENTS (Exelon, ComEd and PECO)

On April 7, 2003, ComEd issued $395 million of 4.70% First Mortgage Bonds, due on April 15, 2015. The proceeds of these bonds were used to refund other First Mortgage Bonds.

On April 15, 2003, ComEd redeemed $160 million of its First Mortgage Bonds, at a redemption price of 103.664% of the principal amount, plus accrued interest. The bonds, which carried an interest rate of 8%, were refinanced with long-term debt issued on April 7, 2003.

On April 28, 2003, PECO issued $450 million of 3.50% First and Refunding Mortgage Bonds due on May 1, 2008. The proceeds from the sale of the bonds were used to repay commercial paper that was used to refinance long-term debt As part of these bond issuances, PECO settled various interest rate swaps for $1 million, before income taxes, which will be recorded in other comprehensive income and will be amortized over the life of the associated debt issuance.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Dollars in millions, unless otherwise noted)

EXELON CORPORATION

GENERAL

Exelon Corporation (Exelon), a registered public utility holding company, through its subsidiaries, operates in three business segments:

- Energy Delivery, whose businesses include the regulated sale of electricity and distribution and transmission services by Commonwealth Edison Company (ComEd) in northern Illinois and PECO Energy Company (PECO) in southeastern Pennsylvania and the sale of natural gas and distribution services by PECO in the Pennsylvania counties surrounding the City of Philadelphia.

- Generation, consisting of Exelon Generation Company, LLC's (Generation) owned and contracted for electric generating facilities, energy marketing operations, and equity interests in Sithe Energies, Inc. (Sithe) and AmerGen Energy Company, LLC (AmerGen).

- Enterprises, consisting of Exelon Enterprises Company, LLC's (Enterprises) competitive retail energy sales, energy and infrastructure services, communications and other investments (primarily weighted towards the energy services and retail services industries).

See Note 6 of the Condensed Combined Notes to Consolidated Financial Statements for further segment information.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2003 Compared To Three Months Ended March 31, 2002

Net Income and Earnings Per Share

Exelon's net income for the three months ended March 31, 2003 increased $353 million, compared to the same period in 2002. Diluted earnings per common share on the same basis increased $1.09 per share. Net income for the three months ended March 31, 2003 reflects $112 million of income for the cumulative effect of a change in accounting principle as a result of the adoption of Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards (SFAS) SFAS No. 143, "Asset Retirement Obligations" (SFAS No. 143), while net income for the three months ended March 31, 2002 reflects a $230 million charge for the cumulative effect of a change in accounting principle as a result of the adoption of SFAS No. 142, "Goodwill and Other Intangible Assets" (SFAS No. 142). See Note 2 of the Condensed Combined Notes to Consolidated Financial Statements for further information regarding the adoption of SFAS No. 143 and SFAS No. 142.

Income Before Cumulative Effect of Changes in Accounting Principles for the three months ended March 31, 2003 increased $11 million, or 5%, compared to the same period in 2002. Diluted earnings per common share on the same basis increased $0.04 per share, or 5%. The increase in income before cumulative effect of changes in accounting principles reflects an overall increase in revenue net fuel due to colder weather conditions and increased recoveries of competitive transition charges (CTCs), reduced nuclear refueling outage costs, reduced depreciation expense resulting from lower depreciation rates at Energy Delivery, and decreased interest expense. This increase was partially offset by the impairment of an investment in Sithe Energies, Inc. held by Generation, a one-time charge at Energy Delivery (see Note 4 of the Condensed Combined Notes to Consolidated Financial Statements) and increased operating and maintenance expenses at Generation due to plant acquisitions after the first quarter of 2002.

Results of Operations by Business Segment

Exelon evaluates its performance on a business segment basis. The comparisons presented under this heading are comparisons of operating results and other statistical information for the three months ended March 31, 2003 to operating results and other statistical information for the same period in 2002. These results reflect intercompany transactions, which are eliminated in our consolidated financial statements.

Corporate provides the business segments a variety of support services including legal, human resources, financial, information technology, supply management and corporate governance services. These costs are allocated to the business segments. Additionally, Corporate costs reflect costs for strategic long-term planning, certain governmental affairs, and interest costs and income from various investment and financing activities.

Income (Loss) Before Cumulative Effect of Changes in Accounting Principles by Business Segment

	Three Months Ended March 31,			
	2003	2002	Variance	% Change
Energy Delivery	$ 325	$ 215	$ 110	51.2%
Generation	(52)	66	(118)	(178.8%)
Enterprises	(17)	(28)	11	(39.3%)
Corporate	(7)	(15)	8	(53.3%)
Total	$ 249	$ 238	$ 11	4.6%

Net Income (Loss) by Business Segment

	Three Months Ended March 31,			
	2003	2002	Variance	% Change
Energy Delivery	$ 330	$ 215	$ 115	53.5%
Generation	56	79	(23)	(29.1%)
Enterprises	(18)	(271)	253	(93.4%)
Corporate	(7)	(15)	8	(53.3%)
Total	$ 361	$ 8	$ 353	n.m.

n.m. - not meaningful

Results of Operations - Energy Delivery

Energy Delivery	Three Months Ended March 31, 2003	2002	Variance	% Change
Operating Revenues	$ 2,642	$ 2,335	$ 307	13.1%
Revenue, net of Purchased Power & Fuel Expense	1,451	1,311	140	10.7%
Operating Income	694	559	135	24.2%
Income Before Income Taxes and Cumulative Effect of a Change in Accounting Principle	517	341	176	51.6%
Net Income Before Cumulative Effect of a Change in Accounting Principle	325	215	110	51.2%
Net Income	330	215	115	53.5%

The changes in Energy Delivery's revenue, net of purchased power and fuel expense, for the three months ended March 31, 2003 compared to the same period in 2002, included the following:

- changes in customer rates resulting in an $82 million increase,

- increases in weather normalized volumes of $31 million as a result of increases in the number of customers and additional average usage per customer, primarily residential customers,

- favorable weather impacts of $78 million, primarily the results of colder winter weather,

- net unfavorable changes due to customer choice of $8 million, including ComEd's customers electing to purchase energy from alternative energy suppliers or electing ComEd's Power Purchase Option (PPO), under which non-residential customers can purchase power from ComEd at a market-based rate, partially offset by customers returning to PECO as their energy supplier,

- pricing changes related to ComEd's PPA with Generation resulting in a $17 million decrease,

- increase of $16 million in purchases under the ComEd PPA with Generation related to decommissioning collections associated with the adoption of SFAS No. 143 in 2003, which were not recorded in purchased power in 2002, (see Note 2 of the Condensed Combined Notes to Consolidated Financial Statements), and

- higher PJM ancillary purchased power charges resulted in a decrease of $17 million.

The changes in operating income, other than changes in revenue net of purchased power and fuel expense, for the three months ended March 31, 2003 compared to the same period in 2002, included the following:

- a net one-time charge of $41 million in 2003 at ComEd as the result of an agreement described in Note 4 - Regulatory Issues,

- reduction in depreciation expense of $24 million due to the impact of lower depreciation rates at ComEd effective July 1, 2002,

- reduction of amortization expense of $16 million for nuclear decommissioning of retired plants at ComEd due to the adoption of SFAS No. 143 (see Note 2 of the Condensed Combined Notes to Consolidated Financial Statements),

- increased depreciation expense in 2003 of $10 million due to higher plant in service balances,

- lower corporate allocations and executive severance costs partially offset by higher pension and postretirement benefit costs totaling $10 million in 2003, and

- additional gross receipts tax expense of $7 million related to additional revenues (gross receipts taxes are recorded in Revenues and Taxes Other Than Income and have no net impact on operating income).

The changes in income before income taxes and cumulative effect of a change in accounting principle for the three months ended March 31, 2003 compared to the same period in 2002, included the following:

- a decrease in interest expense of $25 million primarily attributable to less outstanding debt and refinancing of existing debt at lower interest rates, and
- the reversal in 2003 of a $12 million reserve for a potential plant disallowance as the result of an agreement described in Note 4 - Regulatory Issues.

Energy Delivery's effective income tax rate was 37.1% for the three months ended March 31, 2003, compared to 37.0% for the same period in 2002.

Due to the adoption of SFAS No. 143, ComEd recorded cumulative effect of a change in accounting principle of $5 million, net of income taxes, in the three months ended March 31, 2003. See Note 2 of the Condensed Combined Notes to Consolidated Financial Statements for further discussion of these effects.

Energy Delivery Operating Statistics and Revenue Detail

Energy Delivery's electric sales statistics and revenue detail are as follows:

Retail Deliveries - (in gigawatthours (GWhs))(1)	Three Months Ended March 31, 2003	2002	Variance	% Change
Bundled Deliveries (2)				
Residential	10,001	8,465	1,536	18.1%
Small Commercial & Industrial	7,407	7,207	200	2.8%
Large Commercial & Industrial	4,966	5,307	(341)	(6.4%)
Public Authorities & Electric Railroads	1,669	1,994	(325)	(16.3%)
Total Bundled Deliveries	24,043	22,973	1,070	4.7%
Unbundled Deliveries (3)				
Alternative Energy Suppliers				
Residential	264	792	(528)	(66.7%)
Small Commercial & Industrial	1,550	1,100	450	40.9%
Large Commercial & Industrial	2,042	1,489	553	37.1%
Public Authorities & Electric Railroads	282	138	144	104.3%
	4,138	3,519	619	17.6%
PPO (ComEd Only)				
Small Commercial & Industrial	794	763	31	4.1%
Large Commercial & Industrial	1,433	1,311	122	9.3%
Public Authorities & Electric Railroads	537	242	295	121.9%
	2,764	2,316	448	19.3%
Total Unbundled Deliveries	6,902	5,835	1,067	18.3%
Total Retail Deliveries	30,945	28,808	2,137	7.4%

(1) One GWh is the equivalent of one million kilowatthours (kWh).

(2) Bundled service reflects deliveries to customers taking electric generation service under tariffed rates.

(3) Unbundled service reflects customers electing to receive electric generation service from an alternative energy supplier or ComEd's PPO.

Electric Revenue	Three Months Ended March 31, 2003	2002	Variance	% Change
Bundled Revenues (1)				
Residential	$ 905	$ 761	$ 144	18.9%
Small Commercial & Industrial	591	580	11	1.9%
Large Commercial & Industrial	340	346	(6)	(1.7%)
Public Authorities & Electric Railroads	106	110	(4)	(3.6%)
Total Bundled Revenues	1,942	1,797	145	8.1%
Unbundled Revenues (2)				
Alternative Energy Suppliers				
Residential	17	54	(37)	(68.5%)
Small Commercial & Industrial	51	17	34	n.m.
Large Commercial & Industrial	54	13	41	n.m.
Public Authorities & Electric Railroads	9	2	7	n.m.
	131	86	45	52.3%
PPO (ComEd Only)				
Small Commercial & Industrial	49	43	6	14.0%
Large Commercial & Industrial	72	64	8	12.5%
Public Authorities & Electric Railroads	28	13	15	115.4%
	149	120	29	24.2%
Total Unbundled Revenues	280	206	74	35.9%
Total Electric Retail Revenues	2,222	2,003	219	10.9%
Wholesale and Miscellaneous Revenue (3)	132	123	9	7.3%
Total Electric Revenue	$ 2,354	$ 2,126	$ 228	10.7%

(1) Bundled revenue reflects deliveries to customers taking electric service under tariffed rates, which include the cost of energy and the delivery cost of the transmission and the distribution of the energy. PECO's tariffed rates also include a CTC charge.
(2) Unbundled revenue reflects revenue from customers electing to receive electric generation service from an alternative energy supplier or ComEd's PPO. Revenue from customers choosing an alternative energy supplier includes a distribution charge and a CTC. Revenues from customers choosing ComEd's PPO includes an energy charge at market rates, transmission and distribution charges and a CTC. Transmission charges received from alternative energy suppliers are included in wholesale and miscellaneous revenue.
(3) Wholesale and miscellaneous revenues include transmission revenue, sales to municipalities and other wholesale energy sales.
n.m. - not meaningful

The differences in three months ended March 31, 2003 electric retail revenues as compared to the same period in 2002 were attributable to the following:

	Variance
Weather	$ 101
Rate Changes	82
Volume	50
Customer Choice	(20)
Other Effects	6
Electric Retail Revenue	$ 219

o Weather. The demand for electricity is impacted by weather conditions. Very warm weather in summer months and very cold weather in other months is referred to as "favorable weather conditions," because these weather conditions result in increased sales of electricity.

Conversely, mild weather reduces demand. The weather impact for the three months ended March 31, 2003 was favorable compared to the same period in 2002 as a result of colder winter weather in 2003. Heating degree-days in the ComEd and PECO service territories were 17% higher and 33% higher, respectively, in 2003 as compared to 2002.

- Rate Changes. The increase in revenues attributable to rate changes reflects the collection of additional CTC's in 2003 by ComEd of $105 million due to an increase in the number of customers choosing an alternative energy supplier and changes in the wholesale market price of electricity, net of increased mitigation factors. Increased wholesale market prices decreased revenue received under ComEd's PPO by $23 million.

- Volume. Revenues from higher delivery volume, exclusive of the effect of weather, increased due to an increased number of customers and increased usage per customer, primarily residential and large commercial and industrial customers.

- Customer Choice. All ComEd and PECO customers have the choice to purchase energy from alternative suppliers. This affects revenues from the sale of energy but not revenue from the delivery of electricity since ComEd and PECO continue to deliver electricity that is purchased from alternative suppliers. As of March 31, 2003, 13% of energy delivered to Energy Delivery's customers was provided by alternative electric suppliers. The decrease in electric retail revenues includes a decrease in revenues of $39 million from customers in Illinois electing to purchase energy from an alternative retail electric supplier (ARES) or ComEd's PPO, partially offset by an increase in revenues of $19 million from customers in Pennsylvania who selected or returned to PECO as their electric supplier.

The Pennsylvania Utility Commission's (PUC) Final Electric Restructuring Order established market share thresholds (MST) for PECO to promote competition. The MST requirements provide that, if as of January 1, 2003, less than 50% of residential and commercial customers have chosen an alternative electric generation supplier, the number of customers sufficient to meet the MST shall be randomly selected and assigned to an alternative electric generation supplier through a PUC determined process. On January 1, 2003, the number of customers choosing an alternative electric generation supplier did not meet the MST. In January 2003, PECO submitted to the PUC a MST plan to meet the 50% threshold requirement for its commercial customers, which was approved by the PUC in February 2003. As of March 31, 2003, an auction had been completed for the commercial customers and the customer enrollment phase is currently in process. The randomly selected customers will be transferred to the alternative electric generation suppliers in May 2003, if they do not choose the option to not participate in the program. In February 2003, PECO filed a residential customer MST plan, and on May 1, 2003, the PUC approved the plan. The approved plan provides for a two-step process with a total of up to 400,000 residential customers being assigned to winning alternative electric generation supplier bidders: up to 100,000 in July 2003, and another 300,000 in December 2003. Any customer transferred would have the right to return to PECO at any time. PECO does not expect the transfer of customers pursuant to the MST plan to have a material impact on its results of operations, financial position or cash flows.

Energy Delivery's gas sales statistics and revenue detail were as follows:

	Three Months Ended March 31, 2003	2002	Variance	% Change
Deliveries in million cubic feet (mmcf)	39,626	31,357	8,269	26.4%
Revenue	$ 288	$ 209	$ 79	37.8%

The changes in gas revenue for the three months ended March 31, 2003 as compared to the same period in 2002, were as follows:

	Variance
Weather	$ 59
Volume	17
Rate Changes	3
Gas Revenue	$ 79

- o Weather. The demand for gas is impacted by weather conditions. Very cold weather in non-summer months is referred to as "favorable weather conditions," because these weather conditions result in increased sales of gas. Conversely, mild weather reduces demand. The weather impact was favorable compared to the prior year as a result of colder winter weather. Heating degree-days increased 33% in the three months ended March 31, 2003 compared to the same period in 2002.
- o Volume. Exclusive of weather impacts, higher delivery volume increased revenue in the three months ended March 31, 2003 compared to the same period in 2002 resulting from customer growth. Deliveries to customers, excluding the effects of weather, increased 5% in the three months ended March 31, 2003 compared to the same period in 2002.
- o Rate Changes. The favorable variance in rates is attributable to a 15% increase in the purchased gas adjustment by the PUC effective March 1, 2003. The average rate per million cubic feet for the three months ended March 31, 2003 was 9% higher than the rate in the same 2002 period. PECO's gas rates are subject to periodic adjustments by the PUC and are designed to recover from or refund to customers the difference between actual cost of purchased gas and the amount included in base rates and to recover or refund increases or decreases in certain state taxes not recovered in base rates.

Results of Operations - Generation

In the second quarter of 2002, Generation early adopted FASB Emerging Issues Task Force (EITF) Issue 02-3, "Accounting for Contracts Involved in Energy Trading and Risk Management Activities" (EITF 02-3). EITF 02-3 was issued by the EITF in June 2002 and required revenues and energy costs related to energy trading contracts to be presented on a net basis in the income statement. For comparative purposes, energy costs related to energy trading have been reclassified as revenue for prior periods to conform to the net basis of presentation required by EITF 02-3.

	Three Months Ended March 31,			
	2003	2002	Variance	% Change
Operating Revenues	$ 1,879	$ 1,461	$ 418	28.6%
Revenue, net of Purchased Power & Fuel Expense	674	633	41	6.5%
Operating Income	94	89	5	5.6%
Income (Loss) Before Income Taxes and Cumulative Effect of Changes in Accounting Principles	(73)	111	(184)	(165.8%)
Income (Loss) Before Cumulative Effect of Changes in Accounting Principles	(52)	66	(118)	(178.8%)
Net Income	56	79	(23)	(29.1%)

The changes in Generation's revenue, net of purchased power and fuel expense, for the three months ended March 31, 2003 compared to the same period in 2002, included the following:

- increased demand due to customers returning to PECO from alternative energy suppliers and favorable weather conditions in the ComEd and PECO service territories in 2003 resulting in net volume and price increases of $34 million,
- increases of $32 million for generation from plants acquired after the first quarter of 2002 resulting in higher market sales,
- increased revenue to ComEd of $16 million associated with the adoption of SFAS No. 143, which was not included in revenue in 2002,
- mark-to-market losses on hedging activities of $31 million in 2003 compared to mark-to-market gains of $6 million on hedging activities in 2002, and
- write-down of nuclear fuel of $6 million in 2003 resulting from underperforming fuel at the Quad Cities Unit 1.

The changes in operating income, other than changes in revenue net of purchased power and fuel expense, for the three months ended March 31, 2003 compared to the same period in 2002, included the following:

- higher costs of $27 million for employee medical, pension and other benefits in 2003, partially offset by a one-time executive severance charge of $19 million in 2002,
- increased O&M costs of $19 million due to asset acquisitions made after the first quarter of 2002,
- reduced refueling outage costs of $32 million resulting from fewer refueling outage days in 2003,
- additional depreciation of $15 million due to capital additions placed in service and plant acquisitions made after the first quarter of 2002, and

- increased accretion expense of $57 million primarily due to asset retirement obligation accretion due to the adoption of SFAS No. 143, partially offset by reduced decommissioning expense of $33 million.

The changes in income before income taxes and cumulative effect of changes in accounting principles for the three months ended March 31, 2003 compared to the same period in 2002, included the following:

- a pre-tax impairment charge of $200 million related to Generation's equity investment in Sithe,

- increased decommissioning trust investment income of $20 million,

- reduced equity in earnings of unconsolidated affiliates of $4 million, and

- increased interest expense of $2 million primarily due to the note payable to Sithe.

Generation's effective income tax rate was 28.8% for the three months ended March 31, 2003 compared to 40.5% for the same period in 2002. This decrease was primarily attributable to the impact of the impairment of Generation's investment in Sithe and other tax benefits recorded in 2003.

Cumulative effect of changes in accounting principles recorded in the three months ended March 31, 2003 and 2002 included income of $108 million, net of income taxes, recorded in 2003 related to the adoption of SFAS No. 143 and income of $13 million, net of income taxes, recorded in 2002 related to the adoption of SFAS No. 141, "Business Combinations" (SFAS No. 141) and SFAS No. 142. See Note 2 of the Condensed Combined Notes to Consolidated Financial Statements for further discussion of these effects.

Generation Operating Statistics

Generation's sales and the supply of these sales, excluding the trading portfolio, were as follows:

	Three Months Ended March 31,			
Sales (in GWhs)	2003	2002	Variance	% Change
Energy Delivery	29,346	27,750	1,596	5.8%
Exelon Energy	1,248	1,250	(2)	(0.2%)
Market Sales	23,815	19,324	4,491	23.2%
Total Sales	54,409	48,324	6,085	12.6%

	Three Months Ended March 31,			
Supply of Sales (in GWhs)	2003	2002	Variance	% Change
Nuclear Generation (1)	29,330	27,533	1,797	6.5%
Purchases - non-trading portfolio (2)	20,029	18,093	1,936	10.7%
Fossil and Hydro Generation	5,050	2,698	2,352	87.2%
Total Supply	54,409	48,324	6,085	12.6%

(1) Excluding AmerGen.
(2) Including purchased power agreements with AmerGen.

Trading volume of 9,527 GWhs and 14,239 GWhs for the three months ended March 31, 2003 and 2002, respectively, is not included in the table above.

Generation's average margin and other operating data for the three months ended March 31, 2003 and 2002 were as follows:

($/MWh)	Three Months Ended March 31, 2003	2002	% Change
Average Revenue			
Energy Delivery	$ 30.87	$ 29.98	3.0%
Exelon Energy	43.28	45.60	(5.1%)
Market Sales	37.05	28.15	31.6%
Total - excluding the trading portfolio	33.96	29.63	14.6%
Average Supply Cost (1) - excluding the trading portfolio	$ 21.29	$ 16.74	27.2%
Average Margin - excluding the trading portfolio	$ 12.67	$ 12.89	(1.7%)

(1) Average supply cost includes purchased power and fuel costs.

	Three Months Ended March 31, 2003	2002
Nuclear fleet capacity factor (1)	94.4%	90.3%
Nuclear fleet production cost per MWh (1)	$ 12.80	$ 14.26
Average purchased power cost for wholesale operations per MWh	$ 41.75	$ 34.26

(1) Including AmerGen and excluding Salem.

Generation's MWh deliveries increased 12.6% in the three months ended March 31, 2003 as compared to the same period in 2002. Increased deliveries were a result of favorable weather conditions, which increased the demand for Energy Delivery and higher market sales attributable to the increased supply from acquired generation and power uprates at existing facilities.

The factors below contributed to the overall reduction in Generation's average margin for the three months ended March 31, 2003 as compared to the same period in 2002.

Generation's average revenue per MWh was affected by:

- increased weighted average on and off-peak prices per MWh for supply agreements with ComEd,
- higher prices per MWh on sales under supply agreements with PECO, and
- higher market prices.

Generation's supply mix changed due to:

- increased nuclear generation due to a lower number of refueling and unplanned outages during 2003 compared to 2002,
- increased fossil generation due to the effect of the acquisition of two generating plants in Texas in April 2002, a peaking facility placed in service in July 2002 and the Sithe New England (currently known as Exelon New England) plants acquired in November 2002, which in total account for an increase of 2,500 GWhs, and
- increased quantity of purchased power at higher prices to service greater than anticipated customer loads.

Higher nuclear capacity factors and decreased nuclear production costs are primarily due to 30 fewer planned refueling outage days, resulting in a $32 million decrease in outage costs, in the three months ended March 31, 2003 as compared to the same period in 2002. Additionally, the three months ended March 31, 2003 included three unplanned outages compared to five unplanned outages during the three months ended March 31, 2002.

Results of Operations - Enterprises

	Three Months Ended March 31, 2003	2002	Variance	% Change
Operating Revenues	$ 580	$ 490	$ 90	18.4%
Operating Income (Loss)	(27)	(34)	7	(20.6%)
Income (Loss) Before Income Taxes and Cumulative Effect of Changes in Accounting Principles	(30)	(47)	17	(36.2%)
Income (Loss) Before Cumulative Effect of Changes in Accounting Principles	(17)	(28)	11	(39.3%)
Net Income (Loss)	(18)	(271)	253	(93.4%)

The changes in Enterprises' operating income (loss) for the three months ended March 31, 2003 compared to the same period in 2002, included the following:

- lower revenues of $14 million from Exelon Services as a result of reduced construction projects offset by lower construction costs of $13 million,
- higher gross margins at InfraSource Inc. of $2 million primarily resulting from bad debt expense recorded in 2002 as a result of the downturn in the telecommunications industry,
- lower gross margins at Exelon Energy of $12 million resulting from the reversal of mark-to-market adjustments of $7 million and additional gas supply costs of $11 million attributable to purchases at spot rates for gas in the Northeast, offset by higher gross margins of $6 million in the Midwest attributable to increased unit margins and higher volumes due to colder weather,
- reductions in general and administrative expenses of $10 million primarily resulting from Exelon's 2002 Cost Management Initiative, and
- accelerated depreciation of assets in 2002 relating to Exelon Energy's discontinuance of retail sales in the PJM region of $7 million.

The changes in income (loss) before income taxes and cumulative effect of changes in accounting principles for the three months ended March 31, 2003 compared to the same period in 2002, included the following:

- lower interest expense of $2 million,
- higher equity in earnings of unconsolidated affiliates of $4 million resulting from the discontinuance of losses from the AT&T Wireless investment as a result of its sale in the second quarter of 2002, and $3 million resulting from lower costs at a communications joint venture, and
- impairment of a software-related investment of $5 million due to an other than temporary decline in value. In the first quarter of 2002, Enterprises had a $2 million net realized loss on a communications investment and a $2 million impairment of a communications investment.

The effective income tax rate was 43.3% for the three months ended March 31, 2003, compared to 40.4% for the same period in 2002. This increase in the effective tax rate was attributable to various income tax related items totaling $1 million.

The cumulative effect of a change in accounting principles recorded in the three months ended March 31, 2003 due to the adoption of SFAS No. 143 reduced net income by $1 million, net of income taxes. The cumulative effect of a change in accounting principle recorded in the three months ended March 31, 2002 due to the adoption of SFAS No. 142 reduced net income by $243 million, net of income taxes (see Note 2 of the Condensed Combined Notes to Consolidated Financial Statements).

Enterprises continues to pursue the divestiture of certain businesses; however, it may be unable to successfully implement its divestiture strategy of certain businesses for a number of reasons, including an inability to locate appropriate buyers or to negotiate acceptable terms for the transactions. In addition, the amount that Enterprises may realize from a divestiture is subject to fluctuating market conditions that may contribute to pricing and other terms that are materially different than expected and could result in a loss on the sale. Timing of any divestitures may positively or negatively affect the results of operations as Exelon expects certain businesses to be profitable going forward.

General

Due to revenue needs in the states in which Exelon operates, various state income tax and fee increases have been proposed or are being contemplated. If these changes are enacted, they could increase Exelon's state income tax expense. At this time, however, Exelon cannot predict whether legislation or regulation will be introduced, the form of any legislation or regulation, whether any such legislation or regulation will be passed by the state legislatures or regulatory bodies, and, if enacted, whether any such legislation or regulation would be effective retroactively or prospectively. As a result, Exelon cannot currently estimate the effect of these potential changes in tax laws or regulation.

LIQUIDITY AND CAPITAL RESOURCES

Exelon's businesses are capital intensive and require considerable capital resources. These capital resources are primarily provided by internally generated cash flows from Energy Delivery and Generation's operations. When necessary, Exelon obtains funds from external sources in the capital markets and through bank borrowings. Exelon's access to external financing at reasonable terms depends on Exelon's and its subsidiaries' credit ratings and general business conditions, as well as that of the utility industry in general. If these conditions deteriorate to where Exelon no longer has access to external financing sources at reasonable terms, Exelon has access to a $1.5 billion revolving credit facility that Exelon currently utilizes to support its commercial paper program. See the Credit Issues section of Liquidity and Capital Resources for further discussion. Exelon primarily uses its capital resources to fund capital requirements, including construction, to invest in new and existing ventures, to repay maturing debt and to pay common stock dividends. Future acquisitions that Exelon may undertake may require external financing, which might include Exelon issuing common stock.

Cash Flows from Operating Activities

Cash flows provided by operations for the three months ended March 31, 2003 were $383 million compared to $826 million in the three months ended March 31, 2002. The decrease in cash flows was primarily attributable to a $305 million decrease in working capital. In the first quarter of 2003, approximately 40% of cash flows provided by operations were provided by Energy Delivery and 60% were provided by Generation. Enterprises' cash flows from operations were immaterial to Exelon for the three months ended March 31, 2003. Energy Delivery's cash flow from operating activities primarily results from sales of electricity and gas to a stable and diverse base of retail customers at fixed prices. Energy Delivery's future cash flows will depend upon the ability to achieve cost savings in operations and the impact of the economy, weather and customer choice on its revenues. Generation's cash flows from operating activities primarily result from the sale of electric energy to wholesale customers, including Energy Delivery and Enterprises. Generation's future cash flow from operating activities will depend upon future demand and market prices for energy and the ability to continue to produce and supply power at competitive costs. Although the amounts may vary from period to period as a result of the uncertainties inherent in business, Exelon expects that Energy Delivery and Generation will continue to provide a reliable and steady source of internal cash flow from operations for the foreseeable future.

Cash Flows from Investing Activities

Cash flows used in investing activities for the three months ended March 31, 2003 were $457 million, compared to $630 million for the three months ended March 31, 2002. The decrease is primarily attributable to a decrease in capital expenditures due to two scheduled refueling outages occurring during the three months ended March 31, 2003 compared to four outages in the same period in the prior year and $70 million related to liquidated damages from Raytheon (see Note 8 of the Condensed Combined Notes to Consolidated Financial Statements). Capital expenditures by business segment for the three months ended March 31, 2003 and 2002 were as follows:

	Three Months Ended March 31,	
	2003	2002
Energy Delivery	$ 239	$ 250
Generation	175	308
Enterprises	6	18
Corporate and Other	7	10
Total Capital Expenditures	$ 427	$ 586

Energy Delivery's capital expenditures for 2003 reflect the continuation of efforts to further improve the reliability of its distribution system. Exelon anticipates that Energy Delivery's capital expenditures will be funded by internally generated funds, borrowings, the issuance of preferred securities, or capital contributions from Exelon.

Generation's capital expenditures for 2003 reflect the construction of three Exelon New England generating facilities with projected capacity of 2,421 MWs of energy, additions to and upgrades of existing facilities (including nuclear refueling outages), and nuclear fuel. In February 2002, Generation entered into an agreement to loan AmerGen up to $75 million at an interest rate of one-month LIBOR plus 2.25%. In July 2002, the loan agreement and the loan were increased to $100 million and the maturity date was extended to July 1, 2003. As of March 31, 2003, the balance of the loan to AmerGen was $35 million. Exelon anticipates that Generation's capital expenditures will be funded by internally generated funds, borrowings or capital contributions from Exelon.

Enterprises' capital expenditures for 2003 are primarily for additions to or upgrades of existing facilities. All of Enterprises' capital expenditures are expected to be funded by capital contributions or borrowings from Exelon.

Cash Flows from Financing Activities

Cash flows provided by financing activities were $108 million for the three months ended March 31, 2003 compared to $15 million for the three months ended March 31, 2002. The increase is primarily attributable to an increase in net borrowings. See Notes 10 and 14 of the Condensed Combined Notes to Consolidated Financial Statements for further discussion of Exelon's debt and preferred securities financing activities in 2003.

Credit Issues

Exelon meets its short-term liquidity requirements primarily through the issuance of commercial paper by the Exelon corporate holding company (Exelon Corporate) and by ComEd, PECO and Generation. Exelon Corporate participates, along with ComEd, PECO and Generation, in a $1.5 billion unsecured 364-day revolving credit facility with a group of banks. The credit facility became effective on November 22, 2002 and includes a term-out option that allows any outstanding borrowings at the end of the revolving credit period to be repaid on November 21, 2004. Exelon Corporate may increase or decrease the sublimits of each of the participants upon written notification to the banks. As of March 31, 2003, Exelon Corporate's sublimit was $800 million, ComEd's was $100 million, PECO's was $600 million and there was no sublimit for Generation. The credit facility is used principally to support the commercial paper programs of Exelon Corporate, ComEd, PECO and Generation. At March 31, 2003, Exelon's Consolidated Balance Sheet reflected $1,150 million of commercial paper outstanding of which $250 million was classified as long-term debt. For the three months ended March 31, 2003, the average interest rate on notes payable was approximately 1.41%.

The credit facility requires Exelon Corporate, ComEd, PECO and Generation to maintain a 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 Corporate and Generation, revenues from Exelon New England and interest on the debt of Exelon New England's project subsidiaries. Exelon Corporate is measured at the Exelon consolidated level. At March 31, 2003, Exelon Corporate, ComEd, PECO and Generation were in compliance with the credit agreement thresholds. The following table summarizes the threshold reflected in the credit agreement that the ratio cannot be less than for the twelve-month period ended March 31, 2003:

	Exelon Corporate	ComEd	PECO	Generation
Credit Agreement Threshold	2.65 to 1	2.25 to 1	2.25 to 1	3.25 to 1

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. Participation in the money pool is subject to authorization by Exelon's corporate treasurer. ComEd and its subsidiary, Commonwealth Edison Company of Indiana, Inc., PECO, Generation and Exelon Business Services Company (BSC) may participate in the money pool as lenders and borrowers, and Exelon Corporate as a lender. Contributions to and permitted borrowings from the money pool are based on whether the contributions and borrowings result in economic benefits to all the participants. Interest on borrowings is based on short-term market rates of interest, or, if from an external source, specific borrowing rates. During the first quarter 2003, ComEd had various loans to Generation under the money pool. The maximum amount of loans outstanding at any time during the quarter was $335 million. As of March 31, 2003, there was no outstanding balance on these loans.

Exelon's access to the capital markets, including the commercial paper market, and its financing costs in those markets depend on the securities ratings of the entity that is accessing the capital markets. None of Exelon's borrowings is subject to default or prepayment as a result of a downgrading of securities ratings although such a downgrading could increase fees and interest charges under Exelon's $1.5 billion credit facility and certain other credit facilities. From time to time, Exelon enters into energy commodity and other contracts that require the maintenance of investment grade ratings. Failure to maintain investment grade ratings would allow counterparties to certain energy commodity contracts to terminate the contracts and settle the transactions on a net present value basis.

Exelon obtained an order from the United States Securities and Exchange Commission (SEC) under PUHCA authorizing through March 31, 2004 financing transactions, including the issuance of common stock, preferred securities, long-term debt and short-term debt, in an aggregate amount not to exceed $4 billion. As of March 31, 2003, there was $2.1 billion of financing authority remaining under the SEC order. Exelon's request for an additional $4 billion in financing authorization is pending with the SEC. The current order limits Exelon's short-term debt outstanding to $3 billion of the $4 billion total financing authority. Exelon's request that the short-term debt sub-limit restriction be eliminated is pending with the SEC. The SEC order also authorized Exelon to issue guarantees of up to $4.5 billion outstanding at any one time. At

March 31, 2003, Exelon had provided $1.5 billion of guarantees under the SEC order. See Contractual Obligations, Commercial Commitments and Off-Balance Sheet Obligations in this section for further discussion of guarantees. The SEC order requires Exelon and ComEd to maintain a ratio of common equity to total capitalization (including securitization debt) on and after June 30, 2002 of not less than 30%. At March 31, 2003, Exelon and ComEd's common equity ratios were 32% and 46%, respectively. Exelon and ComEd expect that they will maintain a common equity ratio of at least 30%.

Under PUHCA, Exelon, ComEd, PECO and Generation can pay dividends only from retained, undistributed or current earnings. However, the SEC order granted permission to ComEd, and to Exelon, to the extent Exelon receives dividends from ComEd paid from ComEd additional paid-in-capital, to pay up to $500 million in dividends out of additional paid-in capital, although Exelon may not pay dividends out of paid-in capital after December 31, 2002 if its common equity is less than 30% of its total capitalization. At March 31, 2003, Exelon had retained earnings of $2.3 billion, including ComEd's retained earnings of $652 million, PECO's retained earnings of $447 million and Generation's undistributed earnings of $980 million. Exelon is also limited by order of the SEC under PUHCA to an aggregate investment of $4 billion in exempt wholesale generators (EWGs) and foreign utility companies (FUCOs). At March 31, 2003, Exelon had invested $2.2 billion in EWGs, leaving $1.8 billion of investment authority under the order. Exelon's request for an additional $1.5 billion in EWG investment authorization is pending with the SEC.

Contractual Obligations, Commercial Commitments and Off-Balance Sheet Obligations

Contractual obligations represent cash obligations that are considered to be firm commitments and commercial commitments represent commitments triggered by future events. Exelon's contractual obligations and commercial commitments as of March 31, 2003 were materially unchanged, other than the normal course of business, from the amounts set forth in the 2002 Form 10-K except for the following:

- On March 3, 2003, ComEd entered into an agreement with various Illinois electric retail market suppliers, key customer groups and governmental parties regarding several matters affecting ComEd's rates for electric service (Agreement). The Agreement addressed, among other things, issues related to ComEd's residential delivery services rate proceeding, market value index proceeding, the process for competitive service declarations for large-load customers and an extension of the purchased power agreement (PPA) with Generation. The parties to the Agreement agreed to make and support a series of coordinated filings intended to lead to the issuance by the Illinois Commerce Commission (ICC) of orders consistent with the Agreement. Those orders, which were issued on March 28, 2003, are subject to rehearing. Rehearing requests have been filed with the ICC. Rehearing requests may be considered through the middle of May 2003. The Agreement will not become effective as long as the ICC orders are subject to any rehearing request or if a stay is issued with respect to any of those orders.

  The Agreement provides for a modification of the methodology used to determine ComEd's market value energy credit. That credit is used to determine the price for specified market-based rate offerings and the amount of the CTC that ComEd is allowed to collect from customers who select an ARES or the PPO. The credit will be adjusted upward through agreed upon "adders," which will take effect in June 2003 and will have the effect of reducing ComEd's CTC charges to customers. The estimated annual revenue impact of the reduction in CTC revenues under the Agreement is approximately $65 million to $70 million. In addition, customers will be offered an option to lock in CTC charges for longer periods. Currently, those charges are subject to change annually.

During first quarter of 2003, ComEd recorded a charge to earnings associated with the funding of specified programs and initiatives associated with the Agreement of $51 million on a present value basis before income taxes. This amount is partially offset by the reversal of a $12 million (before income taxes) reserve established in the third quarter of 2002 for a potential capital disallowance in ComEd's delivery services rate proceeding and a credit of $10 million (before income taxes) related to the capitalization of employee incentive payments provided for in the delivery services order. The net one-time charge for these items is $29 million (before income taxes).

- ComEd and PECO have entered into several agreements with a tax consultant related to the filing of refund claims with the Internal Revenue Service (IRS). The fees for these agreements are contingent upon a successful outcome and are based upon a percentage of the refunds recovered from the IRS, if any. As such, ComEd and PECO would have positive net cash flows related to these agreements if any fees are paid to the tax consultant. These potential tax benefits and associated fees could be material to the financial position, results of operations and cash flows of Energy Delivery. Energy Delivery cannot predict the timing of the final resolution of these refund claims.

- See Notes 10 and 14 to the Condensed Combined Notes to Consolidated Financial Statements for discussion of material changes in Exelon's debt and preferred securities obligations from those set forth in the 2002 Form 10-K.

- See Note 8 of the Condensed Combined Notes to Consolidated Financial Statements for commercial commitments tables representing Exelon's commitments not recorded on the balance sheet but potentially triggered by future events, including obligations to make payment on behalf of other parties and financing arrangements to secure their obligations.

COMMONWEALTH EDISON COMPANY

GENERAL

ComEd operates in a single business segment and its operations consist of the regulated sale of electricity and distribution and transmission services in northern Illinois.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2003 Compared to Three Months Ended March 31, 2002

Significant Operating Trends - ComEd

	Three Months Ended March 31, 2003	2002	Variance	% Change
OPERATING REVENUES	$ 1,424	$ 1,315	$ 109	8.3%
OPERATING EXPENSES				
Purchased Power	578	538	40	7.4%
Operating and Maintenance	261	237	24	10.1%
Depreciation and Amortization	94	135	(41)	(30.4%)
Taxes Other Than Income	80	73	7	9.6%
Total Operating Expenses	1,013	983	30	3.1%
OPERATING INCOME	411	332	79	23.8%
OTHER INCOME AND DEDUCTIONS				
Interest Expense	(110)	(126)	16	(12.7%)
Distributions on Company-Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trusts Holding Solely the Company's Subordinated Debt Securities	(7)	(7)	--	--
Other, Net	22	14	8	57.1%
Total Other Income and Deductions	(95)	(119)	24	(20.2%)
INCOME BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE	316	213	103	48.4%
INCOME TAXES	126	84	42	50.0%
NET INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE	190	129	61	47.3%
CUMULTIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE	5	--	5	n.m.
NET INCOME	$ 195	$ 129	$ 66	51.2%

n.m. -not meaningful

Net Income

Net income increased $66 million, or 51% for the three months ended March 31, 2003 as compared to the same period in 2002. Net income was positively impacted by higher operating revenues and lower interest expense, partially offset by higher operating expenses.

Operating Revenues

ComEd's electric sales statistics are as follows:

Retail Deliveries - (in GWhs)	Three Months Ended March 31, 2003	2002	Variance	% Change
Bundled Deliveries (1)				
Residential	6,886	6,409	477	7.4%
Small Commercial & Industrial	5,627	5,450	177	3.2%
Large Commercial & Industrial	1,484	1,956	(472)	(24.1%)
Public Authorities & Electric Railroads	1,416	1,801	(385)	(21.4%)
	15,413	15,616	(203)	(1.3%)
Unbundled Deliveries (2)				
ARES				
Small Commercial & Industrial	1,348	1,004	344	34.3%
Large Commercial & Industrial	1,832	1,386	446	32.2%
Public Authorities & Electric Railroads	282	138	144	104.3%
	3,462	2,528	934	36.9%
PPO				
Small Commercial & Industrial	793	763	30	3.9%
Large Commercial & Industrial	1,433	1,311	122	9.3%
Public Authorities & Electric Railroads	537	242	295	121.9%
	2,763	2,316	447	19.3%
Total Unbundled Deliveries	6,225	4,844	1,381	28.5%
Total Retail Deliveries	21,638	20,460	1,178	5.8%

(1) Bundled service reflects deliveries to customers taking electric service under tariffed rates.

(2) Unbundled service reflects customers electing to receive electric generation service from an ARES or the PPO.

Electric Revenue	Three Months Ended March 31, 2003	2002	Variance	% Change
Bundled Revenues (1)				
Residential	$ 546	$ 518	$ 28	5.4%
Small Commercial & Industrial	397	391	6	1.5%
Large Commercial & Industrial	74	102	(28)	(27.5%)
Public Authorities & Electric Railroads	84	92	(8)	(8.7%)
	1,101	1,103	(2)	(0.2%)
Unbundled Revenues (2)				
ARES				
Small Commercial & Industrial	41	12	29	n.m.
Large Commercial & Industrial	49	10	39	n.m.
Public Authorities & Electric Railroads	9	2	7	n.m.
	99	24	75	n.m.
PPO				
Small Commercial & Industrial	50	43	7	16.3%
Large Commercial & Industrial	72	64	8	12.5%
Public Authorities & Electric Railroads	27	13	14	107.7%
	149	120	29	24.2%
Total Unbundled Revenues	248	144	104	72.2%
Total Electric Retail Revenues	1,349	1,247	102	8.2%
Wholesale and Miscellaneous Revenue (3)	75	68	7	10.3%
Total Electric Revenue	$ 1,424	$ 1,315	$ 109	8.3%

(1) Bundled revenue reflects deliveries to customers taking electric service under tariffed rates, which include the cost of energy and the delivery cost of the transmission and the distribution of the energy.
(2) Revenue from customers choosing an ARES includes a distribution charge and a CTC charge. Transmission charges received from ARES are included in wholesale and miscellaneous revenue. Revenue from customers choosing the PPO includes an energy charge at market rates, transmission and distribution charges, and a CTC charge.
(3) Wholesale and miscellaneous revenues include transmission revenue, sales to municipalities and other wholesale energy sales.
n.m. - not meaningful

The changes in electric retail revenues for the three months ended March 31, 2003, as compared to the same period in 2002, are attributable to the following:

	Variance
Rate Changes	$ 82
Weather	54
Customer Choice	(39)
Volume	7
Other Effects	(2)
Electric Retail Revenue	$ 102

- Rate Changes. The increase in revenues attributable to rate changes reflects the collection of additional CTC's in 2003 by ComEd of $105 million due to an increase in the number of customers choosing an alternative energy supplier and changes in the wholesale market price of electricity, net of increased mitigation factors. Increased wholesale market prices decreased revenue received under ComEd's PPO by $23 million.

- Weather. The demand for electricity is impacted by weather conditions. Very warm weather in summer months and very cold weather in other months is referred to as "favorable weather conditions," because these weather conditions result in increased sales of electricity. Conversely, mild weather reduces demand. The weather impact for the three months ended March 31, 2003 was favorable compared to the same period in 2002 as a result of colder winter weather in 2003. Heating degree-days increased 17% in the three months ended March 31, 2003 compared to the same period in 2002.

- Customer Choice. All ComEd customers have the choice to purchase energy from other suppliers. This choice generally does not impact the volume of deliveries, but affects revenue collected from customers related to energy supplied by ComEd. However, as of March 31, 2003, no alternative electric supplier has sought approval from the ICC, and no electric utilities have chosen to enter the ComEd residential market for the supply of electricity.

  The decrease in revenues reflects customers in Illinois electing to purchase energy from an ARES or the PPO. As of March 31, 2003, approximately 22,700 retail customers had elected to purchase energy from an ARES or the ComEd PPO. This represents an increase in delivered MWhs to such customers from approximately 4.8 million for the three months ended March 31, 2002 to 6.2 million for the three months ended March 31, 2003, or from 24% to 29% of total quarterly retail deliveries.

- Volume. Revenues from higher delivery volume, exclusive of weather, increased due to an increased number of customers and increased usage per customer, primarily small commercial and industrial.

The $7 million increase in wholesale and miscellaneous revenue for the three months ended March 31, 2003 as compared to the three months ended March 31, 2002 was due primarily to a $5 million increase in sales for resale to municipalities and others as a result of a 17% increase in heating degree-days in 2003.

Purchased Power

Purchased power expense increased $40 million, or 7% for the three months ended March 31, 2003. The increase in purchased power expense was primarily attributable to a $20 million increase due to favorable weather conditions, an increase of $12 million due to higher volume, $17 million due to pricing changes related to ComEd's PPA with Generation and an increase of $16 million under the PPA related to decommissioning collections associated with the adoption of SFAS No. 143 that were not included in purchased power in 2002, offset by a $28 million decrease as a result of customers choosing to purchase energy from an ARES. The $16 million increase in purchased power expense related to SFAS No. 143 is offset by lower regulatory asset amortization.

Operating and Maintenance

Operating and maintenance (O&M) expense increased $24 million, or 10%, for the three months ended March 31, 2003. The increase in O&M expense was primarily attributable to a net one-time charge of $41 million in 2003 as the result of the Agreement as more fully described in Note 4 - Regulatory Issues, offset by higher corporate allocations in 2002 due to executive severance.

Depreciation and Amortization

Depreciation and amortization expense decreased $41 million, or 30%, for the three months ended March 31, 2003 as follows:

	Three Months Ended March 31,			
	2003	2002	Variance	% Change
Depreciation Expense	$ 75	$ 91	$ (16)	(17.6%)
Recoverable Transition Costs Amortization	11	23	(12)	(52.2%)
Other Amortization Expense	8	21	(13)	(61.9%)
Total Depreciation and Amortization	$ 94	$ 135	$ (41)	(30.4%)

The decrease in depreciation expense is primarily due to lower depreciation rates effective July 1, 2002, partially offset by higher property, plant and equipment balances. ComEd completed a depreciation study and implemented lower depreciation rates effective July 1, 2002. The new depreciation rates reflect ComEd's significant construction program in recent years, changes in and development of new technologies, and changes in estimated plant service lives since the last depreciation study. The annual reduction in depreciation expense is estimated to be approximately $100 million ($60 million, net of income taxes) based on December 31, 2001 plant balances. As a result of the change, depreciation expense decreased $24 million ($14 million, net of income taxes) for the three months ended March 31, 2003.

Recoverable transition costs amortization decreased in the three months ended March 31, 2003 compared to the same period in 2002. The decrease is a result of the extension of the rate freeze through 2006 which occurred in June 2002. ComEd expects to fully recover its recoverable transition costs regulatory asset balance of $164 million by 2006. Consistent with the provision of the Illinois legislation, regulatory assets may be recovered at amounts that provide ComEd an earned return on common equity within the Illinois legislation earnings threshold.

The decrease in other amortization primarily relates to the reclassification of a regulatory asset for nuclear decommissioning as a result of the adoption of SFAS No. 143 in 2003 (see Note 2 of the Condensed Combined Notes to Consolidated Financial Statements). This decrease is offset by increased purchased power expense from Generation.

Taxes Other Than Income

Taxes other than income increased by $7 million or 10%, as a result of a $4 million increase in real estate and municipal taxes and $1 million in Illinois Public Utility Fund taxes which were not charged in 2002.

Interest Charges

Interest charges consist of interest expense and distributions on Company-Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trusts. Interest charges decreased $16 million, or 13%, for the three months ended March 31, 2003. The decrease in interest expense was primarily attributable to the impact of lower interest rates for the three months ended March 31, 2003 as compared to the three months ended March 31, 2002 and the annual retirement of $340 million in Transitional Trust Notes.

Other, Net

Other, Net increased income by $8 million for the three months ended March 31, 2003. The increase was primarily attributable to the reversal of a $12 million reserve in 2003 for a potential plant disallowance as the result of the Agreement as more fully described in Note 4 to the Condensed Combined Notes to Consolidated Financial Statements.

Income Taxes

The effective income tax rate was 39.9% for the three months ended March 31, 2003, compared to 39.4% for the three months ended March 31, 2002.

Due to revenue needs in the states in which ComEd operates, various state income tax and fee increases have been proposed or are being contemplated. If these changes are enacted, they could increase ComEd's state income tax expense. At this time, however, ComEd cannot predict whether legislation or regulation will be introduced, the form of any legislation or regulation, whether any such legislation or regulation will be passed by the state legislatures or regulatory bodies, and, if enacted, whether any such legislation or regulation would be effective retroactively or prospectively. As a result, ComEd cannot currently estimate the effect of these potential changes in tax laws or regulation.

Cumulative Effect of a Change in Accounting Principle

On January 1, 2003, ComEd adopted SFAS No. 143, resulting in income of $5 million.

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 commercial paper or participation in the intercompany money pool. 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. If these conditions deteriorate to where ComEd no longer has access to external financing sources at reasonable terms, ComEd has access to a revolving credit facility that ComEd currently utilizes to support its commercial paper program. See the Credit Issues section of Liquidity and Capital Resources for further discussion. Capital resources are used primarily to fund ComEd's capital requirements, including construction, repayments of maturing debt and the payment of dividends.

Cash Flows from Operating Activities

Cash flows provided by operations were $67 million for the three months ended March 31, 2003 compared to $278 million for the three months ended March 31, 2002. The decrease in cash flows in 2003 was primarily attributable to a $216 million decrease in working capital as a result of the paydown of intercompany payables to affiliates and other outstanding liabilities, a decrease in depreciation and amortization of $41 million offset by an increase in net income of $66 million. ComEd's future cash flows will depend upon the ability to achieve cost savings in operations and the impact of the economy, weather, and customer choice on its revenues. Although the amounts may vary from period to period as a result of uncertainties inherent in the business, ComEd expects to continue to provide a reliable and steady source of internal cash flow from operations for the foreseeable future.

Cash Flows from Investing Activities

Cash flows used in investing activities were $164 million for the three months ended March 31, 2003 compared to $175 million for the three months ended March 31, 2002. The decrease in cash flows used in investing activities in 2003 was primarily attributable to an $8 million decrease in capital expenditures.

ComEd estimates that it will spend approximately $720 million in total capital expenditures for 2003. Approximately two-thirds of the budgeted 2003 expenditures are for continuing efforts to further improve the reliability of its transmission and distribution systems. The remaining one third is for capital additions to support new business and customer growth. ComEd anticipates that its capital expenditures will be funded by internally generated funds, borrowings, the issuance of preferred securities, or capital contributions from Exelon. ComEd's proposed capital expenditures and other investments are subject to periodic review and revision to reflect changes in economic conditions and other factors.

Cash Flows from Financing Activities

Cash flows from financing activities were $113 million for the three months ended March 31, 2003 as compared to cash flows used in financing of $44 million for the three months ended March 31, 2002. Cash flows from financing activities were primarily attributable to debt issuance partially offset by retirements and redemptions and payments of dividends to Exelon. The increase in cash flows from financing activities is primarily attributable to increased debt and preferred securities issuances of $500 million partially offset by increased debt and preferred securities redemptions of $306 million and increased interest rate swap settlement payments of $34 million. See Notes 10 and 14 of the Condensed Combined Notes to Consolidated Financial Statements for further discussion of ComEd's debt and preferred securities financing activities. ComEd paid a $120 million dividend to Exelon during the three months ended March 31, 2003 compared to a $118 million dividend for the three months ended March 31, 2002.

Credit Issues

ComEd meets its short-term liquidity requirements primarily through the issuance of commercial paper and borrowings from Exelon's intercompany money pool. ComEd, along with Exelon, PECO, and Generation, participates in a $1.5 billion unsecured 364-day revolving credit facility with a group of banks. The credit facility that became effective on November 22, 2002 includes a term-out option that allows any outstanding borrowings at the end of the revolving credit period to be repaid on November 21, 2004. Exelon may increase or decrease the sublimits of each of the participants upon written notification to the banks. As of March 31, 2003, ComEd's sublimit was $100 million. The credit facility is used principally to support ComEd's commercial paper program. At March 31, 2003, ComEd's Consolidated Balance Sheet reflects $45 million in commercial paper outstanding. For the three months ended March 31, 2003, the average interest rate on notes payable was approximately 1.48%.

The credit facility requires ComEd to maintain a cash from operations to interest expense ratio for the twelve-month period ended on the last day of any quarter. The ratio excludes revenues and interest expenses attributable to securitization debt, certain changes in working capital, and distributions on preferred securities of subsidiaries. ComEd's threshold for the ratio reflected in the credit agreement cannot be less than 2.25 to 1 for the twelve-month period ended March 31, 2003. At March 31, 2003, ComEd was in compliance with the credit agreement thresholds.

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. Participation in the money pool is subject to authorization by the Exelon corporate treasurer. ComEd and its subsidiary Commonwealth Edison of Indiana, Inc., PECO, Generation and BSC may participate in the money pool as lenders and borrowers, and Exelon as a lender. Funding of, and borrowings from, the money pool are predicated on whether such funding results in mutual economic benefits to each of the participants, although Exelon is not permitted to be a net borrower from the money pool. Interest on borrowings is based on short-term market rates of interest or specific borrowing rates if the funds are provided by external financing. There were no material money pool transactions in 2002. During the first quarter 2003, ComEd had various loans to Generation under the money pool. The maximum amount of outstanding loans at any time during the quarter was $335 million. As of March 31, 2003, there was no outstanding balance on these loans.

ComEd's access to the capital markets, including the commercial paper market, and its financing costs in those markets are dependent on its securities ratings. None of ComEd's borrowings is subject to default or prepayment as a result of a downgrading of securities ratings although such a downgrading could increase interest charges under certain bank credit facilities.

Under PUHCA, ComEd can only pay dividends from retained or current earnings. However, the SEC has authorized ComEd to pay up to $500 million in dividends out of additional paid-in capital, provided ComEd may not pay dividends out of paid-in capital after December 31, 2002 if its common equity is less than 30% of its total capitalization (including transitional trust notes). At March 31, 2003, ComEd had retained earnings of $652 million and its common equity ratio was 46%.

Long-term debt included $1.9 billion of transitional trust notes.

Contractual Obligations, Commercial Commitments and Off-Balance Sheet Obligations

Contractual obligations represent cash obligations that are considered to be firm commitments and commercial commitments represent commitments triggered by future events. ComEd's contractual obligations and commercial commitments as of March 31, 2003 were materially unchanged, other than in the normal course of business, from the amounts set forth in the 2002 Form 10-K except for the following:

- On March 3, 2003, ComEd entered into the Agreement with various Illinois electric retail market suppliers, key customer groups and governmental parties regarding several matters affecting ComEd's rates for electric service. The Agreement addressed, among other things, issues related to ComEd's residential delivery services rate proceeding, market value index proceeding, the process for competitive service declarations for large-load customers and an extension of the PPA with Generation. The parties to the Agreement agreed to make and support a series of coordinated filings intended to lead to the issuance by the ICC of orders consistent with the Agreement. Those orders, which were issued on March 28, 2003, are subject to rehearing. Rehearing requests have been filed with the ICC. Rehearing requests may be considered through the middle of May 2003. The Agreement will not become effective as long as the ICC orders are subject to any rehearing request or if a stay is issued with respect to any of those orders.

  The Agreement provides for a modification of the methodology used to determine ComEd's market value energy credit. That credit is used to determine the price for specified market-based rate offerings and the amount of the CTC that ComEd is allowed to collect from customers who select an ARES or the PPO. The credit will be adjusted upward through agreed upon "adders," which will take effect in June 2003, and would have the effect of reducing ComEd's CTC charges to customers. The estimated annual revenue impact of the reduction in CTC revenues under the Agreement would be approximately $65 million to $70 million. In addition, customers will be offered an option to lock in CTC charges for longer periods. Currently, those charges are subject to change annually.

  In the first quarter of 2003, ComEd recorded a charge to earnings associated with the funding of specified programs and initiatives associated with the Agreement of $51 million on a present value basis before income taxes. This amount is partially offset by the reversal of a $12 million (before income taxes) reserve established in the third quarter of 2002 for a potential capital disallowance in ComEd's delivery services rate proceeding and a credit of $10 million (before income taxes) related to the capitalization of employee incentive payments provided for in the delivery services order. The net one-time charge for these items is $29 million (before income taxes).

- ComEd has entered into several agreements with a tax consultant related to the filing of refund claims with the IRS. The fees for these agreements are contingent upon a successful outcome and are based upon a percentage of the refunds recovered from the IRS, if any. As such, ComEd would have positive net cash flows related to these agreements if any fees are paid to the tax consultant. These potential tax benefits and associated fees could be material to the financial position, results of operations and cash flows of ComEd. ComEd cannot predict the timing of the final resolution of these refund claims.

- See Notes 10 and 14 to the Condensed Combined Notes to Consolidated Financial Statements for discussion of material changes in ComEd's debt and preferred securities obligations from those set forth in the 2002 Form 10-K.

- See Note 8 of the Condensed Combined Notes to Consolidated Financial Statements for commercial commitments tables representing ComEd's commitments not recorded on the balance sheet but potentially triggered by future events, including obligations to make payment on behalf of other parties and financing arrangements to secure their obligations.

PECO ENERGY COMPANY

GENERAL

PECO operates in a single business segment, and its operations consist of the regulated sale of electricity and distribution and transmission in southeastern Pennsylvania and the sale of natural gas and distribution services in the Pennsylvania counties surrounding the City of Philadelphia.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2003 Compared to Three Months Ended March 31, 2002

Significant Operating Trends - PECO

	Three Months Ended March 31,			
	2003	2002	Variance	% Change
OPERATING REVENUES	$ 1,217	$1,020	$ 197	19.3%
OPERATING EXPENSES				
Purchased Power	422	351	71	20.2%
Fuel	191	135	56	41.5%
Operating and Maintenance	139	136	3	2.2%
Depreciation and Amortization	120	112	8	7.1%
Taxes Other Than Income	63	59	4	6.8%
Total Operating Expenses	935	793	142	17.9%
OPERATING INCOME	282	227	55	24.2%
OTHER INCOME AND DEDUCTIONS				
Interest Expense	(86)	(95)	9	(9.5%)
Distributions on Company-Obligated Mandatorily Redeemable Preferred Securities of a Partnership which Holds Solely Subordinated Debentures of the Company	(2)	(2)	--	--
Other, Net	9	1	8	n.m.
Total Other Income and Deductions	(79)	(96)	17	(17.7%)
INCOME BEFORE INCOME TAXES	203	131	72	55.0%
INCOME TAXES	66	42	24	57.1%
NET INCOME	137	89	48	53.9%
Preferred Stock Dividends	(2)	(2)	--	--
NET INCOME ON COMMON STOCK	$ 135	$ 87	$ 48	55.2%

n.m. - not meaningful

Net Income

Net income on common stock increased $48 million, or 55% for the three months ended March 31, 2003 as compared to the same period in 2002. The increase was a result of higher sales volume and lower interest expense on debt, partially offset by increased income taxes and depreciation and amortization expense.

Operating Revenue

PECO's electric sales statistics are as follows:

Retail Deliveries - (in GWhs)	Three Months Ended March 31, 2003	2002	Variance	% Change
Bundled Deliveries (1)				
Residential	3,115	2,056	1,059	51.5%
Small Commercial & Industrial	1,780	1,757	23	1.3%
Large Commercial & Industrial	3,482	3,351	131	3.9%
Public Authorities & Electric Railroads	253	193	60	31.1%
	8,630	7,357	1,273	17.3%
Unbundled Deliveries (2)				
Residential	264	792	(528)	(66.7%)
Small Commercial & Industrial	202	96	106	110.4%
Large Commercial & Industrial	210	103	107	103.9%
Public Authorities & Electric Railroads (3)	--	--	--	0.0%
	676	991	(315)	(31.8%)
Total Retail Deliveries	9,306	8,348	958	11.5%

(1) Bundled service reflects deliveries to customers taking electric service under tariffed rates.
(2) Unbundled service reflects customers electing to receive electric generation service from an alternative energy supplier.
(3) PECO's sales to Public Authorities and Electric Railroads were less than one GWh per quarter.

Electric Revenue	2003	2002	Variance	% Change
	Three Months Ended March 31,			
Bundled Revenue (1)				
Residential	$ 359	$ 243	$ 116	47.7%
Small Commercial & Industrial	194	189	5	2.6%
Large Commercial & Industrial	266	244	22	9.0%
Public Authorities & Electric Railroads	22	18	4	22.2%
	841	694	147	21.2%
Unbundled Revenue (2)				
Residential	17	54	(37)	(68.5%)
Small Commercial & Industrial	10	5	5	100.0%
Large Commercial & Industrial	6	3	3	100.0%
Public Authorities & Electric Railroads (3)	--	--	--	--
	33	62	(29)	(46.8%)
Total Electric Retail Revenues	874	756	118	15.6%
Wholesale and Miscellaneous Revenue (4)	55	55	--	--
Total Electric Revenue	$ 929	$ 811	$ 118	14.5%

(1) Bundled revenue reflects revenue from customers taking electric service under tariffed rates, which includes the cost of energy, the delivery cost of the transmission and the distribution of the energy and a CTC charge.
(2) Unbundled revenue reflects revenue from customers electing to receive generation from an alternative supplier, which includes a distribution charge and a CTC charge.
(3) PECO's sales to Public Authorities and Electric Railroads were less than $1 million per quarter.
(4) Wholesale and miscellaneous revenues include transmission revenue and other wholesale energy sales.

The changes in electric retail revenues for the three months ended March 31, 2003, as compared to the same period in 2002, are as follows:

	Variance
Weather	$47
Volume	43
Customer Choice	19
Other Effects	9
Retail Revenue	$118

- Weather. The weather impact was favorable compared to the prior year as a result of colder winter weather. Heating degree-days increased 33% for the three months ended March 31, 2003 compared to the same period in 2002.

- Volume. Exclusive of weather impacts, higher delivery volume affected PECO's revenue by $43 million compared to the same period in 2002 primarily related to increases in the residential and large commercial and industrial customer classes.

- Customer Choice. All PECO customers may choose to purchase energy from other suppliers. This choice generally does not impact kWh deliveries, but reduces revenue collected from customers because they are not obtaining generation supply from PECO.

As of March 31, 2003, the customer load served by alternative suppliers was 1,062 MWs or 13.1% as compared to 1,010 MWs or 13.1% as of March 31, 2002. For the three months ended March 31, 2003, the percent of PECO's total retail deliveries for which PECO was the electric supplier was 92.8% compared to 88.2% in 2002. As of March 31, 2003, the number of customers served by alternative suppliers was 273,724 or 17.9% as compared to 357,789 or 23.4% as of March 31, 2002. The increases in customers and the percentage of load served by PECO primarily resulted from customers selecting or returning to PECO as their electric generation supplier.

The PUC's Final Electric Restructuring Order established MST to promote competition. The MST requirements provide that if, as of January 1, 2003, less than 50% of residential and commercial customers have chosen an alternative electric generation supplier, the number of customers sufficient to meet the MST shall be randomly selected and assigned to an alternative electric generation supplier through a PUC determined process. On January 1, 2003, the number of customers choosing an alternative electric generation supplier did not meet the MST. In January 2003, PECO submitted to the PUC an MST plan to meet the 50% threshold requirement for its commercial customers, which was approved by the PUC in February 2003. As of March 31, 2003, an auction had been completed for the commercial customers and the customer enrollment phase is currently in process. The randomly selected customers will be transferred to the alternative electric generation suppliers in May 2003, if they do not choose the option to not participate in the program. In February 2003, PECO filed a residential customer MST plan, and on May 1, 2003, the PUC approved the plan. The approved plan provides for a two-step process with a total of up to 400,000 residential customers being assigned to winning alternative electric generation supplier bidders: up to 100,000 in July 2003, and another 300,000 in December 2003. Any customer transferred would have the right to return to PECO at any time. PECO does not expect the transfer of customers pursuant to the MST plan to have a material impact on its results of operations, financial position or cash flows.

- Other Effects. The increase in revenues attributable to rate changes primarily reflects an increase in the average price mix related to the large commercial and industrial customer class as compared to the same period in 2002.

PECO's gas sales statistics for the three months ended March 31, 2003 as compared to the same period in 2002 are as follows:

	Three Months Ended March 31, 2003	2002	Variance	% Change
Deliveries in mmcf	39,626	31,357	8,269	26.4%
Revenue	$ 288	$ 209	$ 79	37.8%

The changes in gas revenue for the three months ended March 31, 2003, as compared to the same period in 2002, are as follows:

	Variance
Weather	$ 59
Volume	17
Rate Changes	3
Gas Revenue	$ 79

- o Weather. The weather impact was favorable compared to the prior year as a result of colder winter weather. Heating degree-days increased 33% in the three months ended March 31, 2003 compared to the same period in 2002.

- o Volume. Exclusive of weather impacts, higher delivery volume increased revenue in the three months ended March 31, 2003 compared to the same period in 2002 resulting from customer growth. Deliveries to customers, excluding the effects of weather, increased 5% in the three months ended March 31, 2003 compared to the same period in 2002.

- o Rate Changes. The favorable variance in rates is attributable to a 15% increase in the purchased gas adjustment by the PUC effective March 1, 2003. The average rate per million cubic feet for the three months ended March 31, 2003 was 9% higher than the same 2002 period. PECO's gas rates are subject to periodic adjustments by the PUC and are designed to recover from or refund to customers the difference between actual cost of purchased gas and the amount included in base rates and to recover or refund increases or decreases in certain state taxes not recovered in base rates.

Purchased Power

Purchased power expense for the three months ended March 31, 2003 increased $71 million as compared to the same period in 2002. The increase in purchased power expense was primarily attributable to $22 million as a result of favorable weather conditions, $17 million related to higher PJM ancillary charges, $16 million from customers in Pennsylvania selecting or returning to PECO as their electric generation supplier and $16 million attributable to higher electric delivery volume.

Fuel

Fuel expense for the three months ended March 31, 2003 increased $56 million as compared to the same period in 2002. This increase was primarily attributable to $40 million as a result of favorable weather conditions, $8 million attributable to higher delivery volumes and $3 million from higher gas prices.

Operating and Maintenance

O&M expense for the three months ended March 31, 2003 increased $3 million, or 2%, as compared to the same period in 2002. The increase in O&M expense was primarily attributable to $4 million of incremental storm costs in 2003, $4 million of additional employee benefits costs and $8 million of additional miscellaneous other net positive impacts partially offset by $7 million related to lower corporate allocations and $6 million of lower costs associated with the deployment of automated meter reading technology.

Depreciation and Amortization

Depreciation and amortization expense for the three months ended March 31, 2003 increased $8 million, or 7%, as compared to the same period in 2002 as follows:

	Three Months Ended March 31, 2003	2002	Variance	% Change
Competitive Transition Charge Amortization	$ 81	$ 75	$ 6	8.0%
Depreciation Expense	33	32	1	3.1%
Other Amortization Expense	6	5	1	20.0%
Total Depreciation and Amortization	$ 120	$ 112	$ 8	7.1%

The additional amortization of the CTC is in accordance with PECO's original settlement under the Pennsylvania Competition Act and the increase in depreciation expense resulted from additional plant in service.

Taxes Other Than Income

Taxes other than income for the three months ended March 31, 2003 increased $4 million, or 7%, as compared to the same period in 2002. The increase was primarily attributable to $7 million of additional gross receipts tax related to additional revenues, partially offset by a $2 million decrease in real estate taxes.

Interest Charges

Interest charges consist of interest expense and distributions on Company-Obligated Mandatorily Redeemable Preferred Securities of a Partnership (COMRPS). Interest charges decreased $9 million, or 10%, in the three months ended March 31, 2003 as compared to the same period in 2002. The decrease was primarily attributable to lower interest expense on long-term debt of $9 million as a result of scheduled principal payments and refinancing of existing debt at lower interest rates.

Other, Net

Other, Net increased income by $8 million in the three months ended March 31, 2003 as compared to the same period in 2002. The increase in other income was primarily attributable to higher interest income of $5 million and the favorable settlement of a customer contract of $3 million.

Income Taxes

The effective tax rate was 32.5% for the three months ended March 31, 2003 as compared to 32.1% for the same period in 2002.

Due to revenue needs in the states in which PECO operates, various state income tax and fee increases have been proposed or are being contemplated. If these changes are enacted, they could increase PECO's state income tax expense. At this time, however, PECO cannot predict whether legislation or regulation will be introduced, the form of any legislation or regulation, whether any such legislation or regulation will be passed by the state legislatures or regulatory bodies, and, if enacted, whether any such legislation or regulation would be effective retroactively or prospectively. As a result, PECO cannot currently estimate the effect of these potential changes in tax laws or regulation.

Preferred Stock Dividends

Preferred stock dividends for the three months ended March 31, 2003 were consistent as compared to the same period in 2002.

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 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 external financing sources at reasonable terms, PECO has access to a revolving credit facility that PECO currently utilizes to support its commercial paper program. See the Credit Issues section of Liquidity and Capital Resources for further discussion. Capital resources are used primarily to fund PECO's capital requirements, including construction, repayments of maturing debt and payment of dividends.

Cash Flows from Operating Activities

Cash flows provided by operations for the three months ended March 31, 2003 and 2002 were $126 million and $100 million, respectively. The increase in cash flows was primarily attributable to a $99 million increase in working capital and a $48 million increase to net income, partially offset by a $66 million decrease in deferred taxes and a $62 million change in deferred energy costs. PECO's cash flow from operating activities primarily results from sales of electricity and gas to a stable and diverse base of retail customers at fixed prices. PECO's future cash flows will depend upon the ability to achieve operating cost reductions and the impact of the economy, weather and customer choice on its revenues. Although the amounts may vary from period to period as a result of the uncertainties inherent in its business, PECO expects that it will continue to provide a reliable and steady source of internal cash flow from operations for the foreseeable future.

Cash Flows from Investing Activities

Cash flows used in investing activities for the three months ended March 31, 2003 were $59 million, compared to $65 million for the three months ended March 31, 2002. The decrease in cash flows used in investing activities was primarily attributable to a decrease in capital expenditures.

PECO's projected capital expenditures for 2003 are $270 million. Approximately one half of the budgeted 2003 expenditures are for capital additions to support customer and load growth and the remainder for additions and upgrades to existing facilities. PECO anticipates that its capital expenditures will be funded by internally generated funds, borrowings, the issuance of preferred securities, or capital contributions from Exelon. PECO's proposed capital expenditures and other investments are subject to periodic review and revision to reflect changes in economic conditions and other factors.

Cash Flows from Financing Activities

Cash flows used in financing activities for the three months ended March 31, 2003 and 2002 were $26 million and $36 million, respectively. Cash flows used in financing activities are primarily attributable to debt service and payment of dividends to Exelon. The decrease in cash flows used in financing activities is primarily attributable to additional issuances of long-term debt in the first quarter of 2003 of $250 million, partially offset by additional debt service of $204 million. See Notes 10 and 14 of the Condensed Combined Notes to Consolidated Financial Statements for further discussion of PECO's debt financing activities. For the three months ended March 31, 2003, PECO paid Exelon $89 million in common stock dividends compared to $85 million for the three months ended March 31, 2002.

Credit Issues

PECO meets its short-term liquidity requirements primarily through the issuance of commercial paper and borrowings from Exelon's intercompany money pool. PECO, along with Exelon, ComEd and Generation, participates in a $1.5 billion unsecured 364-day revolving credit facility with a group of banks. The credit facility became effective November 22, 2002 and includes a term-out option that allows any outstanding borrowings at the end of the revolving credit period to be repaid on November 21, 2004. Exelon may increase or decrease the sublimits of each of the participants upon written notification to the banks. As of March 31, 2003, PECO's sublimit was $600 million. The credit facility is used by PECO principally to support its commercial paper program. At March 31, 2003, PECO's Consolidated Balance Sheet reflects $493 million in commercial paper outstanding, of which $243 million is classified as notes payable and $250 million is classified as long-term debt. For the three months ended March 31, 2003, the average interest rate on notes payable was approximately 1.33%.

The credit facility requires PECO to maintain a cash from operations to interest expense ratio for the twelve-month period ended on the last day of any quarter. The ratio excludes revenues and interest expenses attributable to securitization debt, certain changes in working capital and distributions on preferred securities of subsidiaries. PECO's threshold for the ratio reflected in the credit agreement cannot be less than 2.25 to 1 for the twelve-month period ended March 31, 2003. At March 31, 2003, PECO was in compliance with the credit agreement thresholds.

None of PECO's borrowings is subject to default or prepayment as a result of a downgrading of securities ratings although such a downgrading could increase interest charges under certain bank credit facilities.

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. Participation in the money pool is subject to authorization by Exelon's corporate treasurer. ComEd and its subsidiary Commonwealth Edison of Indiana, Inc., PECO, Generation and BSC may participate in the money pool as lenders and borrowers, and Exelon as a lender. Funding of, and borrowings from, the money pool are predicated on whether such funding results in mutual economic benefits to each of the participants, although Exelon is not permitted to be a net borrower from the money pool. Interest on borrowings is based on short-term market rates of interest, or, if from an external source, specific borrowing rates. There were no material money pool transactions by PECO in the first quarter of 2003.

Under PUHCA, PECO is precluded from lending or extending credit or indemnity to Exelon and can pay dividends only from retained or current earnings. At March 31, 2003, PECO had retained earnings of $447 million.

Long-term debt included $4.1 billion of transition bonds.

Contractual Obligations, Commercial Commitments and Off-Balance Sheet Obligations

Contractual obligations represent cash obligations that are considered to be firm commitments and commercial commitments represent commitments triggered by future events. PECO's contractual obligations and commercial commitments as of March 31, 2003 were materially unchanged, other than in the normal course of business, from the amounts set forth in the 2002 Form 10-K except for the following:

- PECO has entered into several agreements with a tax consultant related to the filing of refund claims with the IRS. The fees for these agreements are contingent upon a successful outcome and are based upon a percentage of the refunds recovered from the IRS, if any. As such, PECO would have positive net cash flows related to these agreements if any fees are paid to the tax consultant. These potential tax benefits and associated fees could be material to the financial position, results of operations and cash flows of PECO. PECO cannot predict the timing of the final resolution of these refund claims.

- See Notes 10 and 14 of the Condensed Combined Notes to Consolidated Financial Statements for further discussion of material changes in PECO's debt obligations from those set forth in the 2002 Form 10-K.

- See Note 8 of the Condensed Combined Notes to Consolidated Financial Statements for commercial commitments tables representing PECO's commitments not recorded on the balance sheet but potentially triggered by future events, including obligations to make payment on behalf of other parties and financing arrangements to secure their obligations.

EXELON GENERATION COMPANY, LLC

GENERAL

Generation operates as a single segment and its operations consist of electric generating facilities, energy marketing operations and equity interests in Sithe and AmerGen.

In the second quarter of 2002, Generation early adopted EITF 02-3. EITF 02-3 was issued by the FASB EITF in June 2002 and required revenues and energy costs related to energy trading contracts to be presented on a net basis in the income statement. For comparative purposes, energy costs related to energy trading have been reclassified as revenue for prior periods to conform to the net basis of presentation required by EITF 02-3.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2003 Compared to Three Months Ended March 31, 2002

Significant Operating Trends - Generation

	Three Months Ended March 31,			
	2003	2002	Variance	% Change
OPERATING REVENUES	$ 1,879	$1,461	$ 418	28.6%
OPERATING EXPENSES				
Purchased Power	841	619	222	35.9%
Fuel	364	209	155	74.2%
Operating and Maintenance	487	432	55	12.7%
Depreciation and Amortization	45	63	(18)	(28.6%)
Taxes Other Than Income	48	49	(1)	(2.0%)
Total Operating Expenses	1,785	1,372	413	30.1%
OPERATING INCOME	94	89	5	5.6%
OTHER INCOME AND DEDUCTIONS				
Interest Expense	(19)	(17)	(2)	11.8%
Equity in Earnings of Unconsolidated Affiliates, net	19	23	(4)	(17.4%)
Other, Net	(167)	16	(183)	n.m.
Total Other Income and Deductions	(167)	22	(189)	n.m.
INCOME (LOSS) BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	(73)	111	(184)	(165.8%)
INCOME TAXES	(21)	45	(66)	(146.7%)
INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	(52)	66	(118)	(178.8%)
CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES, NET OF INCOME TAXES	108	13	95	n.m.
NET INCOME	$ 56	$ 79	$ (23)	(29.1%)

n.m. - not meaningful

Net Income

Generation's net income decreased by $23 million, or 29%, for the three months ended March 31, 2003 compared to the same period in 2002. Income (loss) before cumulative effect of changes in accounting principles decreased by $118 million for the three months ended March 31, 2003 compared to the same period in 2002 primarily due to the after-tax impairment charge for Generation's equity investment in Sithe of $130 million and higher operating expenses, partially offset by higher revenues and investment income.

Operating Revenues

Revenues increased by $418 million, or 29% for the three months ended March 31, 2003 compared to the same period in 2002. This increase resulted primarily from a $295 million increase in energy market sales, due to regional weather-related demand. Market sales also increased $9 million for increased generation, from the fossil plants acquired after the first quarter of 2002, related to gas purchase obligations. In addition, sales to Energy Delivery increased by $85 million due to increased demand related to favorable weather in ComEd and PECO's service territories during the first quarter of 2003 compared to 2002, and customers returning to PECO from alternative energy suppliers. Revenues from Energy Delivery for the first quarter of 2003 also included $16 million from ComEd related to nuclear decommissioning cost recoveries associated with the adoption of SFAS No. 143 that was not included in 2002. Trading activity reduced revenue by $2 million during the first quarter of 2003 compared to the same period of 2002.

For the three months ended March 31, 2003 and 2002, Generation's sales and the supply of these sales were as follows:

	Three Months Ended March 31,			
Sales (in GWhs)	2003	2002	Variance	% Change
Energy Delivery	29,346	27,750	1,596	5.8%
Exelon Energy	1,248	1,250	(2)	(0.2%)
Market Sales	23,815	19,324	4,491	23.2%
Total Sales	54,409	48,324	6,085	12.6%

	Three Months Ended March 31,			
Supply of Sales (in GWhs)	2003	2002	Variance	% Change
Nuclear Generation (1)	29,330	27,533	1,797	6.5%
Purchases - non-trading portfolio (2)	20,029	18,093	1,936	10.7%
Fossil and Hydro Generation	5,050	2,698	2,352	87.2%
Total Supply	54,409	48,324	6,085	12.6%

(1) Excluding AmerGen.

(2) Including purchased power agreements with AmerGen.

Trading volume of 9,527 GWhs and 14,239 GWhs for the three months ended March 31, 2003 and 2002, respectively, is not included in the table above.

Generation's average margin and other operating data for the three months ended March 31, 2003 and 2002 were as follows:

($/MWh)	Three Months Ended March 31, 2003	2002	% Change
Average Revenue			
Energy Delivery	$ 30.87	$ 29.98	3.0%
Exelon Energy	43.28	45.60	(5.1%)
Market Sales	37.05	28.15	31.6%
Total - excluding the trading portfolio	33.96	29.63	14.6%
Average Supply Cost (1) - excluding trading portfolio	$ 21.29	$ 16.74	27.2%
Average Margin - excluding the trading portfolio	$ 12.67	$ 12.89	(1.7%)

(1) Average supply cost includes purchased power and fuel costs.

	Three Months Ended March 31, 2003	2002
Nuclear fleet capacity factor (1)	94.4%	90.3%
Nuclear fleet production cost per MWh (1)	$ 12.80	$ 14.26
Average purchased power cost for wholesale operations per MWh	$ 41.75	$ 34.26

(1) Including AmerGen and excluding Salem.

Generation's MWh deliveries increased 12.6% in the three months ended March 31, 2003 compared to the same period in 2002. Increased deliveries were a result of favorable weather conditions, which increased the demand for Energy Delivery, and higher market sales attributable to the increased supply from acquired generation and power uprates at existing facilities.

The factors below contributed to the overall reduction in Generation's average margin for the three months ended March 31, 2003 as compared to the same period in 2002.

Generation's average revenue per MWh was affected by:

- increased weighted average on and off-peak prices per MWh for supply agreements with ComEd,
- higher prices per MWh on sales under supply agreements with PECO, and
- higher market prices.

Generation's supply mix changed due to:

- increased nuclear generation due to a lower number of refueling and unplanned outages during 2003 compared to 2002,
- increased fossil generation due to the effect of the acquisition of two generating plants in Texas in April 2002, a peaking facility placed in service in July 2003 and the Exelon New England plants acquired in November 2002, which in total account for an increase of 2,500 GWhs, and
- increased quantity of purchased power at higher prices to service greater customer loads as compared to 2002.

The higher nuclear capacity factor and decreased nuclear production costs are primarily due to 30 fewer planned refueling outage days, resulting in a $32 million decrease in outage costs, in the three months ended March 31, 2003 as compared to the same period in 2002. Additionally, the three months ended March 31, 2003 included three unplanned outages compared to five unplanned outages during the three months ended March 31, 2002.

Purchased Power

Purchased power increased $222 million, or 36%, for the three months ended March 31, 2003 compared to the same period in 2002 due to $185 million related to higher market prices and increased purchases. Increased purchases were due to higher market sales and increased demand from ComEd and PECO. The increase in purchased power also reflects a $31 million loss on mark-to-market hedging activity for the three months ended March 31, 2003 compared to a $6 million gain in the same period in 2002.

Fuel

Fuel expense increased $155 million, or 74%, for the three months ended March 31, 2003 compared to the same period in 2002. This increase is primarily due to the higher generation to meet increased demand from ComEd and PECO and higher market sales. Fossil and other fuel expense increased $140 million, as a result of operating the generation plants acquired after the first quarter of 2002. Increased fossil fuel expense includes $9 million related to increased market sales, from the generating plants acquired after the first quarter of 2002, related to gas purchase obligations. Nuclear fuel expense increased $19 million, reflecting higher nuclear generation and $6 million due to additional fuel amortization resulting from under performing fuel at the Quad Cities Unit 1, which will be completely replaced in May 2003. The second quarter of 2003 will include approximately $13 million of additional fuel amortization related to Quad Cities Unit 1. These increases in fuel expense were partially offset by a $4 million loss on emissions allowance sales recorded in 2002.

Operating and Maintenance

O&M expense increased $55 million, or 13%, for the three months ended March 31, 2003 compared to the same period in 2002. The increase in O&M expense was primarily attributable to $39 million of accretion expense which was recorded as depreciation and amortization expense prior to the adoption of SFAS No. 143, $18 million of accretion expense related to SFAS No. 143 to adjust the earnings impact of the net of decommissioning revenues, investment income, the accretion of the asset retirement obligation and depreciation of the Asset Retirement Cost asset (ARC) to zero, $27 million of additional employee benefits costs, and $19 million of additional expenses due to asset acquisitions made after the first quarter of 2002. This increase was partially offset by $32 million of lower nuclear refueling outage costs and a one-time executive severance expense recorded in 2002 of $19 million. For a further discussion of SFAS No. 143 see Note 2 of the Condensed Combined Notes to Consolidated Financial Statements.

Depreciation and Amortization

Depreciation and amortization expense decreased $18 million, or 29%, for the three months ended March 31, 2003 compared to the same period in 2002. The decrease was primarily attributable to a $33 million reduction in decommissioning expense as these costs are included in operating and maintenance expense after the adoption of SFAS No. 143, partially offset by $6 million of additional depreciation expense on capital additions placed in service after the first quarter of 2002, $9 million related to plant acquisitions made after the first quarter of 2002, and $1 million of depreciation for the ARC asset related to SFAS No. 143. For a further discussion of SFAS No. 143 see Note 2 of the Condensed Combined Notes to Consolidated Financial Statements.

Taxes Other Than Income

Taxes other than income decreased $1 million, or 2%, for the three months ended March 31, 2003 compared to the same period in 2002 primarily due to a $4 million decrease in payroll taxes partially offset by a $3 million increase in property taxes related to asset acquisitions made after the first quarter of 2002.

Interest Expense

Interest expense increased $2 million, or 12%, for the three months ended March 31, 2003 compared to the same period in 2002. The increase was primarily due to $3 million of additional interest expense on the $534 million note payable issued to Sithe in November 2002.

Equity in Earnings of Unconsolidated Affiliates

Equity in earnings of unconsolidated affiliates decreased $4 million, or 17%, for the three months ended March 31, 2003 compared to the same period in 2002. The decrease was due to a $6 million decrease in Generation's equity earnings in Sithe, primarily due to Sithe's sale of Exelon New England to Generation in November 2002. This decrease was partially offset by a $2 million increase in Generation's equity earnings of AmerGen.

Other, Net

Other, Net decreased $183 million for the three months ended March 31, 2003 compared to the same period in 2002. This decrease is primarily a result of the $200 million impairment charge related to Generation's equity investment in Sithe due to an other than temporary decline in value. This charge was partially offset by higher investment income related to the decommissioning trust funds.

Income Taxes

The effective income tax rate was 28.8% for the three months ended March 31, 2003 compared to 40.5% for the same period in 2002. The decrease was primarily attributed to the impact of the impairment of Generation's investment in Sithe and other tax benefits recorded in 2003.

Due to revenue needs in the states in which Generation operates, various state income tax and fee increases have been proposed or are being contemplated. If these changes are enacted, they could increase Generation's state income tax expense. At this time, however, Generation cannot predict whether legislation or regulation will be introduced, the form of any legislation or regulation, whether any such legislation or regulation will be passed by the state legislatures or regulatory bodies, and, if enacted, whether any such legislation or regulation would be effective retroactively or prospectively. As a result, Generation cannot currently estimate the effect of potential changes in tax law or regulation.

Cumulative Effect of Changes in Accounting Principles

On January 1, 2003, Generation adopted SFAS No. 143 resulting in a benefit of $108 million, net of income taxes of $70 million.

On January 1, 2002, Generation adopted SFAS No. 141 resulting in a benefit of $13 million, net of income taxes of $9 million.

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 financings including the issuance of commercial paper and borrowings 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 external financing sources at reasonable terms, Generation has access to a revolving credit facility. See the Credit Issues section of Liquidity and Capital Resources for further discussion. Capital resources are used primarily to fund Generation's capital requirements, including construction, investments in new and existing ventures, repayments of maturing debt and the payment of dividends. Any future acquisitions could require external financing or borrowings or capital contributions from Exelon.

Cash Flows from Operating Activities

Cash flows provided by operations were $278 million for the three months ended March 31, 2003, compared to $509 million for the same period in 2002. The decrease in cash flows from operating activities was primarily attributable to a $184 million decrease in working capital. Generation's cash flows from operating activities primarily result from the sale of electric energy to wholesale customers, including Generation's affiliated companies, as well as settlements arising from Generation's trading activities. Generation's future cash flow from operating activities will depend upon future demand and market prices for energy and the ability to continue to produce and supply power at competitive costs.

Cash Flows from Investing Activities

Cash flows used in investing activities were $216 million for the three months ended March 31, 2003, compared to $379 million for the same period in 2002. The decrease in cash flows used in investing activities was primarily attributable to a decrease in capital expenditures. Capital expenditures decreased $70 million related to liquidated damages from Raytheon (see Note 8 of the Condensed Combined Notes to Consolidated Financial Statements). The liquidated damages were partially offset by a $58 million increase in expenditures related to the plants acquired after the first quarter of 2002. Nuclear fuel expenditures decreased due to two refueling outages that occurred during the three months ended March 31, 2003 compared to four outages in the same period in the prior year. Generation's proposed capital expenditures and other investments are subject to periodic review and revision to reflect changes in economic conditions and other factors.

Generation's capital expenditures for 2003 reflect the construction of three Exelon New England generating facilities with projected capacity of 2,421 MWs of energy and additions to and upgrades of existing facilities (including nuclear refueling outages) and nuclear fuel. In February 2002, Generation entered into an agreement to loan AmerGen up to $75 million at an interest rate of one-month LIBOR plus 2.25%. In July 2002, the loan agreement and the loan were increased to $100 million and the maturity date was extended to July 1, 2003. As of March 31, 2003, the balance of the loan to AmerGen was $35 million. Exelon anticipates that Generation's capital expenditures will be funded by internally generated funds, borrowings or capital contributions from Exelon.

Cash Flows from Financing Activities

Cash flows used in financing activities were $63 million for the three months ended March 31, 2003, compared to cash flows provided by financing activities of $1 million for the same period in 2002. The increase in cash used in financing was primarily due to a $56 million increase in restricted cash as a result of liquidating damage proceeds received from Raytheon in 2003 (see Note 8 of the Condensed Combined Notes to Consolidated Financial Statements).

Credit Issues

Generation meets its short-term liquidity requirements primarily through intercompany borrowings from Exelon, the issuance of commercial paper and participation in the intercompany money pool. Generation, along with Exelon, ComEd and PECO, participates in a $1.5 billion unsecured 364-day revolving credit facility with a group of banks. The credit facility became effective on November 22, 2002 and includes a term-out option that allows any outstanding borrowings at the end of the revolving credit period to be repaid on November 21, 2004. Exelon may increase or decrease the sublimits of each of the participants upon written notification to these banks. As of March 31, 2003, there was no sublimit for Generation. The credit facility is expected to be used by Generation principally to support its commercial paper program.

The credit facility requires Generation to maintain a cash from operations to interest expense ratio for the twelve-month period ended on the last day of any quarter. The ratio excludes certain changes in working capital, revenues from Exelon New England and interest on the debt of Exelon New England's project subsidiaries. Generation's threshold for the ratio reflected in the credit agreement cannot be less than 3.25 to 1 for the twelve-month period ended March 31, 2003. At March 31, 2003, Generation was in compliance with the credit agreement thresholds.

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. Participation in the money pool is subject to authorization by the Exelon corporate treasurer. ComEd and its subsidiary Commonwealth Edison of Indiana, Inc., PECO, Generation and Business Services Company may participate in the money pool as lenders and borrowers, and Exelon as a lender. Funding of, and borrowings from, the money pool are predicated on whether such funding results in mutual economic benefits to each of the participants, although Exelon is not permitted to be a net borrower from the money pool. Interest on borrowings is based on short-term market rates of interest, or specific borrowing rates if the funds are provided by external financing. During the first quarter 2003, Generation had various borrowings from ComEd under the money pool. The maximum amount of loans outstanding at any time during the quarter was $335 million. As of March 31, 2003, there were no outstanding loan balances.

Generation's access to the capital markets and its financing costs in those markets are dependent on its securities ratings. None of Generation's borrowings is subject to default or prepayment as a result of a downgrading of securities ratings although such a downgrading could increase interest charges under certain bank credit facilities. From time to time Generation enters into energy commodity and other derivative transactions that require the maintenance of investment grade ratings. Failure to maintain investment grade ratings would allow the counterparty to terminate the derivative and settle the transaction on a net present value basis.

Under PUHCA, Generation can only pay dividends from undistributed or current earnings. Generation is precluded from lending or extending credit or indemnity to Exelon. At March 31, 2003, Generation had undistributed earnings of $980 million.

Contractual Obligations, Commercial Commitments and Off-Balance Sheet Obligations

Contractual obligations represent cash obligations that are considered to be firm commitments and commercial commitments represent commitments triggered by future events. Generation's contractual obligations and commercial commitments as of March 31, 2003 were materially unchanged from the amounts set forth in the 2002 Form 10-K except for the following:

- See Note 8 of the Condensed Combined Notes to Consolidated Financial Statements for commercial commitments tables representing Generation's commitments not recorded on the balance sheet but potentially triggered by future events, including obligations to make payment on behalf of other parties and financing arrangements to secure their obligations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Commodity Price Risk

Generation

Commodity price risk is associated with market price movements resulting from excess or insufficient generation, changes in fuel costs, market liquidity and other factors. Trading activities and non-trading marketing activities include the purchase and sale of electric capacity and energy and fossil fuels, including oil, gas, coal and emission allowances. The availability and prices of energy and energy-related commodities are subject to fluctuations due to factors such as weather, governmental environmental policies, changes in supply and demand, state and Federal regulatory policies and other events.

Normal Operations and Hedging Activities

Electricity available from Generation's owned or contracted generation supply in excess of its obligations to customers, including Energy Delivery'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 derivative contracts, including forwards, futures, swaps, and options, with approved counterparties to hedge its anticipated exposures. The maximum length of time over which cash flows related to energy commodities are currently being hedged is four years. Generation has an estimated 88% hedge ratio in 2003 for its energy marketing portfolio. This hedge ratio represents the percentage of Generation's forecasted aggregate annual generation supply that is committed to firm sales, including sales to ComEd and PECO's retail load. ComEd and PECO's retail load assumptions are based on forecasted average demand. The hedge ratio is not fixed and will vary from time to time depending upon market conditions, demand, and energy market option volatility and actual loads. During peak periods, the amount hedged declines to meet the commitment to ComEd and PECO. Market price risk exposure is the risk of a change in the value of unhedged positions. Absent any opportunistic efforts to mitigate market price exposure, the estimated market price exposure for Generation's non-trading portfolio associated with a ten percent reduction in the annual average around-the-clock market price of electricity is an approximately $39 million decrease in net income, or approximately $0.12 per share. This sensitivity assumes an 88% hedge ratio and that price changes occur evenly throughout the year and across all markets. The sensitivity also assumes a static portfolio. Generation expects to actively manage its portfolio to mitigate market price exposure. 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 uses financial contracts for proprietary trading purposes. Proprietary trading includes all contracts entered into purely to profit from market price changes as opposed to hedging an exposure. These activities are accounted for on a mark-to-market basis. The proprietary trading activities are a complement to Generation's energy marketing portfolio and represent a very small portion of its overall energy marketing activities. For example, the limit on open positions in electricity for any forward month represents less than 1% of Generation's owned and contracted supply of electricity. The trading portfolio is subject to stringent risk management limits and policies, including volume, stop-loss and value-at-risk limits.

Generation's energy contracts are accounted for under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS No. 133). Most non-trading contracts qualify for the normal purchases and normal sales exemption to SFAS No. 133 discussed in the Critical Accounting Estimates section of Management's Discussion and Analysis of Financial Condition and Result of Operations of the 2002 Form 10-K. Those that do not are recorded as assets or liabilities on the balance sheet at fair value. Changes in the fair value of qualifying hedge contracts are recorded in Other Comprehensive Income (OCI), and gains and losses are recognized in earnings when the underlying transaction occurs. Changes in the fair value of derivative contracts that do not meet hedge criteria under SFAS No. 133 and the ineffective portion of hedge contracts are recognized in earnings on a current basis.

The following detailed presentation of the trading and non-trading marketing activities at Generation is included to address the recommended disclosures by the energy industry's Committee of Chief Risk Officers. Generation does not consider its proprietary trading to be a significant activity in its business; however, Generation believes it is important to include these risk management disclosures.

The following table describes the drivers of Generation's energy trading and marketing business and gross margin included in the income statement for the three months ended March 31, 2003. Normal operations and hedging activities represent the marketing of electricity available from Generation's owned or contracted generation, including ComEd and PECO's retail load, sold into the wholesale market. As the information in this table highlights, mark-to-market activities represent a small portion of the overall gross margin for Generation. Accrual activities, including normal purchases and sales, account for the majority of the gross margin. The mark-to-market activities reported here are those relating to changes in fair value due to external movement in prices. Further delineation of gross margin by the type of accounting treatment typically afforded each type of activity is also presented (i.e., mark-to-market vs. accrual accounting treatment).

	Normal Operations and Hedging Activities (a)	Proprietary Trading	Total
Mark-to-Market Activities:			
Unrealized Mark-to-Market Gain/(Loss)			
Origination Unrealized Gain/(Loss) at Inception	$ --	$ --	$ --
Changes in Fair Value Prior to Settlements	26	(2)	24
Changes in Valuation Techniques and Assumptions	--	--	--
Reclassification to Realized at Settlement of Contracts	(57)	--	(57)
Total Change in Unrealized Fair Value	(31)	(2)	(33)
Realized Net Settlement of Transactions Subject to Mark-to-Market	57	--	57
Total Mark-to-Market Activities Gross Margin	$ 26	$ (2)	$ 24
Accrual Activities:			
Accrual Activities Revenue	$ 1,352	$ --	$ 1,352
Hedge Gains/(Losses) Reclassified from OCI	398	--	398
Total Revenue - Accrual Activities	1,750	--	1,750
Purchased Power and Fuel	597	--	597
Hedges of Purchased Power and Fuel Reclassified from OCI	503	--	503
Total Purchased Power and Fuel	1,100	--	1,100
Total Accrual Activities Gross Margin	650	--	650
Total Gross Margin	$ 676	$ (2)	$ 674 (b)

(a) Normal Operations and Hedging Activities only include derivative contracts Power Team enters into to hedge anticipated exposures related to its owned and contracted generation supply, but excludes its owned and contracted generating assets.
(b) Total Gross Margin represents revenue, net of purchased power and fuel expense for Generation.

The following table provides detail on changes in Generation's mark-to-market net asset or liability balance sheet position from January 1, 2003 to March 31, 2003. It indicates the drivers behind changes in the balance sheet amounts. This table will incorporate the mark-to-market activities that are immediately recorded in earnings, as shown in the previous table, as well as the settlements from OCI to earnings and changes in fair value for the hedging activities that are recorded in Accumulated Other Comprehensive Income on the March 31, 2003 Consolidated Balance Sheet.

	Normal Operations and Hedging Activities	Proprietary Trading	Total
Total Mark-to-Market Energy Contract Net Assets at January 1, 2003	$ (168)	$ 5	$ (163)
Total Change in Fair Value for the Three Months Ended March 31, 2003 of Contracts Recorded in Earnings	26	(2)	24
Reclassification to Realized at Settlement of Contracts Recorded in Earnings	(57)	--	(57)
Reclassification to Realized at Settlement from OCI	105	--	105
Effective Portion of Changes in Fair Value - Recorded in OCI	(390)	--	(390)
Purchase/Sale of Existing Contracts or Portfolios Subject to Mark-to-Market	--	--	--
Total Mark-to-Market Energy Contract Net Assets (Liabilities) at March 31, 2003	$ (484)	$ 3	$ (481)

The following table details the balance sheet classification of the mark-to-market energy contract net assets recorded as of March 31, 2003:

	Normal Operations and Hedging Activities	Proprietary Trading	Total
Current Assets	$ 219	$ 4	$ 223
Noncurrent Assets	54	--	54
Total Mark-to-Market Energy Contract Assets	273	4	277
Current Liabilities	(572)	--	(572)
Noncurrent Liabilities	(185)	(1)	(186)
Total Mark-to-Market Energy Contract Liabilities	(757)	(1)	(758)
Total Mark-to-Market Energy Contract Net Assets (Liabilities)	$ (484)	$ 3	$ (481)

The majority of Generation's contracts are non-exchange traded contracts valued using prices provided by external sources, primarily price quotations available through brokers or over-the-counter, on-line exchanges. Prices reflect the average of the bid-ask midpoint prices obtained from all sources that Generation believes provide the most liquid market for the commodity. The terms for which such price information is available varies by commodity, by region and by product. The remainder of the assets represents contracts for which external valuations are not available, primarily option contracts. These contracts are valued using the Black model, an industry standard option valuation model. The fair values in each category reflect the level of forward prices and volatility factors as of March 31, 2003 and may change as a result of changes in these factors. Management uses its best estimates to determine the fair value of commodity and derivative contracts it holds and sells. These estimates consider various factors including closing exchange and over-the-counter price quotations, time value, volatility factors and credit exposure. It is possible, however, that future market prices could vary from those used in recording assets and liabilities from energy marketing and trading activities and such variations could be material.

The following table, which presents maturity and source of fair value of mark-to-market energy contract net assets, provides two fundamental pieces of information. First, the table provides the source of fair value used in determining the carrying amount of Generation's total mark-to-market asset or liability. Second, this table provides the maturity, by year, of Generation's net assets/liabilities, giving an indication of when these mark-to-market amounts will settle and generate or require cash.

	Maturities within						Total Fair Value
	2003	2004	2005	2006	2007	2008 and Beyond	
Normal Operations, qualifying cash flow hedge contracts (1):							
Prices provided by other external sources	$(315)	$ (134)	$ (15)	$ (7)	$ --	$ --	$ (471)
Total	$(315)	$ (134)	$ (15)	$ (7)	$ --	$ --	$ (471)
Normal Operations, other derivative contracts (2):							
Actively quoted prices	$ 19	$ --	$ --	$ --	$ --	$ --	$ 19
Prices provided by other external sources	(14)	12	2	5	--	--	5
Prices based on model or other valuation methods	8	(28)	(5)	(9)	(3)	--	(37)
Total	$ 13	$ (16)	$ (3)	$ (4)	$ (3)	$ --	$ (13)
Proprietary Trading, other derivative contracts (3):							
Actively quoted prices	$ 5	$ 1	$ --	$ --	$ --	$ --	$ 6
Prices provided by other external sources	(5)	(4)	--	--	--	--	(9)
Prices based on model or other valuation methods	5	1	--	--	--	--	6
Total	$ 5	$ (2)	$ --	$ --	$ --	$ --	$ 3
Average tenor of proprietary trading portfolio (4)							1.5 years

(1) Mark-to-market gains and losses on contracts that qualify as cash flow hedges are recorded in other comprehensive income.

(2) Mark-to-market gains and losses on other non-trading derivative contracts that do not qualify as cash flow hedges are recorded in earnings.

(3) Mark-to-market gains and losses on trading contracts are recorded in earnings.

(4) Following the recommendations of the Committee of Chief Risk Officers, the average tenor of the proprietary trading portfolio measures the average time to collect value for that portfolio. Generation measures the tenor by separating positive and negative mark-to-market values in its proprietary trading portfolio, estimating the mid-point in years for each and then reporting the highest of the two mid-points calculated. In the event that this methodology resulted in significantly different absolute values of the positive and negative cash flow streams, Generation would use the mid-point of the portfolio with the largest cash flow stream as the tenor.

The table below provides details of effective cash flow hedges under SFAS No. 133 included in the balance sheet as of March 31, 2003. The data in the table gives an indication of the magnitude of SFAS No. 133 hedges Generation has in place, however, given that under SFAS No. 133 not all hedges are recorded in OCI, the table does not provide an all-encompassing picture of Generation's hedges. The table also includes a roll-forward of Accumulated Other Comprehensive Income on the Consolidated Balance Sheets related to cash flow hedges for the three months ended March 31, 2003, providing insight into the drivers of the changes (new hedges entered into during the period and changes in the value of existing hedges). Information related to energy merchant activities is presented separately from interest rate hedging activities.

	Total Cash Flow Hedge Other Comprehensive Income Activity, Net of Income Tax		
	Power Team Normal Operations and Hedging Activities	Interest Rate and Other Hedges (1)	Total Cash Flow Hedges
Accumulated OCI, January 1, 2003	$ (114)	$ (8)	$ (122)
Changes in Fair Value	(237)	(7)	(244)
Reclassifications from OCI to Net Income	64	--	64
Accumulated OCI Derivative Gain/(Loss) at March 31, 2003	$ (287)	$ (15)	$ (302)

(1) Includes interest rate hedges at Generation.

Generation uses a Value-at-Risk (VaR) model to assess the market risk associated with financial derivative instruments entered into for proprietary trading purposes. The measured VaR represents an estimate of the potential change in value of Generation's proprietary trading portfolio.

The VaR estimate includes a number of assumptions about current market prices, estimates of volatility and correlations between market factors. These estimates, however, are not necessarily indicative of actual results, which may differ because actual market rate fluctuations may differ from forecasted fluctuations and because the portfolio may change over the holding period.

Generation estimates VaR using a model based on the Monte Carlo simulation of commodity prices that captures the change in value of forward purchases and sales as well as option values. Parameters and values are back tested daily against daily changes in mark-to-market value for proprietary trading activity. VaR assumes that normal market conditions prevail and that there are no changes in positions. Generation uses a 95% confidence interval, one-day holding period, one-tailed statistical measure in calculating its VaR. This means that Generation may state that there is a one in 20 chance that if prices move against its portfolio positions, its pre-tax loss in liquidating its portfolio in a one-day holding period would exceed the calculated VaR. To account for unusual events and loss of liquidity, Generation uses stress tests and scenario analysis.

For financial reporting purposes only, Generation calculates several other VaR estimates. The higher the confidence interval, the less likely the chance that the VaR estimate would be exceeded. A longer holding period considers the effect of liquidity in being able to actually liquidate the portfolio. A two-tailed test considers potential upside in the portfolio in addition to the potential downside in the portfolio considered in the one-tailed test. The following table provides the VaR for all proprietary trading positions of Generation as of March 31, 2003.

	Proprietary Trading VaR
95% Confidence Level, One-Day Holding Period, One-Tailed	
Period End	$ 0.1
Average for the Period	0.1
High	0.3
Low	0.1
95% Confidence Level, Ten-Day Holding Period, Two-Tailed	
Period End	$ 0.5
Average for the Period	0.5
High	1.2
Low	0.3
99% Confidence Level, One-Day Holding Period, Two-Tailed	
Period End	$ 0.5
Average for the Period	0.6
High	1.4
Low	0.4

Credit Risk

Generation

Generation has credit risk associated with counterparty performance on energy contracts which includes, but is not limited to, the risk of financial default or slow payment. Generation manages counterparty credit risk through established policies, including counterparty credit limits, and in some cases, requiring deposits and letters of credit to be posted by certain counterparties. Generation's counterparty credit limits are based on a scoring model that considers a variety of factors, including leverage, liquidity, profitability, credit ratings and risk management capabilities. Generation has entered into payment netting agreements or enabling agreements that allow for payment netting with the majority of its large counterparties, which reduce Generation's exposure to counterparty risk by providing for the offset of amounts payable to the counterparty against amounts receivable from the counterparty. The credit department monitors current and forward credit exposure to counterparties and their affiliates, both on an individual and an aggregate basis.

The following table provides information on Generation's credit exposure, net of collateral, as of March 31, 2003. It further delineates that exposure by the credit rating of the counterparties and provides 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 table below does not include sales to Generation's affiliates or exposure through Independent System Operators.

Rating	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	$ 99	$ --	$ 99	3	$ 55
Split Rating	--	--	--	--	--
Non-Investment Grade	19	16	3	--	--
No External Ratings					
Internally Rated - Investment Grade	9	--	9	--	--
Internally Rated - Non-Investment Grade	4	--	4	--	--
Total	$ 131	$ 16	$ 115	3	$ 55

	Maturity of Credit Risk Exposure			
Rating	Less than 2 Years	2-5 Years	Exposure Greater than 5 Years	Total Exposure Before Credit Collateral
Investment Grade	$ 88	$ 11	$ --	$ 99
Split Rating	--	--	--	--
Non-Investment Grade	18	1	--	19
No External Ratings				
Internally Rated - Investment Grade	9	--	--	9
Internally Rated - Non-Investment Grade	3	1	--	4
Total	$ 118	$ 13	$ --	$ 131

Generation is a counterparty to Dynegy in various energy transactions. In early July 2002, the credit ratings of Dynegy were downgraded to below investment grade by two credit rating agencies. As of March 31, 2003, Generation had a net receivable from Dynegy of approximately $4 million and, consistent with the terms of the existing credit arrangement, has received collateral in support of this receivable. Generation also has credit risk associated with Dynegy through Generation's equity investment in Sithe. Sithe is a 60% owner of the Independence generating station, a 1,040-MW gas-fired qualified facility that has an energy-only long-term tolling agreement with Dynegy, with a related financial swap arrangement. As of March 31, 2003, Sithe had recognized an asset on its balance sheet related to the fair market value of the financial swap agreement with Dynegy that is marked-to-market under the terms of SFAS No. 133. If Dynegy is unable to fulfill the terms of this agreement, Sithe would be required to impair this financial swap asset. Generation estimates, as a 49.9% owner of Sithe, that the impairment would result in an after-tax reduction of Generation's equity earnings of approximately $13 million.

In addition to the impairment of the financial swap asset, if Dynegy were unable to fulfill its obligations under the financial swap agreement and the tolling agreement, Generation may incur a further impairment associated with Independence.

Additionally, the future economic value of AmerGen's purchased power arrangement with Illinois Power Company, a subsidiary of Dynegy, could be impacted by events related to Dynegy's financial condition.

Interest Rate Risk

ComEd

ComEd uses a combination of fixed rate and variable rate debt to reduce interest rate exposure. Interest rate swaps may be used to adjust exposure when deemed appropriate based upon market conditions. ComEd also utilizes forward-starting interest rate swaps and treasury rate locks to lock in interest rate levels in anticipation of future financing. These strategies are employed to maintain the lowest cost of capital. At March 31, 2003, ComEd had settled all of its forward-starting interest rate swaps.

ComEd has entered into fixed-to-floating interest rate swaps in order to maintain its targeted percentage of variable rate debt, associated with debt issuances in the aggregate amount of $485 million fixed-rate obligation. At March 31, 2003, these interest rate swaps, designated as fair value hedges, had an aggregate fair market value of $42 million based on the present value difference between the contract and market rates at March 31, 2003.

The aggregate fair value of the interest rate swaps, designated as fair value hedges, that would have resulted from a hypothetical 50 basis point decrease in the spot yield at March 31, 2003 is estimated to be $49 million. If these derivative instruments had been terminated at March 31, 2003, this estimated fair value represents the amount that would be paid by the counterparties to ComEd.

The aggregate fair value of the interest rate swaps, designated as fair value hedges, that would have resulted from a hypothetical 50 basis point increase in the spot yield at March 31, 2003 is estimated to be $34 million. If these derivative instruments had been terminated at March 31, 2003, this estimated fair value represents the amount to be paid by the counterparties to ComEd.

PECO

In February 2003, PECO entered into forward-starting interest rate swaps in the aggregate amount of $360 million to lock in interest rate levels in anticipation of future financings. At March 31, 2003, these interest rate swaps, designated as cash flow hedges, had a fair market value exposure of $2 million. The debt issuances that these swaps are hedging are considered probable therefore, PECO has accounted for these interest rate swap transactions as hedges. In connection with PECO's April 28, 2003 issuance of $450 million in First and Refunding Mortgage Bonds, PECO settled the swaps for a payment of $1 million, which will be recorded in other comprehensive income and amortized over the life of the debt issuance.

PECO has entered into interest rate swaps to manage interest rate exposure associated with the floating rate series of transition bonds issued to securitize PECO's stranded cost recovery. At March 31, 2003, these interest rate swaps had an aggregate fair market value exposure of $16 million based on the present value difference between the contract and market rates at March 31, 2003.

PECO also has interest rate swaps in place to satisfy counterparty credit requirements in regards to the floating rate series of transition bonds which are mirror swaps of each other. These swaps are not designated as cash flow hedges; therefore, they are required to be marked-to-market if there is a difference in their values. Since these swaps offset each other, a mark-to-market adjustment is not expected to occur.

The aggregate fair value exposure of the interest rate swaps that would have resulted from a hypothetical 50 basis point decrease in the spot yield at March 31, 2003 is estimated to be $17 million. If these derivative instruments had been terminated at March 31, 2003, this estimated fair value represents the amount that would be paid by PECO to the counterparties.

The aggregate fair value exposure of the interest rate swaps that would have resulted from a hypothetical 50 basis point increase in the spot yield at March 31, 2003 is estimated to be $14 million. If these derivative instruments had been terminated at March 31, 2003, this estimated fair value represents the amount to be paid by PECO to the counterparties.

Generation

Generation uses a combination of fixed rate and variable rate debt to reduce interest rate exposure. Generation also uses interest rate swaps when deemed appropriate to adjust exposure based upon market conditions. These strategies are employed to achieve a lower cost of capital. As of March 31, 2003, a hypothetical 10% increase in the interest rates associated with variable rate debt would not have a material impact on pre-tax earnings for the first quarter of 2003.

Under the terms of the Sithe Boston Generation, LLC (currently known as Exelon Boston Generating, LLC (EBG)) credit facility, EBG is required to effectively fix the interest rate on 50% of borrowings under the facility through its maturity in 2007. As of March 31, 2003, Generation has entered into interest rate swap agreements, which have effectively fixed the interest rate on $861 million of notional principal, or 83% of borrowings outstanding under the EBG credit facility at March 31, 2003. The fair market value exposure of these swaps, designated as cash flow hedges, is $92 million.

The aggregate fair value exposure of the interest rate swaps designated as cash flow hedges that would have resulted from a hypothetical 50 basis point decrease in the spot yield at March 31, 2003 is estimated to be $108 million. If the derivative instruments had been terminated at March 31, 2003, this estimated fair value represents the amount Generation would pay to the counterparties.

The aggregate fair value exposure of the interest rate swaps designated as cash flow hedges that would have resulted from a hypothetical 50 basis point increase in the spot yield at March 31, 2003 is estimated to be $77 million. If the derivative instruments had been terminated at March 31, 2003, this estimated fair value represents the amount Generation would pay to the counterparties.

Equity Price Risk

Generation

Generation maintains trust funds, as required by the NRC, to fund certain costs of decommissioning its nuclear plants. As of March 31, 2003, decommissioning trust funds are reflected at fair value on Exelon and Generation's 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 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 nuclear decommissioning trust fund investment policy. A hypothetical 10% increase in interest rates and decrease in equity prices would result in a $175 million reduction in the fair value of the trust assets.

ITEM 4. CONTROLS AND PROCEDURES

Exelon

Within the 90 days prior to the date of this Report, Exelon's management, including the principal executive officer and principal financial officer, evaluated Exelon's disclosure controls and procedures related to the recording, processing, summarization and reporting of information in Exelon's periodic reports that it files with the SEC. These disclosure controls and procedures have been designed to ensure that (a) material information relating to Exelon, including its consolidated subsidiaries, is made known to Exelon's management, including these officers, by other employees of Exelon and its subsidiaries, 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. Exelon's controls and procedures can only provide reasonable, not absolute, assurance that the above objectives have been met. Also, Exelon does not control or manage certain of its unconsolidated entities and as such, the disclosure controls and procedures with respect to such entities are more limited than those it maintains with respect to its consolidated subsidiaries.

As of the date of their evaluation, these officers concluded that, subject to limitations noted above, the design of the disclosure controls and procedures provide reasonable assurance that they can accomplish their objectives. Exelon 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.

There have been no significant changes in Exelon's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

ComEd

Within the 90 days prior to the date of this Report, ComEd's management, including the principal executive officer and principal financial officer, evaluated ComEd's disclosure controls and procedures related to the recording, processing, summarization and reporting of information in ComEd's periodic reports that it files with the SEC. These disclosure controls and procedures have been designed to ensure that (a) material information relating to ComEd, including its consolidated subsidiaries, is made known to ComEd's management, including these officers, by other employees of ComEd and its subsidiaries, 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. ComEd's controls and procedures can only provide reasonable, not absolute, assurance that the above objectives have been met. Also, ComEd does not control or manage certain of its unconsolidated entities and as such, the disclosure controls and procedures with respect to such entities are more limited than those it maintains with respect to its consolidated subsidiaries.

As of the date of their evaluation, these officers concluded that, subject to limitations noted above, the design of the disclosure controls and procedures provide reasonable assurance that they can accomplish their objectives. ComEd 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.

There have been no significant changes in ComEd's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

PECO

Within the 90 days prior to the date of this Report, PECO's management, including the principal executive officer and principal financial officer, evaluated PECO's disclosure controls and procedures related to the recording, processing, summarization and reporting of information in PECO's periodic reports that it files with the SEC. These disclosure controls and procedures have been designed to ensure that (a) material information relating to PECO, including its consolidated subsidiaries, is made known to PECO's management, including these officers, by other employees of PECO and its subsidiaries, 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. PECO's controls and procedures can only provide reasonable, not absolute, assurance that the above objectives have been met. Also, PECO does not control or manage certain of its unconsolidated entities and as such, the disclosure controls and procedures with respect to such entities are more limited than those it maintains with respect to its consolidated subsidiaries.

As of the date of their evaluation, these officers concluded that, subject to limitations noted above, the design of the disclosure controls and procedures provide reasonable assurance that they can accomplish their objectives. PECO 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. There have been no significant changes in PECO's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

Generation

Within the 90 days prior to the date of this Report, Generation's management, including the principal executive officer and principal financial officer, evaluated Generation's disclosure controls and procedures related to the recording, processing, summarization and reporting of information in Generation's periodic reports that it files with the SEC. These disclosure controls and procedures have been designed to ensure that (a) material information relating to Generation, including its consolidated subsidiaries, is made known to Generation's management, including these officers, by other employees of Generation and its subsidiaries, 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. Generation's controls and procedures can only provide reasonable, not absolute, assurance that the above objectives have been met. Also, Generation does not control or manage certain of its unconsolidated entities and as such, the disclosure controls and procedures with respect to such entities are more limited than those it maintains with respect to its consolidated subsidiaries.

As of the date of their evaluation, these officers concluded that, subject to limitations noted above, the design of the disclosure controls and procedures provide reasonable assurance that they can accomplish their objectives. Generation 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.

There have been no significant changes in Generation's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Generation

As previously reported in the 2002 Form 10-K, during 1989 and 1991, actions were brought in Federal and state courts in Colorado against ComEd and its subsidiary, Cotter Corporation (Cotter), seeking unspecified damages and injunctive relief based on allegations that Cotter permitted radioactive and other hazardous material to be released from its mill into areas owned or occupied by the plaintiffs, resulting in property damage and potential adverse health effects. In June 2001, a trial for a sub-group of plaintiffs was completed, and the jury returned a verdict against Cotter and awarded $16 million in various damages. In November 2001, the District Court entered an amended final judgment, which included an award of both pre-judgment and post-judgment interests, costs, and medical monitoring expenses, which total $43 million. In November 2000, another trial involving a separate sub-group of 13 plaintiffs was completed in Federal district court in Denver. The jury awarded nominal damages of $42,500 to 11 of 13 plaintiffs and required Cotter to perform periodic medical monitoring at a cost of $241,000. On April 22, 2003, the Tenth Circuit Court of Appeals reversed both judgments and remanded the cases for retrial.

On June 1, 2001, the U.S. Environmental Protection Agency (EPA) issued to EBG a Notice of Violation (NOV) and Reporting Requirement pursuant to Sections 113 and 114 of the Clean Air Act, alleging numerous exceedances of opacity limits and violations of opacity-related monitoring, recording and reporting requirements at Mystic Station in Everett, Massachusetts. On January 8, 2002, the EPA indicated that it had decided to resolve the NOV through an administrative compliance order and a judicial civil penalty action. In March 2002, the EPA issued and Sithe Mystic LLC, a wholly owned subsidiary of EBG, voluntarily entered a Compliance Order and Reporting Requirement (Compliance Order) regarding Mystic Station, under which Mystic Station installed new ignition equipment on three of the four units at the plant. Mystic Station also undertook an extensive opacity monitoring and testing program for all four units at the plant to help determine if additional compliance measures were needed. Pursuant to the requirements of the Compliance Order, EBG switched three of the four units to a lower sulfur fuel oil by June 1, 2002. The Compliance Order does not address civil penalties. By a letter dated April 21, 2003, the United States Department of Justice notified EBG that, at the request of the EPA, it intended to bring a civil penalty action, but also offered the opportunity to resolve the matter through settlement discussions. EBG is pursuing settlement discussions with the EPA and the United States Department of Justice.

ITEM 5. OTHER INFORMATION

ComEd

As previously reported in the 2002 Form 10-K, in July 2002, FERC conditionally approved ComEd's decision to join PJM. On April 1, 2003, ComEd received approval from FERC to transfer control of ComEd's transmission assets to PJM. FERC also accepted for filing the PJM tariff amended to reflect the inclusion of ComEd and other new members, subject to a compliance filing, which was made on May 1, 2003, and to hearing on certain issues. After resolution of these matters and completion of certain implementation work necessary to integrate ComEd into PJM, ComEd expects to transfer control of its Open Access Same Time Information System to PJM on June 1, 2003, and to transfer functional control of its transmission assets to PJM and to integrate fully into PJM's energy market structures on October 1, 2003.

As previously reported in the 2002 Form 10-K, on March 3, 2003, ComEd entered into an agreement with various Illinois electric retail market suppliers, key customer groups and governmental parties regarding several matters affecting ComEd's rates for electric service. The Agreement addressed, among other things, issues related to ComEd's residential delivery services rate proceeding, market value index proceeding, the process for competitive service declarations for large-load customers and an extension of the PPA with Generation. On March 28, 2003, the ICC issued orders consistent with the Agreement. Rehearing requests were filed with the ICC in April 2003. The Agreement will not become effective as long as any of the ICC orders are subject to any pending rehearing request.

PECO

As previously reported in the 2002 Form 10-K, on August 15, 2002, the International Brotherhood of Electrical Workers (IBEW) filed a petition with the NLRB to conduct a unionization vote of certain of PECO's employees. National Labor Relations Board (NLRB) hearings were completed and a Decision and Direction of Election (DD&E) was issued on April 21, 2003. Regulations require that the election be conducted within 30 days of the DD&E issuance.

As previously reported in the 2002 Form 10-K, the PUC's Final Electric Restructuring Order established MSTs to promote competition. The MST requirements provided that, if as of January 1, 2003, less than 50% of residential customers were taking electric service from alternative electric generation supplier, the number of customers sufficient to meet the MST would be randomly selected and assigned to an alternative electric generation suppliers through a PUC-determined process. On January 1, 2003, the number of customers choosing an alternative electric generation supplier did not meet the MST. In February 2003, PECO filed a residential customer MST plan, and on May 1, 2003, the PUC approved the plan. The approved plan provides for a two-step process with a total of up to 400,000 residential customers being transferred to winning alternative electric generation supplier bidders: up to 100,000 in July 2003, and another 300,000 in December 2003. Any customer transferred would have the right to return to PECO at any time.

Generation

As previously reported in the December 31, 2002 Form 10-K, approximately 1,700 of Generation's 7,200 employees are covered by Collective Bargaining Agreements (CBA) with the IBEW. On April 9, 2003, the IBEW filed a petition with the NLRB to represent all production and maintenance employees in Generation's fossil and hydroelectric operations in the Mid-Atlantic operating group. These employees are not currently covered by a CBA. The IBEW petition estimates that the number of additional employees represented would be 350 to 400. NLRB hearings were conducted in April 2003. An election is anticipated in the second half of 2003.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

4.1 - One Hundredth Supplemental Indenture dated as of April 15, 2003 to PECO Energy Company's First and Refunding Mortgage.

Certifications Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code (Sarbanes - Oxley Act of 2002) as to the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2003 filed by the following officers for the following companies:

99.1 - Filed by John W. Rowe for Exelon Corporation
99.2 - Filed by Robert S. Shapard for Exelon Corporation
99.3 - Filed by Pamela B. Strobel for Commonwealth Edison Company
99.4 - Filed by Robert S. Shapard for Commonwealth Edison Company
99.5 - Filed by Pamela B. Strobel for PECO Energy Company
99.6 - Filed by Robert S. Shapard for PECO Energy Company
99.7 - Filed by Oliver D. Kingsley for Exelon Generation Company, LLC
99.8 - Filed by Robert S. Shapard for Exelon Generation Company, LLC

(b) Reports on Form 8-K:

Exelon, ComEd, PECO and/or Generation filed Current Reports on Form 8-K during the three months ended March 31, 2003 regarding the following items:

Date of Earliest Event Reported	Description of Item Reported
November 11, 2002	"ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS" filed by Exelon and Generation regarding the acquisition of Sithe New England, "ITEM 5. OTHER EVENTS" filed by Exelon and Generation regarding the Sithe Boston credit facility and "ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS" filed by Exelon and Generation for the financial statements of Sithe New England.
January 15, 2003	"ITEM 9. REGULATION FD DISCLOSURE" filed by Exelon, ComEd, PECO and Generation regarding the confirmation of earnings guidance for 2002 and 2003.
January 22, 2003	"ITEM 5. OTHER EVENTS" filed by ComEd regarding the issuance of $700 million in First Mortgage Bonds.
January 29, 2003	"ITEM 9. REGULATION FD DISCLOSURE" filed for Exelon, ComEd, PECO and Generation regarding the fourth quarter 2002

	earnings release and items discussed during the Earnings Conference Call.
February 11, 2003	"ITEM 9. REGULATION FD DISCLOSURE" filed for Exelon, ComEd, PECO and Generation regarding a presentation by John Rowe, Chairman and CEO and Bob Shapard, Executive Vice President and CFO at the Exelon Corporation Investor Update conference held in New York City. The exhibit includes the slides used during the presentation.
February 21, 2003	"ITEM 5. OTHER EVENTS" filed for Exelon regarding certain financial information of Exelon Corporation and Subsidiary Companies. The exhibits under "ITEM 7. FINANCIAL STATEMENT AND EXHIBITS" filed for Exelon include the Consent of the Independent Public Accountants, Selected Financial Data, Market for Registrant's Common Equity and Related Stockholder Matters, Management's Discussion and Analysis of Financial Condition and Results of Operations, and Financial Statements and Supplementary Data.
February 26, 2003	"ITEM 9. REGULATION FD DISCLOSURE" filed for Exelon, ComEd, PECO and Generation regarding a presentation by Bob Shapard, Executive Vice President and CFO and Linda Byus, Vice President Investor Relations to investors and information regarding the small and large commercial market share threshold auction in Pennsylvania. The exhibits include the slides used during the presentation and materials made available to investors attending the conference.
March 3, 2003	"ITEM 5. OTHER EVENTS" filed for Exelon, ComEd, PECO and Generation regarding the reaffirmation of operating earnings guidance for 2003 and the discussion of ComEd's agreement regarding rate matters.
March 7, 2003	"ITEM 5. OTHER EVENTS" filed for Exelon and Generation regarding the announcement of the decision not to sell its interest in AmerGen.
March 13, 2003	"ITEM 9. REGULATION FD DISCLOSURE" filed for Exelon, ComEd, PECO and Generation regarding a presentation by John Rowe, Chairman and CEO at the Morgan Stanley Global Electricity & Energy Conference held in New York City. The exhibit includes the slides used during the presentation.

March 14, 2003	"ITEM 9. REGULATION FD DISCLOSURE" filed for Exelon, ComEd, PECO and Generation regarding comments and questions at the Morgan Stanley Global Electricity & Energy Conference.
March 14, 2003	"ITEM 9. REGULATION FD DISCLOSURE" filed for Exelon, ComEd, PECO and Generation to amend the Current Report filed earlier in the same day, in order to clarify remarks made regarding British Energy and AmerGen at the Morgan Stanley Global Electricity & Energy Conference.
March 17, 2003	"ITEM 5. OTHER EVENTS" filed by ComEd regarding the sale of $200 million in Trust Preferred Securities.
March 26, 2003	"ITEM 9. REGULATION FD DISCLOSURE" filed for Exelon, ComEd, PECO and Generation regarding a presentation by J. Barry Mitchell, Senior Vice President and Treasurer at the Banc One Capital Markets Fixed Income Utilities Conference held in Chicago. The exhibit includes the slides used during the presentation.
March 28, 2003	"ITEM 5. OTHER EVENTS" filed by Exelon and ComEd regarding the issuance of orders by the Illinois Commerce Commission resolving pending cases and addressing key issues in Illinois' continued transition to a competitive electricity marketplace.

SIGNATURES

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

EXELON CORPORATION

/s/ John W. Rowe
JOHN W. ROWE
Chairman, President and
Chief Executive Officer
(Principal Executive Officer)

/s/ Robert S. Shapard
ROBERT S. SHAPARD
Executive Vice President and Chief
Financial Officer
(Principal Financial Officer)

/s/ Matthew F. Hilzinger
MATTHEW F. HILZINGER
Vice President and Corporate Controller
(Principal Accounting Officer)

May 2, 2003

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

COMMONWEALTH EDISON COMPANY

/s/ Pamela B. Strobel
PAMELA B. STROBEL
Chair
(Principal Executive Officer)

/s/ Robert S. Shapard
ROBERT S. SHAPARD
Executive Vice President and Chief
Financial Officer, Exelon
(Principal Financial Officer)

/s/ Duane M. DesParte
DUANE M. DESPARTE
Vice President and Controller, Energy Delivery
(Principal Accounting Officer)

May 2, 2003

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

PECO ENERGY COMPANY

/s/ Pamela B. Strobel	/s/ Robert S. Shapard
PAMELA B. STROBEL Chair (Principal Executive Officer)	ROBERT S. SHAPARD Executive Vice President and Chief Financial Officer, Exelon (Principal Financial Officer)

/s/ Duane M. DesParte

DUANE M. DESPARTE
Vice President and Controller, Energy Delivery
(Principal Accounting Officer)

May 2, 2003

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

EXELON GENERATION COMPANY, LLC

/s/ Oliver D. Kingsley Jr.	/s/ Robert S. Shapard
OLIVER D. KINGSLEY JR. Chief Executive Officer and President (Principal Executive Officer)	ROBERT S. SHAPARD Executive Vice President and Chief Financial Officer, Exelon (Principal Financial Officer)

/s/ Thomas Weir III

THOMAS WEIR III
Vice President and Controller
(Principal Accounting Officer)

May 2, 2003

CERTIFICATIONS

CERTIFICATION PURSUANT TO RULE 13A-14 AND 15D-14 OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, John W. Rowe, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Exelon Corporation;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5.The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 2, 2003

/s/ John W. Rowe

Chairman, President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION PURSUANT TO RULE 13A-14 AND 15D-14 OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Robert S. Shapard, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Exelon Corporation;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 2, 2003

/s/ Robert S. Shapard

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION PURSUANT TO RULE 13A-14 AND 15D-14 OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Pamela B. Strobel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Commonwealth Edison Company;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 2, 2003

/s/ Pamela B. Strobel

Chair
(Principal Executive Officer)

CERTIFICATION PURSUANT TO RULE 13A-14 AND 15D-14 OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Robert S. Shapard, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Commonwealth Edison Company;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 2, 2003

/s/ Robert S. Shapard

Executive Vice President and Chief Financial Officer, Exelon
(Principal Financial Officer)

CERTIFICATION PURSUANT TO RULE 13A-14 AND 15D-14 OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Pamela B. Strobel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PECO Energy Company;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 2, 2003

/s/ Pamela B. Strobel

Chair
(Principal Executive Officer)

CERTIFICATION PURSUANT TO RULE 13A-14 AND 15D-14 OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Robert S. Shapard, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PECO Energy Company;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 2, 2003

/s/ Robert S. Shapard

Executive Vice President and Chief Financial Officer, Exelon
(Principal Financial Officer)

CERTIFICATION PURSUANT TO RULE 13A-14 AND 15D-14 OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Oliver D. Kingsley Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Exelon Generation Company, LLC;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 2, 2003

/s/ Oliver D. Kingsley Jr.

Chief Executive Officer and President
(Principal Executive Officer)

CERTIFICATION PURSUANT TO RULE 13A-14 AND 15D-14 OF THE SECURITIES AND EXCHANGE ACT OF 1934

I, Robert S. Shapard, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Exelon Generation Company, LLC;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 2, 2003

/s/ Robert S. Shapard

Executive Vice President and Chief Financial Officer, Exelon
(Principal Financial Officer)

Exhibit 4.1

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PECO ENERGY COMPANY

TO

WACHOVIA BANK, NATIONAL ASSOCIATION, TRUSTEE
(formerly, First Union National Bank)

ONE HUNDRETH SUPPLEMENTAL
INDENTURE DATED AS OF
APRIL 15, 2003

TO

FIRST AND REFUNDING MORTGAGE

OF

THE COUNTIES GAS AND ELECTRIC
COMPANY

TO

FIDELITY TRUST COMPANY, TRUSTEE
DATED MAY 1, 1923

3.50% SERIES DUE 2008

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THIS SUPPLEMENTAL INDENTURE dated as of April 15, 2003, by and between PECO ENERGY COMPANY, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania (hereinafter called the Company), party of the first part, and WACHOVIA BANK, NATIONAL ASSOCIATION (formerly, First Union National Bank), a national banking association organized and existing under the laws of the United States of America (hereinafter called the Trustee), as Trustee under the Mortgage hereinafter mentioned, party of the second part, Witnesseth that

WHEREAS, The Counties Gas and Electric Company (hereinafter called Counties Company), a Pennsylvania corporation and a predecessor to the Company, duly executed and delivered to Fidelity Trust Company, a Pennsylvania corporation to which the Trustee is successor, as Trustee, a certain indenture of mortgage and deed of trust dated May 1, 1923 (hereinafter called the Mortgage), to provide for the issue of, and to secure, its First and Refunding Mortgage Bonds, issuable in series and without limit as to principal amount except as provided in the Mortgage, the initial series of Bonds being designated the 6% Series of 1923, and the terms and provisions of other series of bonds secured by the Mortgage to be determined as provided in the Mortgage; and

WHEREAS, thereafter Counties Company, Philadelphia Suburban-Counties Gas and Electric Company (hereinafter called Suburban Company), and the Company, respectively, have from time to time executed and delivered indentures supplemental to the Mortgage, providing for the creation of additional series of bonds secured by the Mortgage and for amendment of certain of the terms and provisions of the Mortgage and of indentures supplemental thereto, or evidencing the succession of Suburban Company to Counties Company and of the Company to Suburban Company, such indentures supplemental to the Mortgage, the respective dates, parties thereto, and purposes thereof, being as follows:

Supplemental Indenture and Date	Parties	Providing for:
First September 1, 1926	Counties Company to Fidelity-Philadelphia Trust Company (Successor to Fidelity Trust Company)	Bonds of 5% Series of 1926
Second May 1, 1927	Suburban Company to Fidelity-Philadelphia Trust Company	Evidencing succession of Suburban Company to Counties Company
Third May 1, 1927	Suburban Company to Fidelity-Philadelphia Trust Company	Bonds of 4-1/2% Series due 1957; amendment of certain provisions of Mortgage
Fourth November 1, 1927	Suburban Company to Fidelity-Philadelphia Trust Company	Additional Bonds of 4-1/2% Series due 1957
Fifth January 31, 1931	Company to Fidelity-Philadelphia Trust Company	Evidencing succession of Company to Suburban Company
Sixth February 1, 1931	Company to Fidelity-Philadelphia Trust Company	Bonds of 4% Series due 1971
Seventh March 1, 1937	Company to Fidelity-Philadelphia Trust Company	Bonds of 3-1/2% Series due 1967; amendment of certain provisions of Mortgage
Eighth December 1, 1941	Company to Fidelity-Philadelphia Trust Company	Bonds of 2-3/4% Series due 1971; amendment of certain provisions of Mortgage
Ninth November 1, 1944	Company to Fidelity-Philadelphia Trust Company	Bonds of 2-3/4% Series due 1967 and 2-3/4% Series due 1974; amendment of certain provisions of Mortgage
Tenth December 1, 1946	Company to Fidelity-Philadelphia Trust Company	Bonds of 2-3/4% Series due 1981; amendment of certain provisions of Mortgage*

Supplemental Indenture and Date	Parties	Providing for:
Eleventh February 1, 1948	Company to Fidelity-Philadelphia Trust Company	Bonds of 2-7/8% Series due 1978*
Twelfth January 1, 1952	Company to Fidelity-Philadelphia Trust Company	Bonds of 3-1/4% Series due 1982*
Thirteenth May 1, 1953	Company to Fidelity-Philadelphia Trust Company	Bonds of 3-7/8% Series due 1983*
Fourteenth December 1, 1953	Company to Fidelity-Philadelphia Trust Company	Bonds of 3-1/8% Series due 1983*
Fifteenth April 1, 1955	Company to Fidelity-Philadelphia Trust Company	Bonds of 3-1/8% Series due 1985*
Sixteenth September 1, 1957	Company to Fidelity-Philadelphia Trust Company	Bonds of 4-5/8% Series due 1987; amendment of certain provisions of Mortgage*
Seventeenth May 1, 1958	Company to Fidelity-Philadelphia Trust Company	Bonds of 3-3/4% Series due 1988; amendment of certain provisions of Mortgage*
Eighteenth December 1, 1958	Company to Fidelity-Philadelphia Trust Company	Bonds of 4-3/8% Series due 1986*
Nineteenth October 1, 1959	Company to Fidelity-Philadelphia Trust Company	Bonds of 5% Series due 1989*
Twentieth May 1, 1964	Company to Fidelity-Philadelphia Trust Company	Bonds of 4-1/2% Series due 1994*
Twenty-first October 15, 1966	Company to Fidelity-Philadelphia Trust Company	Bonds of 6% Series due 1968-1973*
Twenty-second June 1, 1967	Company to The Fidelity Bank (formerly Fidelity-Philadelphia Trust Company)	Bonds of 5-1/4 % Series due 1968-1973 and 5-3/4 % Series due 1977*
Twenty-third October 1, 1957	Company to The Fidelity Bank	Bonds of 6-1/8 % Series due 1997*

Supplemental Indenture and Date	Parties	Providing for:
Twenty-fourth March 1, 1968	Company to The Fidelity Bank	Bonds of 6-1/2% Series due 1993; amendment of Article XIV of Mortgage*
Twenty-fifth September 10, 1968	Company to The Fidelity Bank	Bonds of 1968 Series due 1969-1976*
Twenty-sixth August 15, 1969	Company to The Fidelity Bank	Bonds of 8% Series due 1975*
Twenty-seventh February 1, 1970	Company to The Fidelity Bank	Bonds of 9% Series due 1995*
Twenty-eighth May 1, 1970	Company to The Fidelity Bank	Bonds of 8-1/2% Series due 1976*
Twenty-ninth December 15, 1970	Company to The Fidelity Bank	Bonds of 7-3/4% Series due 2000*
Thirtieth August 1, 1971	Company to The Fidelity Bank	Bonds of 8-1/4% Series due 1996*
Thirty-first December 15, 1971	Company to The Fidelity Bank	Bonds of 7-3/8% Series due 2001; amendment of Article XI of Mortgage*
Thirty-second June 15, 1972	Company to The Fidelity Bank	Bonds of 7-1/2% Series due 1998*
Thirty-third January 15, 1973	Company to The Fidelity Bank	Bonds of 7-1/2% Series due 1999*
Thirty-fourth January 15, 1974	Company to The Fidelity Bank	Bonds of 8-1/2% Series due 2004
Thirty-fifth October 15, 1974	Company to The Fidelity Bank	Bonds of 11% Series due 1980*
Thirty-sixth April 15, 1975	Company to The Fidelity Bank	Bonds of 11-5/8% Series due 2000*
Thirty-seventh August 1, 1975	Company to The Fidelity Bank	Bonds of 11% Series due 2000*
Thirty-eighth March 1, 1976	Company to The Fidelity Bank	Bonds of 9-1/8% Series due 2006*
Thirty-ninth August 1, 1976	Company to The Fidelity Bank	Bonds of 9-5/8% Series due 2002*

Supplemental Indenture and Date	Parties	Providing for:
Fortieth February 1, 1977	Company to The Fidelity Bank	Bonds of Pollution Control Series A and Pollution Control Series B*
Forty-first March 15, 1977	Company to The Fidelity Bank	Bonds of 8-5/8% Series due 2007*
Forty-second July 15, 1977	Company to The Fidelity Bank	Bonds of 8-5/8% Series due 2003*
Forty-third March 15, 1978	Company to The Fidelity Bank	Bonds of 9-1/8% Series due 2008*
Forty-fourth October 15, 1979	Company to The Fidelity Bank	Bonds of 12-1/2% Series due 2005*
Forty-fifth October 15, 1980	Company to The Fidelity Bank	Bonds of 13-3/4% Series due 1992*
Forty-sixth March 1, 1981	Company to The Fidelity Bank	Bonds of 15-1/4% Series due 1996; amendment of Article VIII of Mortgage*
Forty-seventh March 1, 1981	Company to The Fidelity Bank	Bonds of 15% Series due 1996; amendment of Article VIII of Mortgage*
Forty-eighth July 1, 1981	Company to The Fidelity Bank	Bonds of 17-5/8% Series due 2011*
Forty-ninth September 15, 1981	Company to The Fidelity Bank	Bonds of 18-3/4% Series due 2009*
Fiftieth April 1, 1982	Company to The Fidelity Bank	Bonds of 18% Series due 2012*
Fifty-first October 1, 1982	Company to The Fidelity Bank	Bonds of 15-3/8% Series due 2010*
Fifty-second June 15, 1983	Company to The Fidelity Bank	Bonds of 13-3/8% Series due 2013*
Fifty-third November 15, 1984	Company to Fidelity Bank, National Association (formerly The Fidelity Bank)	Bonds of 13.05% Series due 1994; amendment of Article VIII of Mortgage*

Supplemental Indenture and Date	Parties	Providing for:
Fifty-fourth December 1, 1984	Company to Fidelity Bank, National Association	Bonds of 14% Series due 1988-1994; amendment of Article VIII of Mortgage*
Fifty-fifth May 15, 1985	Company to Fidelity Bank, National Association	Bonds of Pollution Control Series C*
Fifty-sixth October 1, 1985	Company to Fidelity Bank, National Association	Bonds of Pollution Control Series D*
Fifty-seventh November 15, 1985	Company to Fidelity Bank, National Association	Bonds of 10-7/8% Series due 1995*
Fifty-eight November 15, 1985	Company to Fidelity Bank, National Association	Bonds of 11-3/4% Series due 2014*
Fifty-ninth June 1, 1986	Company to Fidelity Bank, National Association	Bonds of Pollution Control Series E*
Sixtieth November 1, 1986	Company to Fidelity Bank, National Association	Bonds of 10-1/4% Series due 2016*
Sixty-first November 1, 1986	Company to Fidelity Bank, National Association	Bonds of 8-3/4% Series due 1994*
Sixty-second April 1, 1987	Company to Fidelity Bank, National Association	Bonds of 9-3/8% Series due 2017*
Sixty-third July 15, 1987	Company to Fidelity Bank, National Association	Bonds of 11% Series due 2016*
Sixty-fourth July 15, 1987	Company to Fidelity Bank, National Association	Bonds of 10% Series due 1997*
Sixty-fifth August 1, 1987	Company to Fidelity Bank, National Association	Bonds of 10-1/4% Series due 2007*
Sixty-sixth October 15, 1987	Company to Fidelity Bank, National Association	Bonds of 11% Series due 1997*
Sixty-seventh October 15, 1987	Company to Fidelity Bank, National Association	Bonds of 12-1/8% Series due 2016*
Sixty-eighth April 15, 1988	Company to Fidelity Bank, National Association	Bonds of 10% Series due 1998*
Sixty-ninth April 15, 1988	Company to Fidelity Bank, National Association	Bonds of 11% Series due 2018*

Supplemental Indenture and Date	Parties	Providing for:
Seventieth June 15, 1989	Company to Fidelity Bank, National Association	Bonds of 10% Series due 2019*
Seventy-first October 1, 1989	Company to Fidelity Bank, National Association	Bonds of 9-7/8% Series due 2019*
Seventy-second October 1, 1989	Company to Fidelity Bank, National Association	Bonds of 9-1/4% Series due 1999*
Seventy-third October 1, 1989	Company to Fidelity Bank, National Association	Medium-Term Note Series A*
Seventy-fourth October 15, 1990	Company to Fidelity Bank, National Association	Bonds of 10-1/2% Series due 2020*
Seventy-fifth October 15, 1990	Company to Fidelity Bank, National Association	Bonds of 10% Series due 2000*
Seventy-sixth April 1, 1991	Company to Fidelity Bank, National Association	Bonds of Pollution Control Series F and Pollution Control Series G*
Seventy-seventh December 1, 1991	Company to Fidelity Bank, National Association	Bonds of Pollution Control Series H*
Seventy-eighth January 15, 1992	Company to Fidelity Bank, National Association	Bonds of 7-1/2% 1992 Series due 1999*
Seventy-ninth April 1, 1992	Company to Fidelity Bank, National Association	Bonds of 8% Series due 2002*
Eightieth April 1, 1992	Company to Fidelity Bank, National Association	Bonds of 8-3/4% Series due 2022*
Eighty-first June 1, 1992	Company to Fidelity Bank, National Association	Bonds of Pollution Control Series I*
Eighty-second June 1, 1992	Company to Fidelity Bank, National Association	Bonds of 8-5/8% Series due 2022*
Eighty-third July 15, 1992	Company to Fidelity Bank, National Association	Bonds of 7-1/2% Series due 2002*
Eighty-fourth September 1, 1992	Company to Fidelity Bank, National Association	Bonds of 8-1/4% Series due 2022*
Eighty-fifth September 1, 1992	Company to Fidelity Bank, National Association	Bonds of 7-1/8% Series due 2002*

Supplemental Indenture and Date	Parties	Providing for:
Eighty-sixth March 1, 1993	Company to Fidelity Bank, National Association	Bonds of 6-5/8% Series due 2003*
Eighty-Seventh March 1, 1993	Company to Fidelity Bank, National Association	Bonds of 7-3/4% Series due 2023*
Eighty-eighth March 1, 1993	Company to Fidelity Bank, National Association	Bonds of Pollution Control Series J, Pollution Control Series K, Pollution Control Series L and Pollution Control Series M*
Eighty-ninth May 1, 1993	Company to Fidelity Bank, National Association	Bonds of 6-1/2% Series due 2003*
Ninetieth May 1, 1993	Company to Fidelity Bank, National Association	Bonds of 7-3/4% Series 2 due 2023*
Ninety-first August 15, 1993	Company to First Fidelity Bank, N.A., Pennsylvania	Bonds of 7-1/8% Series due 2023*
Ninety-second August 15, 1993	Company to First Fidelity Bank, N.A., Pennsylvania	Bonds of 6-3/8% Series due 2005*
Ninety-third August 15, 1993	Company to First Fidelity Bank, N.A., Pennsylvania	Bonds of 5-3/8% Series due 1998*
Ninety-fourth November 1, 1993	Company to First Fidelity Bank, N.A., Pennsylvania	Bonds of 7-1/4% Series due 2024*
Ninety-fifth November 1, 1993	Company to First Fidelity Bank, N.A., Pennsylvania	Bonds of 5-5/8% Series due 2001*
Ninety-sixth May 1, 1995	Company to First Fidelity Bank, N.A., Pennsylvania	Medium Term Note Series B*
Ninety-seventh October 15, 2001	Company to First Union National Bank (formerly First Fidelity Bank, N.A., Pennsylvania)	Bonds of 5.95% Series due 2011*
Ninety-eighth October 1, 2002	Company to Wachovia Bank, National Association (formerly First Union National Bank)	Bonds of 5.95% Series Due 2011*
Ninety-ninth September 15, 2002	Company to Wachovia Bank, National Association (formerly First Union National Bank)	Bonds of 4.75% Series Due 2012*

*And amendment of certain provisions of the Ninth Supplemental Indenture.

WHEREAS, the respective principal amounts of the bonds of each series presently outstanding under the Mortgage and the several supplemental indentures above referred to, are as follows:

Series		PRINCIPAL AMOUNT
6-1/2%	Series due 2003	200,000,000
6-3/8%	Series due 2005	75,000,000
Pollution Control Series J due 2012		50,000,000
Pollution Control Series K due 2012		50,000,000
Pollution Control Series L due 2012		50,000,000
Pollution Control Series M due 2012		4,200,000
4.75%	Series due 2012	225,000,000
5.95%	Series due 2011	250,000,000
Total		$904,200,000

WHEREAS, the Company deems it advisable and has determined, pursuant to Article XI of the Mortgage,

(a) to convey, pledge, transfer and assign to the Trustee and to subject specifically to the lien of the Mortgage additional property not therein or in any supplemental indenture specifically described but now owned by the Company and acquired by it by purchase or otherwise; and

(b) to create a new series of bonds to be issued from time to time under, and secured by, the Mortgage, to be designated PECO Energy Company First and Refunding Mortgage Bonds, 3.50% Series due 2008, (hereinafter sometimes called the "bonds of the New Series" or the "bonds of the 3.50% Series due 2008"); and for the above-mentioned purposes to execute, deliver and record this Supplemental Indenture; and

WHEREAS, the Company has determined by proper corporate action that the terms, provisions and form of the bonds of the New Series shall be substantially as follows:

(Form of Face of Bond)

PECO ENERGY COMPANY

REGISTERED
NUMBER

REGISTERED

FIRST AND REFUNDING MORTGAGE BOND,
3.50% SERIES DUE 2008,
DUE MAY 1, 2008

PECO Energy Company, a Pennsylvania corporation (hereinafter called the Company), for value received, hereby promises to pay to or registered assigns,

Dollars on May 1, 2008, at the office or agency of the Company, in the City of Philadelphia, Pennsylvania, or, at the option of the holder, at the office or agency of the Company, in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment shall constitute legal tender for the payment of public and private debts, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) thereon from the date hereof at the rate of 3.50 percent per annum in like coin or currency, payable at either of the offices aforesaid on May 1 and November 1, commencing on November 1, 2003, in each year until the Company's obligation with respect to the payment of such principal shall have been discharged.

The Company may fix a date, not more than fourteen calendar days prior to any interest payment date, as a record date for determining the registered holder of this bond entitled to such interest payment, in which case only the registered holder on such record date shall be entitled to receive such payment, notwithstanding any transfer of this bond upon the registration books subsequent to such record date.

This bond shall not be valid or become obligatory for any purpose unless it shall have been authenticated by the certificate of the Trustee under said Mortgage endorsed hereon.

The provisions of this bond are continued on the reverse hereof and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, PECO Energy Company has caused this instrument to be signed in its corporate name with the manual or facsimile signature of its President or a Vice President and its corporate seal to be impressed or a facsimile imprinted hereon, duly attested by the manual or facsimile signature of its Secretary or an Assistant Secretary.

Dated:

PECO ENERGY COMPANY

By_________________________________

President

(SEAL)

Attest:______________________________

Secretary

(Form of Reverse of New Series of Bond)

PECO ENERGY COMPANY
First and Refunding Mortgage Bond,
3.50% Series Due 2008
Due May 1, 2008

(CONTINUED)

This bond is one of a duly authorized issue of bonds of the Company, unlimited as to amount except as provided in the Mortgage hereinafter mentioned or in any indenture supplemental thereto, and is one of a series of said bonds known as First and Refunding Mortgage Bonds, 3.50% Series due 2008. This bond and all other bonds of said issue are issued and to be issued under and pursuant to and are all secured equally and ratably by an indenture of mortgage and deed of trust dated May 1, 1923, duly executed and delivered by The Counties Gas and Electric Company (to which the Company is successor) to Fidelity Trust Company, as Trustee (to which Wachovia Bank, National Association, a national banking association organized and existing under the laws of the United States of America, is successor Trustee), as amended, modified or supplemented by certain supplemental indentures from the Company or its predecessors to said successor Trustee or its predecessors, said mortgage, as so amended, modified or supplemented being herein called the Mortgage. Reference is hereby made to the Mortgage for a statement of the property mortgaged and pledged, the nature and extent of the security, the rights of the holders of said bonds and of the Trustee in respect of such security, the rights, duties and immunities of the Trustee, and the terms and conditions upon which said bonds are and are to be secured, and the circumstances under which additional bonds may be issued.

As provided in the Mortgage, the bonds secured thereby may be for various principal sums and are issuable in series, which series may mature at different times, may bear interest at different rates, and may otherwise vary. The bonds of this series mature on May 1, 2008, and are issuable only in registered form without coupons in any denomination authorized by the Company.

Any bond or bonds of this series may be exchanged for another bond or bonds of this series in a like aggregate principal amount in authorized denominations, upon presentation at the office of the Trustee in the City of Philadelphia, Pennsylvania, or, at the option of the holder, at the office or agency of the Company in the Borough of Manhattan, The City of New York, all subject to the terms of the Mortgage but without any charge other than a sum sufficient to reimburse the Company for any stamp tax or other governmental charge incident to the exchange.

The bonds of this series are redeemable at the option of the Company, as a whole or in part, at any time upon notice sent by the Company through the mail, postage prepaid, at least thirty (30) days and not more than forty-five (45) days prior to the date fixed for redemption, to the registered holder of each bond to be redeemed, addressed to such holder at his address appearing upon the registration books, at a redemption price equal to the greater of (1) 100% of the principal amount of the bonds to be redeemed, plus accrued interest to the redemption date, or (2) as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest on the bonds to be redeemed (not including any portion of payments of interest accrued as of the redemption date) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate plus 15 basis points, plus accrued interest to the redemption date. Unless the Company defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the bonds of this series or portions of the bonds of this series called for redemption.

"Adjusted Treasury Rate" means, with respect to any redemption date, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the redemption date.

"Business Day" means any day that is not a day on which banking institutions in New York City are authorized or required by law or regulation to close.

"Comparable Treasury Issue" means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the bonds of this series that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the bonds of this series.

"Comparable Treasury Price" means, with respect to any redemption date:

- the average of the Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of the Reference Treasury Dealer Quotations; or

- if the Trustee obtains fewer than three Reference Treasury Dealer Quotations, the average of all Reference Treasury Dealer Quotations so received.

"Quotation Agent" means the Reference Treasury Dealer appointed by the Company.

"Reference Treasury Dealer" means (1) each of Banc One Capital Markets, Inc. and Barclays Capital Inc. and their respective successors, unless any of them ceases to be a primary U.S. Government securities dealer in New York City (a "Primary Treasury Dealer"), in which case the Company shall substitute another Primary Treasury Dealer; and (2) any other Primary Treasury Dealer selected by the Company.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by that Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding that redemption date.

The principal of this bond may be declared or may become due on the conditions, in the manner and with the effect provided in the Mortgage upon the happening of an event of default as in the Mortgage provided.

This bond is transferable by the registered holder hereof in person or by attorney, duly authorized in writing, at the office of the Trustee in the City of Philadelphia, Pennsylvania, or, at the option of the holder, at the office or agency of the Company in the Borough of Manhattan, The City of New York, in books of the Company to be kept for that purpose, upon surrender and cancellation hereof, and upon any such transfer, a new registered bond or bonds, without coupons, of this series and for the same aggregate principal amount, will be issued to the transferee in exchange herefor, all subject to the terms of the Mortgage but without payment of any charge other than a sum sufficient to reimburse the Company for any stamp tax or other governmental charge incident to the transfer. The Company, the Trustee, and any paying agent may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal and interest due hereon and for all other purposes, and neither the Company nor the Trustee nor any paying agent shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or interest on this bond to any incorporator or any past, present or future stockholder, officer or director of the Company or of any predecessor or successor corporation, either directly or indirectly, by virtue of any statute or by enforcement of any assessment or otherwise, and any and all liability of the said incorporators, stockholders, officers or directors of the Company or of any predecessor or successor corporation in respect to this bond is hereby expressly waived and released by every holder hereof, except to the extent that such liability may not be waived or released under the provisions of the Securities Act of 1933 or of the rules and regulations of the Securities and Exchange Commission thereunder.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

(End of Form of Reverse of Bond)

and

WHEREAS, on the face of each of the bonds of the New Series, there is to be endorsed a certificate of the Trustee in substantially the following form, to wit:

(Form of Trustee's Certificate)

This bond is one of the bonds, of the series designated therein, provided for in the within-mentioned Mortgage and in the One Hundredth Supplemental Indenture dated as of April 15, 2003.

WACHOVIA BANK, NATIONAL ASSOCIATION

By______________________________
Authorized Officer

and

WHEREAS, all acts and things necessary to make the bonds of the New Series, when duly executed by the Company and authenticated by the Trustee as provided in the Mortgage and indentures supplemental thereto, and issued by the Company, the valid, binding and legal obligations of the Company, and this Supplemental Indenture a valid and enforceable supplement to the Mortgage, have been done, performed and fulfilled and the execution and delivery hereof have been in all respects duly and lawfully authorized.

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

That in order to secure the payment of the principal of and interest on all bonds issued and to be issued under the Mortgage and/or under any indenture supplemental thereto, according to their tenor and effect, and according to the terms of the Mortgage and of any indenture supplemental thereto, and to secure the performance of the covenants and obligations in the bonds and in the Mortgage and any indenture supplemental thereto respectively contained, and for the proper assuring, conveying, and confirming unto the Trustee, its successors in trust and its and their assigns forever, upon the trusts and for the purposes expressed in the Mortgage and in any indentures supplemental thereto, all and singular the estates, property and franchises of the Company thereby mortgaged or intended so to be, the Company, for and in consideration of the premises and of the sum of One Dollar ($1.00) in hand paid by the Trustee to the Company upon the execution and delivery of this Supplemental Indenture, receipt whereof is hereby acknowledged, and of other good and valuable consideration, has granted, bargained, sold, conveyed, released, confirmed, pledged, assigned, transferred and set over and by these presents does grant, bargain, sell, convey, release, confirm, pledge, assign, transfer, and set over to Wachovia Bank, National Association, as Trustee, and to its successors in trust and its and their assigns forever, all the following described property, real, personal and mixed of the Company, viz.:

All of the real property with any improvements thereon erected as may be owned by the Company and described in the Mortgage or in any indenture supplemental thereto as may heretofore have been executed, delivered and recorded, but excluding therefrom all real property heretofore released from the lien of the Mortgage. It is hereby stated that the Company has not acquired title to nor become the owner of any new or additional real property since the execution, delivery and recording of the Ninety-Eighth Supplemental Indenture dated as of October 1, 2002. The purpose of restating such prior conveyances as security is to confirm that the obligations of the Company as provided in this Supplemental Indenture are included within the lien and security of the Mortgage, and that public record be made of such purpose and fact by the recording of this Supplemental Indenture.

Together with all gas works, electric works, plants, buildings, structures, improvements and machinery located upon such real estate or any portion thereof, and all rights, privileges and easements of every kind and nature appurtenant thereto, and all and singular the tenements, hereditaments and appurtenances belonging to the real estate or any part thereof hereinbefore described or referred to or intended so to be, or in any way appertaining thereto, and the reversions, remainders, rents, issues and profits thereof; also all the estate, right, title, interest, property, possession, claim and demand whatsoever, as well in law as in equity, of the Company, of, in and to the same and any and every part thereof, with the appurtenances.

Also all the Company's electric transmission and distribution lines and systems, substations, transforming stations, structures, machinery, apparatus, appliances, devices and appurtenances.

Also all the Company's gas transmission and distribution mains, pipes, pipe lines and systems, storage facilities, structures, machinery, apparatus, appliances, devices and appurtenances.

Also all plants, systems, works, improvements, buildings, structures, fixtures, appliances, engines, furnaces, boilers, machinery, retorts, tanks, condensers, pumps, gas tanks, holders, reservoirs, expansion tanks, gas mains and pipes, tunnels, service pipe, pipe lines, fittings, gates, valves, connections, gas and electric meters, generators, dynamos, fans, supplies, tools and implements, tracks, sidings, motor and other vehicles, all electric light lines, electric power lines, transmission lines, distribution lines, conduits, cables, stations, substations, and distributing systems, motors, conductors, converters, switchboards, shafting, belting, wires, mains, feeders, poles, towers, mast arms, brackets, pipes, lamps, insulators, house wiring connections and all instruments, appliances, apparatus, fixtures, fittings and equipment and all stores, repair parts, materials and supplies of every nature and kind whatsoever now or hereafter owned by the Company in connection with or appurtenant to its plants and systems for production, purchase, storage, transmission, distribution, utilization and sale of gas and its by-products and residual products, and/or for the generation, production, purchase, storage, transmission, distribution, utilization and sale of electricity, or in connection with such business.

Also all the goodwill of the business of the Company, and all rights, claims, contracts, leases, patents, patent rights, and agreements, all accounts receivable, accounts, claims, demands, choses in action, books of account, cash assets, franchises, ordinances, rights, powers, easements, water rights, riparian rights, licenses, privileges, immunities, concessions and consents now or hereafter owned by the Company in connection with or appurtenant to its said business.

Also all the right, title and interest of the Company in and to all contracts for the purchase, sale or supply of gas, and its by-products and residual products of electricity and electrical energy, now or hereafter entered into by the Company with the right on the part of the Trustee, upon the happening of an event of default as defined in the Mortgage as supplemented by any supplemental indenture, to require a specific assignment of any and all such contracts, whenever it shall request the Company to make the same.

Also all rents, tolls, earnings, profits, revenues, dividends and income arising or to arise from any property now owned, leased, operated or controlled or hereafter acquired, leased, operated or controlled by the Company and subject to the lien of the Mortgage and indentures supplemental thereto.

Also all the estate, right, title and interest of the Company, as lessee, in and to any and all demised premises under any and all agreements of lease now or at any time hereafter in force, insofar as the same may now or hereafter be assignable by the Company.

Also all other property, real, personal and mixed not hereinbefore specified or referred to, of every kind and nature whatsoever, now owned, or which may hereafter be owned by the Company (except shares of stock, bonds or other securities not now or hereafter specifically pledged under the Mortgage and indentures supplemental thereto or required to be pledged thereunder by the provisions of the Mortgage or any indenture supplemental thereto), together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining and the reversions, remainder or remainders, rents, issues and profits thereof; and also all the estate, right, title, interest, property, claim and demand whatsoever as well in law as in equity of the Company of, in and to the same and every part and parcel thereof.

It is the intention and it is hereby agreed that all property and the earnings and income thereof acquired by the Company after the date hereof shall be as fully embraced within the provisions hereof and subject to the lien hereby created for securing the payment of all bonds, together with the interest thereon, as if the property were now owned by the Company and were specifically described herein and conveyed hereby, provided nevertheless, that no shares of stock, bonds or other securities now or hereafter owned by the Company, shall be subject to the lien of the Mortgage and indentures supplemental thereto unless now or hereafter specifically pledged or required to be pledged thereunder by the provisions of the Mortgage or any indenture supplemental thereto.

TO HAVE AND TO HOLD, all and singular the property, rights, privileges and franchises hereby conveyed, transferred or pledged or intended so to be, including after-acquired property, together with all and singular the reversions, remainders, rents, revenues, income, issues and profits, privileges and appurtenances, now or hereafter belonging or in any way appertaining thereto, unto the Trustee and its successors in the trust hereby created, and its and their assigns forever;

IN TRUST NEVERTHELESS, for the equal and pro rata benefit and security of each and every person or corporation who may be or become the holders of bonds secured by the Mortgage and indentures supplemental thereto, without preference, priority or distinction (except as provided in Section 1 of Article VIII of the Mortgage) as to lien or otherwise of any bond of any series over or from any other bond, so that (except as aforesaid) each and every of the bonds issued or to be issued, of whatsoever series, shall have the same right, lien, privilege under the Mortgage and indentures supplemental thereto and shall be equally secured thereby and hereby, with the same effect as if the bonds had all been made, issued and negotiated simultaneously on the date of the Mortgage.

AND THIS SUPPLEMENTAL INDENTURE FURTHER WITNESSETH:

It is hereby covenanted that all bonds secured by the Mortgage and indentures supplemental thereto with the coupons appertaining thereto, are issued to and accepted by each and every holder thereof, and that the property aforesaid and all other property subject to the lien of the Mortgage and indentures supplemental thereto is held by or hereby conveyed to the Trustee, under and subject to the trusts, conditions and limitations set forth in the Mortgage and indentures supplemental thereto and upon and subject to the further trusts, conditions and limitations hereinafter set forth, as follows, to wit:

ARTICLE I.

AMENDMENTS OF MORTGAGE

Article II of the Ninth Supplemental Indenture to the Mortgage, as heretofore amended, is hereby further amended as follows:

By adding to paragraph (d) of Section 5 and to the first clause of Section 9, the following:

"3.50% Series due 2008"

ARTICLE II.
BONDS OF THE NEW SERIES

Section 1. The bonds of the New Series shall be designated as hereinabove specified for such designation in the recital immediately preceding the form of bonds of the New Series, subject however, to the provisions of Section 2 of Article I of the Mortgage, as amended, and are issuable only as registered bonds without coupons, substantially in the form hereinbefore recited; and the issue thereof shall be limited to $450,000,000 principal amount.

The bonds of the New Series shall bear interest from the date thereof and shall be dated as of the interest payment date to which interest was paid next preceding the date of issue unless (a) such date of issue is an interest payment date to which interest was paid, in which event such bonds shall be dated as of such interest payment date, or (b) issued prior to the occurrence of the first interest payment date on which interest is to be paid, in which event such bonds shall be dated April 28, 2003. The bonds of the New Series shall mature on May 1, 2008.

The bonds of the New Series shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) at the rate provided in the form of bond hereinbefore recited, payable on May 1 and November 1 in each year commencing on November 1, 2003 until the Company's obligation with respect to the payment of principal thereof shall have been discharged. Both principal and interest on bonds of the New Series shall be payable at the office or agency of the Company in the City of Philadelphia, Pennsylvania, or, at the option of the holder, at the office or agency of the Company in the Borough of Manhattan, The City of New York, and shall be payable in such coin or currency of the United States of America as at the time of payment shall constitute legal tender for the payment of public and private debts.

The bonds of the New Series shall be in any denomination authorized by the Company.

Any bond or bonds of the New Series shall be exchangeable for another bond or bonds of the New Series in a like aggregate principal amount. Any such exchange may be made upon presentation at the office of the Trustee in the City of Philadelphia, Pennsylvania, or, at the option of the holder, at the office or agency of the Company in the Borough of Manhattan, The City of New York, without any charge other than a sum sufficient to reimburse the Company for any stamp tax or other governmental charge incident to the exchange.

Section 2. (a) Initially, the bonds of the New Series shall be issued pursuant to a book-entry system administered by The Depository Trust Company (or its successor, referred to herein as the "Depository") as a global security with no physical distribution of bond certificates to be made except as provided in this Section 2. Any provisions of the Mortgage or the bonds of the New Series requiring physical delivery of bonds shall, with respect to any bonds of the New Series held under the book-entry system, be deemed to be satisfied by a notation on the bond registration books maintained by the Trustee that such bonds are subject to the book-entry system.

(b) So long as the book-entry system is being used, one or more bonds of the New Series in the aggregate principal amount of the bonds of the New Series and registered in the name of the Depository's nominee (the "Nominee") will be issued and required to be deposited with the Depository and held in its custody. The book-entry system will be maintained by the Depository and its participants and indirect participants and will evidence beneficial ownership of the bonds of the New Series, with transfers of ownership effected on the records of the Depository, the participants and the indirect participants pursuant to rules and procedures established by the Depository, the participants and the indirect participants. The principal of and any premium on each bond of the New Series shall be payable to the Nominee or any other person appearing on the registration books as the registered holder of such bond or its registered assigns or legal representative at the office of the office or agency of the Company in the City of Philadelphia, Pennsylvania or the Borough of Manhattan, The City of New York. So long as the book-entry system is in effect, the Depository will be recognized as the holder of the bonds of the New Series for all purposes. Transfers of principal, interest and any premium payments or notices to participants and indirect participants will be the responsibility of the Depository, and transfers of principal, interest and any premium payments or notices to beneficial owners will be the responsibility of participants and indirect participants. No other party will be responsible or liable for such transfers of payments or notices or for maintaining, supervising or reviewing such records maintained by the Depository, the participants or the indirect participants. While the Nominee or the Depository, as the case may be, is the registered owner of the bonds of the New Series, notwithstanding any other provisions set forth herein, payments of principal of, redemption premium, if any, and interest on the bonds of the New Series shall be made to the Nominee or the Depository, as the case may be, by wire transfer in immediately available funds to the account of such holder. Without notice to or consent of the beneficial owners, the Trustee with the consent of the Company and the Depository may agree in writing to make payments of principal, redemption price and interest in a manner different from that set forth herein. In such event, the Trustee shall make payment with respect to the bonds of the New Series in such manner as if set forth herein.

(c) The Company may at any time elect (i) to provide for the replacement of any Depository as the depository for the bonds of the New Series with another qualified depository, or (ii) to discontinue the maintenance of the bonds of the New Series under book-entry system. In such event, the Trustee shall give 30 days prior notice of such election to the Depository (or such fewer number of days acceptable to such Depository).

(d) Upon the discontinuance of the maintenance of the bonds of the New Series under a book-entry system, the Company will cause the bonds to be issued directly to the beneficial owners of the bonds of the New Series, or their designees, as further described below. In such event, the Trustee shall make provisions to notify participants and beneficial owners of the bonds of the New Series, by mailing an appropriate notice to the Depository, that bonds of the New Series will be directly issued to beneficial owners of the bonds as of a date set forth in such notice (or such fewer number of days acceptable to such Depository).

(e) In the event that bonds of the New Series are to be issued to beneficial owners of the bonds, or their designees, the Company shall promptly have bonds of the New Series prepared in certificated form registered in the names of the beneficial owners of such bonds shown on the records of the participants provided to the Trustee, as of the date set forth in the notice above. Bonds issued to beneficial owners, or their designees shall be substantially in the form set forth in this Supplemental Indenture, but will not include the provision related to global securities.

(f) If the Depository is replaced as the depository for the bonds of the New Series with another qualified depository, the Company will issue a replacement global security substantially in the form set forth in this Supplemental Indenture.

(g) The Company and the Trustee shall have no liability for the failure of any Depository to perform its obligations to any participant, any indirect participant or any beneficial owner of any bonds of the New Series, and the Company and the Trustee shall not be liable for the failure of any participant, indirect participant or other nominee of any beneficial owner or any bonds of the New Series to perform any obligation that such participant, indirect participant or other nominee may incur to any beneficial owner of the bonds of the New Series.

(h) Notwithstanding any other provision of the Mortgage, on or prior to the date of issuance of the bonds of the New Series the Trustee shall have executed and delivered to the initial Depository a Letter of Representations governing various matters relating to the Depository and its activities pertaining to the bonds of the New Series. The terms and provisions of such Letter of Representations are incorporated herein by reference and, in the event there shall exist any inconsistency between the substantive provisions of the said Letter of Representations and any provisions of the Mortgage, then, for as long as the initial Depository shall serve as depository with respect to the bonds of the New Series, the terms of the Letter of Representations shall govern.

(i) The Company and the Trustee may rely conclusively upon (i) a certificate of the Depository as to the identity of a participant in the book-entry system; (ii) a certificate of any participant as to the identity of any indirect participant and (iii) a certificate of any participant or any indirect participant as to the identity of, and the respective principal amount of bonds of the New Series owned by, beneficial owners.

Section 3. So long as the bonds of the New Series are held by The Depository Trust Company, such bonds of the New Series shall bear the following legend:

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

Section 4. So long as any of the bonds of the New Series remain outstanding, the Company shall keep at its office or agency in the Borough of Manhattan, The City of New York, as well as at the office of the Trustee in the City of Philadelphia, Pennsylvania, books for the registry and transfer of outstanding bonds of the New Series, in accordance with the terms and provisions of the bonds of the New Series and the provisions of Section 8 of Article I of said Mortgage.

Section 5. So long as any bonds of the New Series remain outstanding, the Company shall maintain an office or agency in the City of Philadelphia, Pennsylvania, and an office or agency in the Borough of Manhattan, The City of New York, for the payment upon proper demand of the principal of, the interest on, or the redemption price of the outstanding bonds of the New Series, and will from time to time give notice to the Trustee of the location of such office or agency. In case the Company shall fail to maintain for such purpose an office or agency in the City of Philadelphia or shall fail to give such notice of the location thereof, then notices, presentations and demands in respect of the bonds of the New Series may be given or made to or upon the Trustee at its office in the City of Philadelphia and the principal of, the interest on, and the redemption price of said bonds in such event be payable at said office of the Trustee. All bonds of the New Series when paid shall forthwith be cancelled.

Section 6. The Company may fix a date, not more than fourteen calendar days prior to any interest payment date, as a record date for determining the registered holder of each bond of the New Series entitled to such interest payment, in which case only the registered holder of such bond on such record date shall be entitled to receive such payment, notwithstanding any transfer of such bond upon the registration books subsequent to such record date.

Section 7. The bonds of the New Series shall be issued under and subject to all of the terms and provisions of the Mortgage, of the indentures supplemental thereto referred to in the recitals hereof and of this Supplemental Indenture which may be applicable to such bonds or applicable to all bonds issued under the Mortgage and indentures supplemental thereto.

ARTICLE III.

ISSUE AND AUTHENTICATION OF BONDS OF THE NEW SERIES

In addition to any bonds of any series which may from time to time be executed by the Company and authenticated and delivered by the Trustee upon compliance with the provisions of the Mortgage and/or of any indenture supplemental thereto, bonds of the New Series of an aggregate principal amount not exceeding $450,000,000 shall forthwith be executed by the Company and delivered to the Trustee, and the Trustee shall thereupon, whether or not this Supplemental Indenture shall have been recorded, authenticate and deliver said bonds to or upon the written order of the President, a Vice President, or the Treasurer of the Company, under the terms and provisions of paragraph (c) of Section 3 of Article II of the Mortgage, as amended.

ARTICLE IV.

REDEMPTION OF BONDS OF THE NEW SERIES

Section 1. The bonds of the New Series shall be redeemable, at the option of the Company, as a whole or in part, at any time upon notice sent by the Company through the mail, postage prepaid, at least thirty (30) days and not more than forty-five (45) days prior to the date fixed for redemption, to the registered holder of each bond to be redeemed in whole or in part, addressed to such holder at his address appearing upon the registration books, at a redemption price equal to the greater of (1) 100% of the principal amount of the bonds to be redeemed, plus accrued interest to the redemption date, or (2) as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest on the bonds to be redeemed (not including any portion of payments of interest accrued as of the redemption date) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate plus 15 basis points, plus accrued interest to the redemption date. Unless the Company defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the bonds of this series or portions of the bonds of this series called for redemption.

"Adjusted Treasury Rate" means, with respect to any redemption date, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the redemption date.

"Business Day" means any day that is not a day on which banking institutions in New York City are authorized or required by law or regulation to close.

"Comparable Treasury Issue" means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the bonds of this series that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the bonds of the New Series.

"Comparable Treasury Price" means, with respect to any redemption date:

- the average of the Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of the Reference Treasury Dealer Quotations; or

- if the Trustee obtains fewer than three Reference Treasury Dealer Quotations, the average of all Reference Treasury Dealer Quotations so received.

"Reference Treasury Dealer" means (1) each of Banc One Capital Markets, Inc. and Barclays Capital Inc. and their respective successors, unless any of them ceases to be a primary U.S. Government securities dealer in New York City (a "Primary Treasury Dealer"), in which case the Company shall substitute another Primary Treasury Dealer; and (2) any other Primary Treasury Dealer selected by the Company.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by that Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding that redemption date.

Section 2. In case the Company shall desire to exercise such right to redeem and pay off all or any part of such bonds of the New Series as hereinbefore provided it shall comply with all the terms and provisions of Article III of the Mortgage, as amended, applicable thereto, and such redemption shall be made under and subject to the terms and provisions of Article III and in the manner and with the effect therein provided, but at the time or times and upon mailing of notice, all as hereinbefore set forth in Section 1 of this Article. No publication of notice of any redemption of any bonds of the New Series shall be required.

ARTICLE V.

CERTAIN EVENTS OF DEFAULT; REMEDIES

Section 1. So long as any bonds of the New Series remain outstanding, in case one or more of the following events shall happen, such events shall, in addition to the events of default heretofore enumerated in paragraphs (a) throughout (d) of Section 2 of Article VIII of the Mortgage, constitute an "event of default" under the Mortgage, as fully as if such events were enumerated therein:

(e) default shall be made in the due and punctual payment of the principal (including the full amount of any applicable optional redemption price) of any bond or bonds of the New Series whether at the maturity of said bonds, or at a date fixed for redemption of said bonds, or any of them, or by declaration as authorized by the Mortgage;

Section 2. So long as any bonds of the New Series remain outstanding, Section 10 of Article VIII of the Mortgage, as heretofore amended, is hereby further amended by inserting in the first paragraph of such Section 10, immediately after the words "as herein provided," at the end of clause (2) thereof, the following:

"or (3) in case default shall be made in any payment of any interest on any bond or bonds secured by this indenture or in the payment of the principal (including any applicable optional redemption price) of any bond or bonds secured by this indenture, where such default is not of the character referred to in clause (1) or (2) of this Section 10 but constitutes an event of default within the meaning of Section 2 of this Article VIII."

ARTICLE VI.

CONCERNING THE TRUSTEE

The Trustee hereby accepts the trust herein declared and provided and agrees to perform the same upon the terms and conditions set forth in the Mortgage, as amended and supplemented, and upon the following terms and conditions:

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity of this Supplemental Indenture or the due execution hereof by the Company or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely.

ARTICLE VII.

MISCELLANEOUS

Section 3. Unless otherwise clearly required by the context, the term "Trustee," or any other equivalent term used in this Supplemental Indenture, shall be held and construed to mean the trustee under the Mortgage for the time being whether the original or a successor trustee.

Section 4. The headings of the Articles of this Supplemental Indenture are inserted for convenience of reference only and are not to be taken to be any part of this Supplemental Indenture or to control or affect the meaning of the same.

Section 5. Nothing expressed or mentioned in or to be implied from this Supplemental Indenture or in or from the bonds of the New Series is intended, or shall be construed, to give any person or corporation, other than the parties hereto and their respective successors, and the holders of bonds secured by the Mortgage and the indentures supplemental thereto, any legal or equitable right, remedy or claim under or in respect of such bonds or the Mortgage or any indenture supplemental thereto, or any covenant, condition or provision therein or in this Supplemental Indenture contained. All the covenants, conditions and provisions thereof and hereof are for the sole and exclusive benefit of the parties hereto and their successors and of the holders of bonds secured by the Mortgage and indentures supplemental thereto.

Section 6. This Supplemental Indenture may be executed in several counterparts, each of which shall be an original and all collectively but one instrument.

Section 7. This Supplemental Indenture is dated and shall be effective as of April 15, 2003, but was actually executed and delivered on April 21, 2003.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties of the first and second parts hereto have caused their corporate seals to be hereunto affixed and the President or a Vice President of the party of the first part and the President or a Vice President of the party of the second part, under and by the authority vested in them, have hereto affixed their signatures and their Secretaries or Assistant Secretaries have duly attested the execution hereof the 21st day of April, 2003.

PECO ENERGY COMPANY

By____________________________
F. F. Frankowski
Vice President

[SEAL]

Attest__________________________
T. D. Cutler
Assistant Secretary

WACHOVIA BANK, NATIONAL ASSOCIATION

By_____________________________
G. J. Rayzis
Vice President

[SEAL]

Attest___________________________
J. M. Matthews
Assistant Secretary

COMMONWEALTH OF PENNSYLVANIA

ss.

COUNTY OF PHILADELPHIA

BE IT REMEMBERED, that on the 21st day of April, 2003, before me, a Notary Public in and for said County and Commonwealth, residing in Philadelphia, personally came T. D. Cutler, who being duly sworn according to law deposes and says that he was personally present and did see the common or corporate seal of the above named PECO Energy Company affixed to the foregoing Supplemental Indenture, that the seal so affixed is the common or corporate seal of the said PECO Energy Company, and was so affixed by the authority of the said corporation as the act and deed thereof; that the above named F. F. Frankowski is a Vice President of the said corporation, and did sign the said Supplemental Indenture as such in the presence of this deponent that this deponent is Assistant Secretary of the said corporation; and the name of the deponent, above signed in attestation of the due execution of the said Supplemental Indenture, is in this deponent's own proper handwriting.

Sworn to and subscribed before me the day and year aforesaid.

Notarial Seal

Notary Public, City of Philadelphia,
Philadelphia County
My Commission Expires ______, ____

[SEAL]

COMMONWEALTH OF PENNSYLVANIA

ss.

COUNTY OF PHILADELPHIA

BE IT REMEMBERED, that on the 21st day of April, 2003, before me, the subscriber, a Notary Public in and for said County and Commonwealth, residing in Philadelphia, personally came J. M. Matthews, who being duly sworn according to law deposes and says that he was personally present and did see the common or corporate seal of the above named Wachovia Bank, National Association, affixed to the foregoing Supplemental Indenture, that the seal so affixed is the common or corporate seal of the said Wachovia Bank, National Association, and was so affixed by the authority of the said corporation as the act and deed thereof, that the above named G. J. Rayzis is a Vice President of the said corporation, and did sign the said Supplemental Indenture as such in the presence of this deponent; that this deponent is an Assistant Secretary of the said corporation; and that the name of this deponent, above signed in attestation of the due execution of the said Supplemental Indenture, is in this deponent's own proper handwriting.

Sworn to and subscribed before me the day and year aforesaid.

I hereby certify that I am not an officer of director of said Wachovia Bank, National Association.

Notarial Seal
____________, Notary Public,
City of Philadelphia, Philadelphia County
My Commission Expires ______, ____

[SEAL]

CERTIFICATE OF RESIDENCE

Wachovia Bank, National Association, Mortgagee and Trustee within named, hereby certifies that its precise residence in the City of Philadelphia is N.E. Cor. Broad and Walnut Streets in the City of Philadelphia, Pennsylvania.

WACHOVIA BANK, NATIONAL ASSOCIATION

By_______________________________
G. J. Rayzis
Vice President

Exhibit 99-1

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the Quarterly Report on Form 10-Q of Exelon Corporation for the quarterly period ended March 31, 2003, 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: May 2, 2003

/s/ John W. Rowe

John W. Rowe
Chairman, President and
Chief Executive Officer

Exhibit 99-2

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the Quarterly Report of Form 10-Q of Exelon Corporation for the quarterly period ended March 31, 2003, 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: May 2, 2003

/s/ Robert S. Shapard

Robert S. Shapard
Executive Vice President and
Chief Financial Officer

Exhibit 99-3

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the Quarterly Report of Form 10-Q of Commonwealth Edison Company for the quarterly period ended March 31, 2003, 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: May 2, 2003

/s/ Pamela B. Strobel

Pamela B. Strobel
Chair

Exhibit 99-4

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the Quarterly Report of Form 10-Q of Commonwealth Edison Company for the quarterly period ended March 31, 2003, 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: May 2, 2003

/s/ Robert S. Shapard

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

Exhibit 99-5

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States
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Code
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The undersigned officer hereby certifies, as to the Quarterly Report of Form 10-Q of PECO Energy Company for the quarterly period ended March 31, 2003, 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: May 2, 2003

/s/ Pamela B. Strobel

Pamela B. Strobel
Chair

Exhibit 99-6

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the Quarterly Report of Form 10-Q of PECO Energy Company for the quarterly period ended March 31, 2003, 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: May 2, 2003

/s/ Robert S. Shapard

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

Exhibit 99-7

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the Quarterly Report of Form 10-Q of Exelon Generation Company, LLC for the quarterly period ended March 31, 2003, 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: May 2, 2003

/s/ Oliver D. Kingsley Jr.

Oliver D. Kingsley Jr.
Chief Executive Officer and
President

Exhibit 99-8

Certificate Pursuant to Section 1350 of Chapter 63 of Title 18 United States Code

The undersigned officer hereby certifies, as to the Quarterly Report of Form 10-Q of Exelon Generation Company, LLC for the quarterly period ended March 31, 2003, 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: May 2, 2003

/s/ Robert S. Shapard

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