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

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001 OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number	Name of Registrant; State of Incorporation; Address of Principal Executive Offices; and Telephone Number	IRS Employer Identification Number
1-16169	EXELON CORPORATION (a Pennsylvania corporation) 10 South Dearborn Street - 37th Floor P.O. Box 805379 Chicago, Illinois 60680-5379 (312) 394-4321	23-2990190
1-1839	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

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

Title of Each Class	Name of Each Exchange on Which Registered
EXELON CORPORATION:	
Common Stock, without par value	New York, Chicago and Philadelphia
COMMONWEALTH EDISON COMPANY:	
Company-Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trust Holding Solely Commonwealth Edison Company's 8.48% Subordinated Debt Securities and unconditionally guaranteed by Commonwealth Edison Company	New York
PECO ENERGY COMPANY:	
First and Refunding Mortgage Bonds: 6-3/8% Series due 2005, and 6-1/2% Series due 2003	New York

Cumulative
Preferred
Stock, without
par value:
$4.68 Series,
$4.40 New York
Series, $4.30
Series and
$3.80 Series
Trust Receipts
of PECO Energy
Capital Trust
II, each
representing an
New York 8.00%
Cumulative
Monthly Income
Preferred
Security,
Series C, $25
stated value,
issued by PECO
Energy Capital,
L.P. and
unconditionally
guaranteed by
PECO Energy
Company Trust
Receipts of
PECO Energy
Capital Trust
III, each
representing a
New York 7.38%
Cumulative
Preferred
Security,
Series D, $25
stated value,
issued by PECO
Energy Capital,
L.P. and
unconditionally
guaranteed by
PECO Energy
Company

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

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

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

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

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

The estimated aggregate market value of the voting and non-voting common equity held by nonaffiliates of each registrant as of March 1, 2002, was as follows:

Exelon
Corporation
Common Stock,
without par
value
$15,839,570,208
Commonwealth
Edison Company
Common Stock,
$12.50 par
value No
established
market PECO
Energy Company
Common Stock,
without par
value None The
number of
shares
outstanding of
each
registrant's
common stock as
of March 1,

2002 was as follows: Exelon Corporation Common Stock, without par value 321,419,850 Commonwealth Edison Company Common Stock, $12.50 par value 127,016,373 PECO Energy Company Common Stock, without par value 170,478,507

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of Exelon Corporation's Current Report on Form 8-K dated February 28, 2002 containing consolidated financial statements and related information for the year ended December 31, 2001, are incorporated by reference into Parts I, II and IV of this Annual Report on Form 10-K. Portions of Exelon Corporation's definitive Proxy Statement filed on March 13, 2002 relating to its annual meeting of shareholders, are incorporated by reference into Part III of this Annual Report on Form 10-K.

Portions of Commonwealth Edison Company's definitive Information Statement to be filed prior to April 30, 2002, relating to its annual meeting of shareholders, are incorporated by reference into Part III of this Annual Report on Form 10-K.

Portions of PECO Energy Company's definitive Information Statement to be filed prior to April 30, 2002, relating to its annual meeting of shareholders, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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

TABLE OF CONTENTS

		PAGE NO.
FORWARD LOOKING STATEMENTS		1
PART I		
ITEM 1.	BUSINESS	2
	General	2
	Energy Delivery	3
	Generation	11
	Enterprises	26
	Employees	27
	Environmental Regulation	28
	Other Subsidiaries of ComEd and PECO with Publicly Held Securities	32
	Executive Officers of the Registrants	34
ITEM 2.	PROPERTIES	36
ITEM 3.	LEGAL PROCEEDINGS	39
ITEM 4.	SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS	42
PART II		
ITEM 5.	MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS	43
ITEM 6.	SELECTED FINANCIAL DATA	44
ITEM 7.	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	47
ITEM 7A.	QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	81
ITEM 8.	FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA	84
ITEM 9.	CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	145
PART III		
ITEM 10.	DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT	146
ITEM 11.	EXECUTIVE COMPENSATION	146
ITEM 12.	SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	147
ITEM 13.	CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	148
PART IV		
ITEM 14.	EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K	149
SIGNATURES		166

FORWARD-LOOKING STATEMENTS

Except for the historical information contained herein, certain of the matters discussed in this Report are forward-looking statements that are subject to risks and uncertainties. The factors that could cause actual results to differ materially include those discussed herein as well as those listed in ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Outlook and in ITEM 8. Financial Statements and Supplementary Data, Notes to Consolidated Financial Statements; Exelon - Note 20; ComEd - Note 16; and PECO Note 18 and other factors discussed in Exelon Corporation (Exelon), Commonwealth Edison Company (ComEd) and PECO Energy Company's (PECO) filings with the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Report. Exelon, ComEd and PECO undertake no obligation to publicly release any revision to these forward-looking statements to reflect events or circumstances after the date of this Report.

PART I

ITEM 1. BUSINESS.

GENERAL

Exelon Corporation (Exelon) was incorporated in Pennsylvania in February 1999. On October 20, 2000, Exelon became the parent corporation for each of Commonwealth Edison Company (ComEd) and PECO Energy Company (PECO) as a result of the completion of the transactions contemplated by an Agreement and Plan of Exchange and Merger, as amended, among PECO, Unicom Corporation (Unicom) and Exelon (Merger). The Merger was accounted for using the purchase method of accounting.

During January 2001, Exelon undertook a restructuring to separate its generation and other competitive businesses from its regulated energy delivery business at ComEd and PECO. As part of the restructuring, the generation-related operations and assets and liabilities of ComEd were transferred to Exelon Generation Company, LLC (Generation). Also, as part of the restructuring, the non-regulated operations and related assets and liabilities of PECO, representing PECO's generation and enterprises business segments, were transferred to Generation and Exelon Enterprises Company, LLC (Enterprises), respectively. Additionally, certain operations and assets and liabilities of ComEd and PECO were transferred to Exelon Business Services Company (BSC).

Exelon, through its subsidiaries, operates in three business segments:

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

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

- Enterprises, consisting of competitive retail energy sales, energy and infrastructure services, communications and other investments weighted towards the communications, energy services and retail services industries.

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

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

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

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

ENERGY DELIVERY

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

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

ComEd's retail service territory has an area of approximately 11,300 square miles and an estimated population of approximately 8 million as of December 31, 2001. The service territory includes the City of Chicago, an area of about 225 square miles with an estimated population of approximately 3 million. ComEd had approximately 3.6 million customers at December 31, 2001.

ComEd's franchises are sufficient to permit it to engage in the business it now conducts. ComEd's franchise rights are generally nonexclusive rights documented in agreements and, in some cases, certificates of public convenience issued by the ICC. With few exceptions, the franchise rights have stated expiration dates ranging from 2002 to 2050 and subsequent years.

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

PECO's traditional retail service territory covers 2,107 square miles in southeastern Pennsylvania. PECO provides electric delivery service in an area of 1,972 square miles, with a population of approximately 3.8 million, including 1.5 million in the City of Philadelphia. Natural gas service is supplied in a 1,625 square mile area in southeastern Pennsylvania adjacent to Philadelphia, with a population of 2.3 million. PECO delivers electricity to approximately 1.5 million customers and natural gas to approximately 440,000 customers.

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

As a result of Exelon's restructuring to separate its regulated and competitive businesses, effective January 1, 2001, both ComEd and PECO transferred their assets and liabilities unrelated to energy delivery to other subsidiaries of Exelon. In the case of ComEd, the assets and liabilities transferred included nuclear generation and wholesale power marketing operations and some administrative functions. In the case of PECO, the assets and liabilities transferred related to nuclear, fossil and hydroelectric generation and wholesale power marketing; unregulated ventures and activities, including communications, infrastructure services and unregulated gas and electric sales activities; and administrative, information technology and other support for other business activities of Exelon and its subsidiaries.

Energy Delivery's kilowatthour (kWh) sales and load are generally higher, primarily during the summer periods but also during the winter periods, when temperature extremes create demand for either summer cooling or winter heating. ComEd's highest peak load experienced to date occurred on August 9, 2001 and was 21,574 megawatts (MWs), and the highest peak load experienced to date during a winter season occurred on December 20, 1999 and was 14,484 MWs. PECO's highest peak load experienced to date occurred on July 6, 1999 and was 7,959 MWs; and the highest peak load experienced to date during a winter season occurred on January 17, 2000 and was 6,135 MWs.

RETAIL ELECTRIC SERVICES

Electric utility restructuring legislation was adopted in Pennsylvania in December 1996 and in Illinois in December 1997. Both states, through their regulatory agencies, established a phased approach to competition, allowing customers to choose an alternative electric generation supplier; required rate reductions and imposed caps on rates during a transition period; and allowed the collection of competitive transition charges (CTCs) from customers to recover costs that might not otherwise be recovered in a competitive market (stranded costs). Under the restructuring initiatives adopted at the Federal and state levels, the role of electric utilities in the supply and delivery of energy is changing.

Provider of last resort (POLR) obligations refer to the obligation of a utility to provide generation services (i.e., power and energy) to those customers who do not take service from an alternative generation supplier or who choose to come back to the utility after taking service from an alternative supplier. Because the choice lies with the customer, these obligations make it difficult for the utility to predict and plan for the level of customers and associated energy demand. If these obligations remain unchanged, the utility could be required to maintain reserves sufficient to serve 100% of the service territory load at a tariffed rate on the chance that customers who switched to new suppliers decide to come back to the utility as a "last resort" option. A significant over or under estimation of such reserves may cause commodity price risks for suppliers. ComEd and PECO continue to be obligated to provide a reliable delivery system under cost-based rates.

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

ComEd. Under the Illinois legislation, as of December 31, 2000, all non-residential customers were eligible to choose a new electric supplier or elect the power purchase option (PPO), which allows the purchase of electric energy from ComEd at market-based prices. As of December 31, 2001, approximately 18,700 non-residential customers, representing approximately 22% of ComEd's annual retail kWh sales, had elected to receive their electric energy from an alternative retail electric supplier (ARES) or had chosen the PPO. Customers who receive energy from an ARES continue to pay a delivery charge. ComEd's residential customers become eligible to choose a new electric supplier in May 2002.

In addition to retail competition for generation services, the Illinois legislation provided for residential base rate reductions, a sharing with customers of any earnings over a defined threshold and a base rate freeze, reflecting the residential base rate reductions, through January 1, 2005. A 15% residential base rate reduction became effective on August 1, 1998 and a further 5% residential base rate reduction became effective in October 2001. A utility may request a rate increase during the rate freeze period only when necessary to ensure the utility's financial viability. Under the Illinois legislation, if the earned return on common equity of a utility during this period exceeds an established threshold, one-half of the excess earnings must be refunded to customers. The threshold rate of return on common equity is based on the 30-Year Treasury Bond rate plus 8.5% in the years 2000 through 2004. Earnings for purposes of ComEd's threshold include ComEd's net income calculated in accordance with generally accepted accounting principles and reflect the amortization of regulatory assets and goodwill. As a result of the Illinois legislation, at December 31, 2001, ComEd had a regulatory asset with an unamortized balance of $277 million that it expects to fully recover and amortize by the end of 2004. Consistent with the provisions 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 earned return on common equity and the threshold return on common equity for ComEd are each calculated on a two-year average basis. ComEd did not trigger the earnings sharing provision in 2000 or 2001 and does not currently expect to trigger the earnings sharing provisions in the years 2002 through 2004.

The Illinois legislation also provided for the collection of a CTC from customers who choose to purchase electric energy from an ARES or elect the PPO during a transition period that

extends through 2006. The CTC, which was established as of October 1, 1999 and is applied on a cents per kWh basis, considers the revenue that would have been collected from a customer under tariffed rates, reduced by the revenue the utility will receive for providing delivery services to the customer, the market price for electricity and a defined mitigation factor, which represents the utility's opportunity to develop new revenue sources and achieve cost savings. The CTC allows ComEd to recover some of its costs that might otherwise be unrecoverable under market-based rates.

As part of a settlement agreement between ComEd and the City of Chicago relating to ComEd's Chicago franchise agreement, ComEd and Chicago agreed to a revised combination of ongoing work under the franchise agreement and new initiatives that total approximately $1 billion in defined transmission and distribution expenditures by ComEd to improve electric service in Chicago, of which approximately $940 million has been expended through December 31, 2001. The Illinois legislation also committed ComEd to spend at least $2 billion during the period 1999 through 2004 on transmission and distribution facilities outside of Chicago, which has been expended as of December 31, 2001. In addition, ComEd conducted an extensive evaluation of the reliability of its transmission and distribution systems in response to several outages in the summer of 1999. As a result of the evaluation, ComEd has increased its capital and operating and maintenance expenditures on its transmission and distribution facilities in order to improve their reliability.

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

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

The Illinois legislation also allows a portion of ComEd's future revenues to be segregated and used to support the issuance of securities by ComEd or a special purpose financing subsidiary. The proceeds, net of transaction costs, from such securities issuances must be used to refinance outstanding debt or equity or for certain other limited purposes. The total amount of such securities that may be issued is approximately $6.8 billion. In December 1998, special purpose financing subsidiaries of ComEd issued $3.4 billion of notes. For additional information, see Other Subsidiaries of ComEd and PECO with Publicly Held Securities below and ITEM 8. Financial Statements and Supplementary Data - ComEd, Note 10 of Notes to Consolidated Financial Statements.

PECO. Under the Pennsylvania Electricity Generation Customer Choice and Competition Act (Competition Act), all of PECO's retail electric customers have the right to choose their generation suppliers. At December 31, 2001, approximately 28% of PECO's residential load, 6% of its small commercial and industrial load and 5% of its large commercial and industrial load were purchasing generation service from alternative suppliers.

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

Under the 1998 settlement, PECO's distribution rates were capped through June 30, 2005 at the level in effect on December 31, 1996. Generation rates, consisting of the charge for stranded cost recovery and a shopping credit or capacity and energy charge, were capped through December 31, 2010. For 2002, the generation rate cap is $0.0698 per kWh, increasing to $0.0751 per kWh in 2006 and $0.0801 per kWh in 2007. The rate caps are subject to limited exceptions, including significant increases in Federal or state taxes or other significant changes in law or regulations that would not allow PECO to earn a fair rate of return.

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

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

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

In consideration with the settlement agreement, entered into by PECO with the PUC, PECO developed certain forward-looking financial information during 1998, which was part of this settlement agreement with the PUC. The following table shows the estimated average levels of stranded cost recovery and the amortization of the remaining portion of PECO's authorized stranded cost recovery ($4.9 billion at December 31, 2001) for the years 2002 through 2010, based on estimated 0.8% annual sales growth assumed in the 1998 settlement of PECO's restructuring case.

PECO Annual Stranded Cost
Amortization And Return

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

(1) Subject to reconciliation of actual sales and collections.
(2) Subject to periodic adjustments for over- or under- recovery.

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

As permitted by the Competition Act and the 1998 settlement of its restructuring case, PECO securitized $1 billion and $4 billion of its stranded cost recovery in 2000 and 1999, respectively, by the issuance of transition bonds (Transition Bonds) through a special purpose financing entity. As required by the Competition Act, the proceeds from the securitizations were applied to reduce stranded costs, including related capitalization of PECO. In March 2001, approximately $805 million of the first series of Transition Bonds were refinanced. For additional information, see Other Subsidiaries of ComEd and PECO with Publicly Held Securities below and ITEM 8. Financial Statements and Supplementary Data - PECO, Note 11 of Notes to Consolidated Financial Statements.

PECO's settlement of its restructuring case included a number of provisions designed to encourage competition for generation services. Shopping credits for generation service may provide an economic incentive for customers to choose an alternate supplier. Effective January 1, 2001, PECO agreed to assign 20% of its non-shopping residential customers to competitive default service provided by one or more alternate suppliers. If on January 1, 2003, 50% of PECO's residential and commercial customers are not obtaining generation services from

alternate generation suppliers, than non-shopping customers will be assigned to alternate generation suppliers to reach that level.

On November 29, 2000, the PUC approved PECO's bilateral contract with New Power Company (New Power) to move 22% of PECO's non-shopping residential customers to New Power for competitive default generation service. Under this contract, New Power agreed to provide generation services through January 2004, at specified discounted rates, to nearly 300,000 residential customers of PECO who were taking their generation service from PECO. On February 22, 2002 New Power sent PECO a notice of intent to withdraw from the market and return the New Power customers to PECO in May 2002.

In addition to the New Power contract, PECO has also entered into a contract with Green Mountain Energy Company (Green Mountain) to assign 50,000 of PECO's non-shopping residential customers to Green Mountain for competitive default generation service, on the same terms and conditions as the New Power contract. On February 21, 2001, the PUC approved the Green Mountain contract. Beginning in May 2001, Green Mountain enrolled approximately 44,000 customers and as of December 31, 2001, approximately 13,000 customers, or 25%, have opted to return to PECO.

TRANSMISSION SERVICES

Energy Delivery provides wholesale and unbundled retail transmission service under rates established by FERC. FERC has used its regulation of transmission to encourage competition for wholesale generation services and the development of regional structures to facilitate regional wholesale markets. In December 1999, FERC issued Order No. 2000 (Order 2000) requiring jurisdictional utilities to file a proposal to form a regional transmission organization (RTO) or, alternatively, to describe efforts to participate in or work toward participating in an RTO or explain why they were not participating in an RTO. Order 2000 is generally designed to separate the governance and operation of the transmission system from generation companies and other market participants.

ComEd. In response to Order 2000, ComEd and several other utilities filed a business plan in August 2001 with FERC describing the creation of Alliance Transmission Company, LLC (Alliance Transco or Alliance) as an independent, for-profit transmission company. In connection with the process leading to the FERC filing, ComEd issued a non-binding declaration of intent to divest to Alliance Transco transmission facilities having a gross book value in excess of $1 billion. In a related action, ComEd entered into a non-binding memorandum of understanding with National Grid USA (National Grid), the proposed manager of Alliance Transco, setting forth general principles relating to the divestiture and Alliance Transco as a basis for further discussion.

On December 20, 2001, FERC issued several orders relating to RTOs operating in the Midwest. In those orders, FERC, among other things, approved Midwest Independent Transmission System Operator, Inc. (MISO) as an RTO and found that Alliance Transco lacked sufficient scope to be a stand-alone RTO. FERC also directed the Alliance participants to explore with the MISO how the participants' business plan can be accommodated with the MISO operational framework and dismissed the business plan filed in August 2001 by the Alliance participants. In addition, FERC determined that National Grid is not a market participant within the meaning of Order 2000 and, thus, is eligible to become the managing member of Alliance Transco if that entity is formed. FERC further directed the Alliance participants to file a statement of their plans to join an RTO, including timeframes, within 60 days. As a result of the

FERC orders, representatives of ComEd and the other Alliance participants are exploring various RTO participation options and are meeting with representatives of MISO to explore how the Alliance Transco may operate under the MISO. The Alliance participants, including ComEd, filed their discussions with MISO at the FERC in February 2002, noting progress as to some issues, but also noted negotiations were ongoing. The Alliance participants also noted that they were exploring the possibility of filing their business plan within an RTO other than MISO.

Following further discussions, the Alliance participants and the National Grid concluded that further negotiations with the MISO required policy resolutions from FERC. Accordingly, on March 6, 2002, the Alliance participants and National Grid submitted a petition to FERC for a declaratory order finding that the proposed policy resolutions contained in the petition provide an appropriate basis for the participation of the Alliance participants in the MISO. The filing requests FERC to approve a proposed division of responsibilities between National Grid and the MISO. It also seeks approval to use existing systems for startup of operations in order to speed up initial operations. It requests approval for the Alliance participants to purchase services from the MISO at incremental costs, and that the MISO refund the $60 million withdrawal fee, plus interest, to ComEd, Illinois Power Company (Illinois Power), and Ameren Corporation (Ameren), of which ComEd's portion is $36 million. The $36 million was paid to the MISO by ComEd in May 2001 under a FERC approved settlement agreement allowing ComEd, Illinois Power, and Ameren to withdraw from the MISO to join the Alliance Transco.

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

GAS

Historically, PECO's gas sales and gas transportation revenues were derived pursuant to rates regulated by the PUC. Since 1984, large commercial and industrial customers have been able to choose their gas suppliers. The PUC established, through regulated proceedings, the base rates that PECO may charge for gas service in Pennsylvania. PECO's gas rates are subject to quarterly adjustments designed to recover or refund the difference between the actual cost of purchased gas and the amount included in base rates and to recover or refund increases or decreases in certain state taxes not recovered in base rates.

Effective July 1, 2000, the Pennsylvania Natural Gas Choice and Competition Act expanded the choice of gas suppliers to residential and small commercial customers and eliminated the 5% gross receipts tax on gas distribution companies' sales of gas. Approximately one-third of PECO's current total yearly throughput is supplied by third parties. The Act permits gas distribution companies to continue to make regulated sales of gas, at cost, to their customers. The Act does not deregulate the transportation service provided by gas distribution companies,

which remains subject to rate regulation. Gas distribution companies continue to provide billing, metering, installation, maintenance and emergency response services.

PECO's natural gas supply is provided by purchases from a number of suppliers for terms of up to five years. These purchases are delivered under several long-term firm transportation contracts. PECO's aggregate annual entitlement under these firm transportation contracts is 45 million dekatherms. Peak gas is provided by PECO's liquefied natural gas facility and propane-air plant. PECO also has under contract 21.3 million dekatherms of underground storage through service agreements. Natural gas from underground storage represents approximately 34% of PECO's 2001-2002 heating season supplies.

CONSTRUCTION BUDGET

The following table shows Exelon's most recent estimate of capital expenditures for plant additions and improvements for ComEd and PECO for 2002 (in millions):

	ComEd	PECO
Transmission and Distribution	$712	$200
Gas	--	69
Other	69	10
Total	$781	$279

Approximately two thirds of ComEd's 2002 budgeted capital expenditures and one half of PECO's 2002 budgeted capital expenditures are for additions to or upgrades of existing facilities, including reliability improvements. The remainder of the capital expenditures support customer and load growth.

GENERATION

GENERAL

Generation is one of the largest competitive electric generation companies in the United States, as measured by owned and controlled MWs. Generation combines its large, low-cost generation fleet with an experienced wholesale power marketing operation. It directly owns generation assets in the Mid-Atlantic and Midwest regions with a net capacity of 19,715 MW, including 14,250 MW of nuclear capacity, and also controls another 16,245 MW of capacity in the Midwest, Southeast and South Central regions through long-term contracts.

In addition to its owned generation facilities, Generation has acquired a 49.9% interest in Sithe with put and call options, beginning in December 2002, to purchase the remaining 50.1% interest. Sithe develops, owns and operates 27 generation facilities in North America. Currently, Sithe has 3,371 MW of capacity in operation and 5,051 MW under construction or in advanced development. Generation also owns a 50% interest in AmerGen, a joint venture with British Energy plc. AmerGen owns three nuclear stations with total generation capacity of 2,398 MW.

Generation's wholesale marketing unit, Power Team, is a major wholesale marketer of energy that uses Generation's generation portfolio, transmission rights and expertise to ensure delivery of generation to Generation's wholesale customers under long-term and short-term contracts. Power Team is responsible for supplying the load requirements of ComEd and PECO and markets the remaining energy in the wholesale and spot markets.

GENERATING RESOURCES

The generating resources of Generation, including its ownership share of AmerGen and Sithe, consist of the following:

Type of Capacity	MW
Owned Generation Assets (1),(2)	
Nuclear	14,250
Fossil	3,881
Hydro	1,584
	19,715
Long-term Contracts (3)	16,245
AmerGen and Sithe (2)	2,881
Available Resources	38,841
Under Construction or in Advanced Development (2)	2,521
Total Generating Resources	41,362

(1) See "Fuel" for sources of fuels used in electric generation.
(2) Based on Generation's ownership.
(3) Contracts range from 1 to 29 years.

Generation's owned generation assets are primarily the nuclear generation stations in the Midwest region that were acquired from ComEd and the nuclear, fossil and hydroelectric stations in the Mid-Atlantic region that were acquired from PECO.

Generation has a 49.9% interest in Sithe and a 50% interest in AmerGen. Sithe, an independent power producer, owns and operates 27 power generation facilities in North America with approximately 3,371 MW of net generation capacity and has approximately 5,051 MW of capacity under construction or in advanced development. AmerGen owns three nuclear plants with a total capacity of 2,398 MW.

The owned generating resources of Generation are located primarily in the Midwest (approximately 50% of capacity) and the Mid Atlantic and New England regions (approximately 49% of capacity). AmerGen's generating resources are also in the Midwest and the Mid Atlantic regions. Sithe's generating resources are primarily in the New England region.

In December 2001, Generation agreed to purchase two generation plants located in the Dallas Fort-Worth metropolitan area from TXU Corporation (TXU) to expand its presence in the Texas region. The $443 million purchase of the two natural-gas and oil-fired plants, to be financed through available cash and borrowings from Exelon, will add 2,334 MW capacity. The transaction includes a purchase power and tolling agreement for TXU Energy to purchase power during the months of May through September until September 2006. The closing of the acquisition is subject to certain contingencies including the receipt of the necessary regulatory approvals and is anticipated to occur in the second quarter of 2002.

NUCLEAR FACILITIES. Generation has direct ownership interests in eight nuclear generating stations, consisting of 16 units with 14,250 MW of capacity (Exelon share). For additional information, see ITEM 2. Properties. All of the nuclear generating stations are operated by Generation, with the exception of Salem Generating Station (Salem), which is operated by PSE&G Nuclear, LLC. In addition, AmerGen operates three nuclear generating stations

consisting of three units with 2,398 MW of capacity, of which Generation's interest is 1,199 MW.

In 2001, approximately 54% of Generation's electric supply was generated from the nuclear generating facilities. During 2001 and 2000, the nuclear generating facilities operated by Generation and AmerGen, operated at weighted average capacity factors of 94.4% and 93.8%, respectively. See the AmerGen section, which follows within ITEM 1. Business-Generation, for further discussion of the three nuclear facilities owned by AmerGen. Generation is in the process of increasing the capacity of its nuclear fleet through power uprates and plant modifications and refinements. Power uprate projects involve equipment and instrumentation modifications, which require NRC approval. These power uprate projects have the potential of adding up to 885 MW of capacity by the end of 2003. Generation is also pursuing other capacity additions through plant modifications and refinements of several nuclear units that have the potential of adding between 60 MW and 90 MW of capacity.

In 2001, Generation completed the purchase of an additional 3.755% interest in the Peach Bottom Station from Atlantic City Electric Company. Total cash paid for the additional interest, including nuclear fuel, was $7 million. As part of this purchase, nuclear decommissioning funds of $29 million were also transferred to Generation. Generation is now a 50% owner of Peach Bottom.

LICENSES. Exelon has 40-year operating licenses for each of its nuclear units. Generation applied to the NRC in July 2001 for renewal of the Peach Bottom 2 and 3 licenses and expects to apply for the extension of the operating license for Dresden 2 and 3 and Quad Cities in 2003. The operating license renewal process takes approximately four to five years from the commencement of the project at a site until completion of the NRC's review. The NRC review process takes approximately two years from the docketing of an application. Each requested license extension is expected to be for 20 years beyond the current license expiration. Depreciation provisions are based on the estimated useful lives of the units, which assume the extension of these licenses for all of the nuclear generating stations. The following table summarizes current operating license expiration dates for Generation's nuclear facilities in service.

Station	Unit	In-Service Date	Current License Expiration
Braidwood	1	1988	2026
	2	1988	2027
Byron	1	1985	2024
	2	1987	2026
Dresden	2	1970	2009
	3	1971	2011
LaSalle	1	1984	2022
	2	1984	2023
Quad Cities	1	1973	2012
	2	1973	2012
Limerick	1	1986	2024
	2	1990	2029
Peach Bottom	2	1974	2013
	3	1974	2014
Salem	1	1977	2016
	2	1981	2020

REGULATION OF NUCLEAR POWER GENERATION AND SECURITY. Generation is subject to the jurisdiction of the NRC with respect to its nuclear generating stations. The NRC subjects nuclear generating stations to continuing review and regulation covering, among other things, operations, maintenance, emergency planning, security, environmental and radiological aspects of those stations. The NRC may modify, suspend or revoke licenses and impose civil penalties for failure to comply with the Atomic Energy Act, the regulations under such Act or the terms of such licenses. Changes in regulations by the NRC that require a substantial increase in capital expenditures for nuclear generating facilities or that result in increased operating costs of nuclear generating units could adversely affect Exelon and its results of operations.

The NRC has revamped its inspection, assessment and enforcement programs for commercial nuclear power plants. The new oversight process uses objective, timely and safety-significant criteria in assessing performance, while seeking to effectively and efficiently regulate the industry. It also takes into account improvements in the performance of the nuclear industry over the past twenty years. Nuclear plant performance is measured by a combination of objective performance indicators and by the NRC inspection program. These are closely focused on those plant activities having the greatest impact on safety and overall risk. In addition, the NRC conducts periodic reviews of the effectiveness of each operator's programs to identify and correct problems. The inspection program is designed to verify the accuracy of performance indicator information and to assess performance based on safety cornerstones that include:

- initiating events;
- mitigating systems;
- integrity of barriers to release of radioactivity;
- emergency preparedness;
- occupational radiation safety;
- public radiation safety; and
- physical protection.

The NRC evaluates licensee performance by analyzing two distinct inputs: inspection findings resulting from the NRC inspection program and performance indicators reported by the licensees on a quarterly basis.

NRC reactor oversight results for the fourth quarter of 2001 indicate performance at levels satisfactory enough to receive routine NRC oversight.

With respect to nuclear power plant security issues, in response to the events of September 11, 2001, the NRC issued Safeguards and Threat Advisories to all nuclear power plant licensees, including Generation, requesting that they place their facilities on highest alert security status. In response to the NRC Advisories and on its own initiative, Exelon also implemented enhanced security measures, such as increased guard forces, the erection of additional physical barriers, and heightened communication with authorities at all levels of government. In addition to the Advisories, the NRC began an initiative to perform a "top to bottom" review of its safeguards and security programs and requirements in light of the events of September 11.

On February 25, 2002, the NRC issued immediately effective orders modifying the operating licenses for all nuclear power plants to require all licensees, including Generation, to implement certain interim security enhancements. In issuing the orders, the NRC found that these compensatory measures should be implemented "as prudent, interim measures, to address the generalized high-level threat environment . . . ." The orders direct all licensees to provide the NRC a schedule for achieving compliance with the requirements of the orders or explain site-

specific circumstances to justify relief or variation from those requirements. In addition, if implementation of any requirement would adversely affect safe operation of a facility, a licensee may either propose an alternate plan for achieving the objectives of the order or provide the NRC a schedule for modifying the facility to address the adverse safety condition(s). All enhancements required by the orders are to be implemented by August 31, 2002. The orders are to remain in effect pending an NRC decision that changes in the threat environment justify a relaxation of the requirements or until the NRC determines that other changes are necessary following a re-evaluation of current security programs. The security requirements imposed by the NRC's orders are currently estimated to increase capital expenditures by approximately $1 million per station for such things as enhanced vehicle barriers, modification to plant facilities and increased size of guard force.

NUCLEAR WASTE DISPOSAL. There are no facilities for the reprocessing or permanent disposal of spent nuclear fuel (SNF) currently in operation in the United States, nor has the NRC licensed any such facilities. Generation currently stores all SNF generated by nuclear generation facilities in on-site storage pools and, in the case of Peach Bottom and Dresden, some SNF has been placed in dry cask storage facilities. SNF storage pools do not have sufficient storage capacity for the life of the plant and Generation is developing dry cask storage facilities, as necessary to support operations.

Under the Nuclear Waste Policy Act of 1982 (NWPA), the United States Department of Energy (DOE) is responsible for the disposal of SNF and other high-level radioactive waste. ComEd and PECO each signed contracts with the DOE (each, Standard Contract) to provide for disposal of SNF from their respective nuclear generation stations. Generation assumed the ComEd and PECO Standard Contracts as part of the restructuring, covering Byron, Braidwood, LaSalle, Quad Cities, Zion, Dresden, Limerick and Peach Bottom. In accordance with the NWPA and the Standard Contract, ComEd and PECO pay the DOE one mill ($.001) per kWh of nuclear generation, net of station use, for the cost of nuclear fuel long-term storage and disposal. This fee may be adjusted, in order to ensure full cost recovery by the DOE.

The Standard Contract required ComEd and PECO to pay the DOE a one-time fee applicable to nuclear generation through April 6, 1983. PECO has paid this fee while ComEd exercised its option to pay the one-time fee of $277 million, with interest, just prior to the first delivery of SNF to the DOE. As of December 31, 2001, the unfunded liability for the one-time fee with interest was $843 million. This obligation was assumed by Generation in the corporate restructuring.

The NWPA and the Standard Contract required the DOE to begin taking possession of SNF generated by nuclear generating units by no later than January 1998. The DOE, however, failed to meet that deadline and its performance is expected to be delayed significantly. The DOE's current estimate for opening an SNF permanent disposal facility is 2010. This extended delay in SNF acceptance by the DOE has led to Exelon's adoption of dry storage at its Dresden and Peach Bottom Units and its consideration of dry storage at other units.

In July 1998, ComEd filed a complaint against the DOE in the U.S. Court of Federal Claims seeking to recover damages caused by the DOE's failure to honor its contractual obligation to begin disposing of SNF in January 1998. ComEd subsequently moved for partial summary judgment on liability for breach of contract claim. In August 2001, the Court granted ComEd's motion for partial summary judgment for liability on ComEd's breach of contract claim. In November 2001, the DOE filed two partial summary judgment motions relating to certain damage issues in the case, as well as two motions to dismiss claims other than ComEd's breach of contract claim. The Court has deferred briefing on those motions pending completion

of discovery on certain damage issues. This litigation was assumed by Generation in the corporate restructuring.

In July 2000, PECO entered into an agreement with the DOE relating to Peach Bottom to address the DOE's failure to begin removal of SNF in January 1998, as required by the Standard Contract. Under that agreement, the DOE agreed to provide PECO with credits against PECO's future contributions to the nuclear waste fund over the next ten years to compensate for SNF storage costs incurred as a result of the DOE's breach of the Standard Contract. The agreement also provides that, upon PECO's request, the DOE will take title to the SNF and the interim storage facility at Peach Bottom, provided certain conditions are met. Generation has assumed this contract in restructuring.

In November 2000, eight utilities with nuclear power plants filed a Joint Petition for Review against the DOE with the U.S. Court of Appeals for the Eleventh Circuit seeking to invalidate the portion of the agreement providing for credits to PECO against nuclear waste fund payments on the ground that such provision is a violation of the NWPA. PECO intervened as a defendant in that case, which is ongoing. On December 5, 2001, the United States Court of Appeals for the Eleventh Circuit heard oral argument on the utilities' Joint Petition for Review. In April 2001, an individual filed suit against the DOE with the United States District Court for the Middle District of Pennsylvania seeking to invalidate the agreement on the grounds that the DOE has violated the National Environmental Policy Act and the Administrative Procedure Act. PECO intervened as a defendant and moved to dismiss the complaint. The Court has not yet ruled on the motion to dismiss.

As a by-product of their operations, nuclear generation units produce low-level radioactive waste (LLRW). LLRW is accumulated at each generation station and permanently disposed of at Federally licensed disposal facilities. The Federal Low-Level Radioactive Waste Policy Act of 1980 (Waste Policy Act) provides that states may enter into agreements to provide regional disposal facilities for LLRW and restrict use of those facilities to waste generated within the region. Illinois and Kentucky have entered into an agreement, although neither state currently has an operational site, and none is currently expected to be operational until after 2011. Pennsylvania, which had agreed to be the host site for LLRW disposal facilities for generators located in Pennsylvania, Delaware, Maryland and West Virginia, has suspended the search for a permanent disposal site.

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

The National Energy Policy Act of 1992 requires that the owners of nuclear reactors pay for the decommissioning and decontamination of the DOE uranium enrichment facilities. The total cost to all domestic utilities covered by this requirement is estimated to be $150 million per year through 2006, of which Generation's share is approximately $22 million per year.

INSURANCE. The Price-Anderson Act limits the liability of nuclear reactor owners to $9.5 billion for claims arising from a single incident. The current limit is subject to change to account for the effects of inflation and changes in the number of licensed reactors. Exelon carries the maximum available commercial insurance of $200 million and the remaining $9.3 billion is

provided through mandatory participation in a financial protection pool. Under the Price-Anderson Act, all nuclear reactor licensees can be assessed up to $89 million per reactor per incident, payable at a rate of no more than $10 million per reactor per incident per year. This assessment is subject to inflation and state premium taxes. In addition, the U.S. Congress could impose revenue raising measures on the nuclear industry to pay claims. The Price-Anderson Act is scheduled to expire in August 2002. Although replacement legislation has been proposed from time to time, Exelon is unable to predict whether replacement legislation will be enacted. The Price-Anderson Act and the extensive NRC regulation by the NRC do not preclude claims under state law for personal, property or punitive damages related to radiation hazards.

Liability of owners of nuclear power plants currently licensed by the NRC to operate would continue to be limited by the Price-Anderson Act provisions regardless of whether Congress renews the Price-Anderson Act. The renewal of Price-Anderson, however, would be important for any new plants to be licensed in the future. Although several bills proposing the renewal of the Price-Anderson Act are currently pending in the United States Congress, Generation is unable to predict at this time whether renewal will occur before August 1, 2002.

Generation maintains property insurance for each nuclear power plant in which Generation has an ownership interest. Generation is responsible for its proportionate share of premiums for such insurance based on its ownership interest. Generation's insurance policies provide coverage for decontamination liability expense, premature decommissioning and loss or damage to nuclear facilities. These policies require that insurance proceeds first be applied to assure that, following an accident, the facility is in a safe and stable condition and can be maintained in such condition. Under Generation's insurance policies, proceeds not already expended to place the reactor in a stable condition must be used to decontaminate the facility. If, as a result of an incident, the decision is made to decommission the facility, a portion of the insurance proceeds will be allocated to a decommissioning fund that Generation is required to maintain by the NRC. (See "Regulation of Nuclear Facility Decommissioning and Security.") These proceeds would be paid to the fund to make up any difference between the amount of money in the fund at the time of the early decommissioning and the amount that would have been in the fund if contributions had been made over the normal life of the facility. Generation is unable to predict what effect these requirements may have on the timing of the availability of insurance proceeds to creditors and the amount of these proceeds. Under the terms of the various insurance agreements, Generation could be assessed up to $121 million for losses incurred at any plant insured by the insurance companies. Nuclear Electric Institute Limited (NEIL), a mutual insurance company to which Generation belongs, provides property and business interruption insurance for Generation's nuclear operations. One feature of Generation's property insurance through NEIL provides coverage for damages caused by acts of terrorism at any of its nuclear generating stations. This terrorism endorsement to the NEIL policy specifies that its coverage applies to acts of terrorism similar to the September 11, 2001 events. In the event that one or more acts of terrorism cause accidental property damage within a 12-month period from the first accidental property damage under one or more policies for all insureds, the maximum recovery for all losses by all insureds will be an aggregate of $3.2 billion plus such additional amounts as the insurer may recover for all such losses from reinsurance, indemnity or any other source applicable to such losses. If total property losses exceed available funds under the policy, proportionate recovery is provided to cover a portion of an insured's property losses. The percentage recovery would be equal to the ratio of the insured's property losses and the total of all property losses.

Generation's insurance through NEIL also provides replacement power cost insurance in the event of a major accidental outage at a nuclear station. The policy provides for a waiting

period before recovery of costs can commence. The premium for this coverage is subject to assessment for adverse loss experience, with a maximum assessment of $46 million per year. Recovery under this insurance for terrorist acts is subject to the $3.2 billion aggregate limit and secondary to the property insurance described above.

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

Generation does not carry any business interruption insurance other than the NEIL coverage for nuclear operations. Generation is self-insured to the extent that any losses may exceed the amount of insurance maintained. Such losses could have a material adverse effect on Generation's financial condition and results of operations.

DECOMMISSIONING. NRC regulations require that licensees of nuclear generating facilities demonstrate reasonable assurance that funds will be available in certain minimum amounts at the end of the life of the facility to decommission the facility. Based on estimates of decommissioning costs for each of the nuclear facilities in which Generation has an ownership interest, the ICC permits ComEd and the PUC permits PECO to collect from its customers and deposit in segregated accounts amounts which, together with earnings thereon, will be used to decommission such nuclear facilities. As of December 31, 2001, Generation's estimate of its nuclear facilities' decommissioning cost is $7.2 billion in current year dollars. The liability for decommissioning each generation station is recognized ratably over that generating station's service life. At December 31, 2001, the decommissioning liability recorded in accumulated depreciation and deferred credits and other liabilities was $2.7 billion and $1.3 billion, respectively. Decommissioning expenditures are expected to occur primarily after the plants are retired and are currently estimated to begin in 2029 for plants currently in operation. Decommissioning costs are currently recoverable by ComEd and PECO through regulated rates and are remitted to Generation for deposit in the decommissioning trust funds. In 2001, ComEd and PECO collected from customers and remitted to Generation approximately $102 million in decommissioning costs. Generation believes that the amounts being remitted to it by ComEd and PECO and the earnings on nuclear decommissioning trust funds will be sufficient to fully fund Generation's decommissioning obligations.

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

Zion, a two-unit nuclear generation station, and Dresden Unit 1 formerly owned by ComEd, have permanently ceased power generation. ComEd transferred Zion and Dresden Unit 1 as well as their related decommissioning liabilities and trust funds to Generation as part of Exelon's corporate restructuring. Zion's and Dresden Unit 1's spent nuclear fuel is currently being stored in on-site storage pools until a permanent repository under the NWPA is completed. Generation has recorded a liability of $1.3 billion, which represents the estimated cost of decommissioning Zion and Dresden Unit 1 in current year dollars. Decommissioning expenditures are expected to occur primarily after 2013 and 2030 for Zion and Dresden Unit 1, respectively.

FOSSIL AND HYDROELECTRIC FACILITIES.

Fossil units include:

- base-load units -- the coal-fired units at Eddystone and Cromby and our interests in the Keystone and Conemaugh Stations;
- intermediate units -- the Eddystone and Cromby units that have dual fuel (oil/gas) capability; and
- peaking units -- oil- or gas-fired steam turbines, combustion turbines and internal combustion units at various locations.

Hydroelectric facilities include:

- base-load units-- at the Conowingo run-of-river hydroelectric facility on the Susquehanna River in Harford County, Maryland; and
- intermediate units-- at the Muddy Run pumped-storage hydroelectric facility in Lancaster County, Pennsylvania.

Generation operates all of its fossil and hydroelectric facilities other than La Porte, Keystone and Conemaugh. In 2001, approximately 3% of electric output was generated from our owned fossil and hydroelectric generation facilities. The majority of this output was dispatched to support Generation's power marketing activities.

Generation is in the process of extensively renovating the Conowingo and Muddy Run control systems to improve plant efficiency. Generation is planning to overhaul 4 units at Conowingo, which is expected to increase capacity by 10 MW per unit.

The controls at all combustion turbine facilities have been re-configured to provide remote start capability for all units, enabling immediate response time to capture fluctuations in electric market prices.

LICENSES. Fossil generation plants are generally not licensed and, therefore, the decision on when to retire plants is fundamentally an economic one. Hydroelectric plants are licensed by FERC. The Muddy Run and Conowingo facilities have licenses that expire in September 2014. Generation is considering applying to FERC for license extensions of 40 years for both plants, but the duration of any license extension will depend on then-current policies at FERC. The process of applying for an extension to an existing hydroelectric license generally takes at least eight years.

LONG-TERM CONTRACTS. In addition to owned generation assets, Generation sells electricity purchased under the long-term contracts described below:

Seller	Location	Expiration	Capacity (MW)
Midwest Generation, LLC	Various in Illinois	2004	9,105
Kincaid Generation, LLC	Kincaid, Illinois	2012	1,158
Tenaska Georgia Partners, LP	Franklin, Georgia	2029	900
Tenaska Frontier, Ltd	Shiro, Texas	2020	830
Others	Various	2002 to 2022	4,252
Total			16,245

MIDWEST GENERATION, LLC CONTRACT. Generation is a party to contracts with Midwest Generation, LLC (Midwest Generation), a subsidiary of Edison Mission Energy. Under the contracts, Generation initially had the right to purchase through 2004 the capacity and energy associated with approximately 9,460 MW of fossil-fired generation stations located in Northern Illinois, formerly owned by ComEd. The generation units include base-load, intermediate and peaking units. Under the contracts, Generation pays a fixed capacity charge that varies by season and a fixed energy charge. The capacity charge is reduced to the extent the plants are unable to generate and deliver energy when requested. Under the contracts, Generation has annual rights to reduce the capacity and related energy purchase obligations, and some of these rights were recently exercised. Effective January 1, 2002, Generation has released all of the 355 MW of oil-fixed peaking capacity that is covered by the contracts, and will decide whether to exercise yearly options in 2003 and 2004 depending on the projected need for capacity and energy to fulfill obligations under the agreement with ComEd or otherwise, taking into account forward market conditions and other alternatives. Finally, Generation is in arbitration with Midwest Generation under the contract relating to the unavailability of certain units in January 2001.

FEDERAL POWER ACT

The Federal Power Act gives FERC exclusive rate-making jurisdiction over wholesale sales of electricity and the transmission of electricity in interstate commerce. Pursuant to the Federal Power Act, all public utilities subject to FERC's jurisdiction are required to file rate schedules with FERC with respect to wholesale sales or transmission of electricity. Tariffs established under FERC regulation give Generation access to transmission lines that enables it to participate in competitive wholesale markets.

Because Generation sells power in the wholesale markets, Generation is deemed to be a public utility for purposes of the Federal Power Act and is required to obtain FERC's acceptance of the rate schedules for wholesale sales of electricity. Generation has received authorization from FERC to sell energy at market-based rates. As is customary with market-based rate schedules, FERC reserved the right to suspend market-based rate authority on a retroactive basis if it is subsequently determined that Generation or any of its affiliates exercised or have the ability to exercise market power. FERC is also authorized to order refunds if it finds that market-based rates are unreasonable.

In April 1996, FERC issued Order 888 (Order 888). The intent of Order 888 was to open the transmission grid subject to FERC's jurisdiction to all eligible customers, including sellers of power and retail customers, in states where retail access is approved. Order 888 requires that owners of transmission facilities provide access to their transmission facilities under filed tariffs at cost-based rates. In connection with Order 888, FERC issued Order 889 (Order 889). Under Order 889, PECO and ComEd were required to file Standards of Conduct, which governed the

communication of non-public information between transmission personnel and employees of any affiliated wholesale merchant function. FERC recently issued a Notice of Proposed Rulemaking for the Standards of Conduct for Transmission Providers. Among other things, FERC is considering whether it would be appropriate for it to adopt measures that would limit the amount of capacity an affiliate can hold in a transmission provider. Generation's business would be impacted if any of these measures were instituted.

In December 1999, FERC issued Order 2000, which encourages the voluntary restructuring of transmission operations through the use of independent system operators (ISOs) and RTOs. A result of establishing these entities is to eliminate or reduce transmission charges imposed by successive transmission systems when wholesale generators cross several transmission systems to deliver capacity. During 2000, FERC announced its intention to foster RTO development. Each transmission-owning public utility was required to file a plan to form an RTO, with December 2001 as the target date for operation. In July 2001, FERC conditionally granted RTO status to PJM and, in separate orders, directed that the various proposed RTOs combine into four regional RTOs. However, inconsistencies in the pace of RTO development and significant state public utility commission concerns caused FERC to indefinitely extend its operational target date of December 2001.

The latter half of 2001 and early 2002 have brought further change to the electric industry. In early November 2001, FERC announced its intent to complete RTO development using two parallel tracks: (1) address geographic scope and governance of RTOs; and (2) address transmission pricing and market design. Contemporaneously, FERC initiated several immediate steps to move the RTO development process forward. One of these actions was initiation of an effort to standardize generator interconnection (a related effort concerning cost allocation is to be addressed in 2002). Also, FERC issued a Notice of Proposed Ruling on Revised Public Utility Filing Requirements, pursuant to which it is considering mandatory electronic filing of transactional data and additional public filing requirements.

Several other actions by FERC are important. First, FERC announced in late November 2001 a new market power test, the Supply Margin Assessment (SMA) screen. Under the SMA, if within a particular geographic market an energy company's generation capacity exceeds the market's surplus capacity above peak demand then the test is failed. Where this occurs, FERC will impose on the company and its affiliates a requirement to offer uncommitted capacity under a cost-based rate structure. The only exemption will be for companies operating under the authority of an ISO or RTO with a FERC-approved market monitoring and mitigation plan. Under this approach, it would be unlikely that a vertically integrated energy company serving franchised retail load would be able to pass the test and maintain market-based rates, unless and until the company was a member of an approved ISO or RTO.

Second, FERC continues to exhibit a commitment to increased market monitoring with an intent to ensure that high price volatility, such as was seen in California, does not occur again. As part of this commitment, FERC announced early in 2002 the formation of the Office of Market Oversight and Investigation, which will report directly to the FERC Chairman. This new office will assess, among other things, market performance. It is unclear how Generation's business may be impacted by these initiatives.

Finally, in December 2001, FERC approved the Midwest ISO (MISO) as an RTO, which principally resides within the MAPP reliability region. The FERC's action also rejected the stand alone, for-profit RTO structure proposed by the Alliance Companies. FERC, however, indicated that a for-profit transmission company could be formed and successfully integrated into the

MISO. Currently, while a significant portion of Exelon's generation is located within the PJM RTO area, other significant generation is located within the MAIN reliability region, where an approved ISO or RTO does not exist. It is possible that under its evolving market power tests, FERC might determine that Generation has market power in this area. If FERC were to suspend Generation's market-based rate authority, it would most likely be necessary to file, and obtain FERC acceptance of, cost-based rate schedules or schedules tied to a public index. In addition, the loss of market-based rate authority would subject Generation to the accounting, record-keeping and reporting requirements that are imposed on public utilities with cost-based rate schedules.

FUEL

The following table shows sources of electric supply for 2001 and estimated for 2002:

	Source of Electric Supply	
	2001	2002 (Est.)
Nuclear units	54%	52%
Purchases	37%	39%
Fossil and hydro units	3%	3%
Units operated by others (a)	6%	6%
	100%	100%

(a) Reflects Generation's share of the output of Salem, Keystone and Conemaugh stations, and 100% of the output for LaPorte station, all which are operated by other companies. See ITEM 2. Properties - for further information on Generation's station ownership.

The fuel costs for nuclear generation are substantially less than fossil-fuel generation. Consequently, nuclear generation is the most cost-effective way for Generation to meet its commitment to supply the requirements of ComEd, PECO and Enterprise's competitive retail energy sales business, Exelon Energy Inc. (Exelon Energy), and for sales to other utilities.

The cycle of production and utilization of nuclear fuel includes the mining and milling of uranium ore into uranium concentrates, the conversion of uranium concentrates to uranium hexafluoride, the enrichment of the uranium hexafluoride and the fabrication of fuel assemblies. Generation has uranium concentrate inventory and supply contracts sufficient to meet all of its uranium concentrate requirements through 2003. Generation's contracted conversion services are sufficient to meet all of its uranium conversion requirements through 2004. All of Generation's enrichment requirements have been contracted through 2004. Contracts for fuel fabrication have been obtained through 2005. Generation does not anticipate difficulty in obtaining the necessary uranium concentrates or conversion, enrichment or fabrication services for its nuclear units.

Generation obtains approximately 25% of its uranium enrichment services from European suppliers. There is an ongoing trade action by USEC, Inc. (USEC) alleging dumping in the United States against European enrichment services suppliers. In January 2002, the U.S. International Trade Commission determined that USEC was "materially injured or threatened with material injury" by low-enriched uranium exported by European suppliers. The U.S. Department of Commerce (DOC) has assessed countervailing and anti-dumping duties against the European suppliers. Both USEC and the European suppliers have appealed these decisions. Exelon is uncertain at this time as to the outcome of the pending appeals, however as a result of these actions Exelon may incur higher costs for uranium enrichment services necessary for the production of nuclear fuel.

FUEL MANAGEMENT. Coal is obtained for coal-fired plants primarily through annual contracts with the remainder supplied through either short-term contracts or spot-market purchases.

Natural gas is procured through annual, monthly and spot-market purchases. Some fossil generation stations can use either oil or gas as fuel. Fuel oil inventories are managed such that in the winter months sufficient volumes of fuel are available in the event of extreme weather conditions and during the remaining months inventory levels are managed to take advantage of favorable market pricing. In 2001, the use of financial instruments to mitigate price risk associated with multi-commodity price exposures was started. Generation also hedges forward price risk with both over-the-counter and exchange-traded instruments.

POWER TEAM

Power Team competes nationally in wholesale power marketing on the basis of price and service offerings, using Generation's generation assets, transmission access, reservations and its knowledge of the interconnected bulk power systems and developing markets to assure customers of energy delivery. Through Power Team, Generation enters into bilateral arrangements for the purchase, sale and delivery of capacity, energy and ancillary services. Sales agreements are with load-serving entities, including electric utilities, municipalities, electric cooperatives, retail load aggregators and other wholesale market participants. Through Power Team, Generation also competes in the wholesale spot markets for electricity.

Generation has agreements with ComEd and PECO to supply their respective load requirements for customers through 2006 and 2010, respectively. See Item 8. Financial Statements and Supplementary Data - ComEd, Note 2, and PECO Note 2. Generation has also contracted with Exelon Energy to meet its supply commitments pursuant to its competitive retail generation sales agreements. Under the agreements with ComEd and PECO, Generation will supply all of ComEd and PECO's needs to supply customers who do not select an alternative electric generation supplier through the end of the respective transition periods. Therefore, the supply requirements under the agreements will vary depending on how much of the load has selected an alternative supplier.

Power Team also manages the price and supply risks for energy and fuel associated with generation assets and the risks of power marketing activities. Through Power Team, Generation began to use financial and commodity contracts for trading purposes in the second quarter of 2001. The trading activities represent a very limited portion of Generation's overall power marketing activities. For example, the limit on new purchases of electricity for any forward month represents less than 5% of the owned and contracted supply of electricity. The trading portfolio is planned to grow modestly in 2002, subject to stringent risk management limits and policies including volume, stop-loss and value-at-risk limits to manage exposure to market risk. Additionally, Generation has a financial risk management policy and a corporate risk group to monitor the financial risks of its power marketing activities. Financial trading, together with the effects of Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards (SFAS) No. 133 "Accounting for Derivatives and Hedging Activities" (SFAS No. 133), may cause volatility in Generation's future results of operations.

Generation's wholesale operations include the physical delivery and marketing of power obtained through its generation capacity, and long, intermediate and short-term contracts. Generation seeks to maintain a net positive supply of energy and capacity, through ownership of generation assets and power purchase and lease agreements, to protect it from the potential

operational failure of one of its owned or contracted power generating units. Generation has also contracted for access to additional generation through bilateral long-term PPAs. These agreements are commitments related to power generation of specific generation plants and/or are dispatchable in nature similar to asset ownership. Generation enters into PPAs with the objective of obtaining low-cost energy supply sources to meet its physical delivery obligations to customers. Excess power is sold in the wholesale market. Generation has also purchased transmission service to ensure that it has reliable transmission capacity to physically move its power supplies to meet customer delivery needs. The intent and business objective for the use of its capital assets and contracts is to provide Generation with physical power supply to enable it to deliver energy to meet customer needs.

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

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

At December 31, 2001, Generation had long-term commitments, relating to the purchase and sale of energy, capacity and transmission rights from unaffiliated utilities and others, including the Midwest Generation and AmerGen contracts, as expressed in the following tables:

(in millions)	Capacity Purchases	Power Only Purchases	Power Only Sales	Transmission Rights Purchases
2002	$1,005	$ 551	$1,803	$ 139
2003	1,214	345	666	31
2004	1,222	346	219	15
2005	406	264	139	15
2006	406	250	58	5
Thereafter	3,657	2,321	22	--
Total	$7,910	$4,077	$2,907	$ 205

In addition, in connection with the acquisition of the TXU generating stations, expected to close in the second quarter of 2002, Exelon has agreed to supply TXU with 100% of the station output during the months of May through September from 2002 through 2006. During the periods covered by the power purchase agreement, TXU will make fixed capacity payments and will provide fuel to Exelon in return for exclusive rights to the energy and capacity of the generation plants.

CAPITAL EXPENDITURES

Generation's estimated capital expenditures for 2002 are as follows:

(in millions)	
Production Plant	$ 403
Nuclear Fuel	432
Investments	254
Total	$ 1,089

Approximately 75% of Generation's estimated capital expenditures for 2002 are for additions to or upgrades of existing facilities (including nuclear outages), nuclear fuel and increases in capacity at existing plants. The remainder is for asset acquisitions other than the TXU generating station acquisition.

SITHE

Generation owns 49.9% of the outstanding common stock of Sithe and has an option, beginning on December 18, 2002, to purchase the remaining common stock outstanding (Remaining Interest) in Sithe. The purchase option expires on December 18, 2005. In addition, the Sithe stockholders who own in the aggregate the Remaining Interest have the right to require Generation to purchase the Remaining Interest (Put Rights) during the same period in which Generation can exercise its purchase option. At the end of this exercise period, if Generation has not exercised its purchase option and the other Sithe stockholders have not exercised their Put Rights, Generation will have an additional one-time option to purchase shares from the other stockholders in Sithe to bring Generation's ownership in Sithe from the current 49.9% to 50.1% of Sithe's total outstanding common stock.

Sithe presently owns and operates 27 power generation facilities in North America, with approximately 3,371 MW of net merchant generating capacity. It has 4 facilities under construction with an estimated capacity of 2,651 MW and approximately 2,400 MW of generation capacity in various stages of advanced development.

On December 31, 2001, Sithe had long-term debt of $2.3 billion, including $2.1 billion of non-recourse project debt, not including any non-recourse project debt associated with Sithe's equity investments. In December 2001, Sithe entered into a new 18-month corporate credit facility for $500 million expiring in June 2003. As of December 31, 2001 Sithe had drawn approximately $176 million under this facility and extended approximately $161 million in letters of credit. Through internally generated cashflows and the corporate credit facility, Sithe has sufficient liquidity to cover all 2002 operating and capital commitments.

AMERGEN

AmerGen Energy Company, LLC was formed in 1997 by PECO and British Energy plc, (British Energy), to acquire and operate nuclear generation facilities in North America. Currently, AmerGen owns three single-unit nuclear generation facilities, which are described in the table below. AmerGen's nuclear facilities are subject to the provisions and maximum assessment and recovery limits of the Price -Anderson Act and NEIL similar to Generation's, as discussed above within ITEM 1. Business - Generation, however the American Nuclear Insurers Master Worker Program is not applicable to AmerGen as AmerGen purchased its nuclear reactors after 1998.

The capacity factors for the AmerGen plants for 2000 and 2001 were 87% and 88.5%, respectively. AmerGen operates these nuclear facilities; however, Generation provides AmerGen with many services, including management services, in connection with the operation and support of these facilities under a Services Agreement dated March 1, 1999. In addition, Generation's chief nuclear officer holds the same position at AmerGen. As part of the restructuring PECO transferred its 50% interest in AmerGen to Generation in January 2001.

Station	Year Acquired	Location	License Expiration Date (1)	Net Generation Capacity (MW)
Clinton Nuclear Power Station	1999	Clinton, IL	2026	933
Unit 1 of Three Mile Island Nuclear Station	1999	Londonderry Twp., PA	2014	835
Oyster Creek Nuclear Generation Facility	2000	Forked River, NJ	2009	630
Total				2,398

(1) AmerGen is reviewing the potential for license renewals for the Oyster Creek Nuclear Generating Facility (Oyster Creek) and Unit 1 of Three Mile Island (TMI-1).

As part of each acquisition of its nuclear facilities, AmerGen entered into a power sales agreement with the seller. The agreement with Illinois Power for Clinton Nuclear Power Station (Clinton) is for 75% of the output for a term expiring at the end of 2004. The agreement with GPU, Inc. for TMI-1 and Oyster Creek are for all of the output. Generation purchases the residual energy from Clinton through December 31, 2002. The agreement for the output of Oyster Creek expires on March 31, 2003. The original agreement for the output of TMI-1 expired in 2001. Exelon has agreed to purchase from AmerGen all the energy from TMI after December 31, 2001 through December 31, 2014. AmerGen maintains a decommissioning trust fund for each of its plants in accordance with NRC regulations and believes that amounts in these trust funds, together with investment earnings thereon, and additional contributions for Clinton from Illinois Power will be sufficient to meet its decommissioning obligations.

Under its LLC Agreement, AmerGen is managed by or at the direction of a management committee, which consists of six voting representatives, three of whom are appointed by British Energy and three by Generation. In addition, Generation appoints the chairman of the management committee. Action by the management committee generally requires the affirmative vote of a majority of members.

Generation may transfer its interest in AmerGen, as may British Energy, subject to a right of first refusal of the other party and to the right of the other party to require a third party buying the interest to also purchase the other party's interest.

In February 2002, Generation entered into an agreement to loan AmerGen up to $75 million at an interest rate of 1-month London Interbank Offering Rate plus 2.25%. As of March 31, 2002, $46 million has been loaned to AmerGen. The loan is due November 1, 2002.

Exelon has committed to provide AmerGen with capital contributions equivalent to 50% of the purchase price of any acquisitions AmerGen makes in 2002.

ENTERPRISES

Enterprises consists primarily of the infrastructure services business of InfraSource, Inc. (InfraSource), the energy services business of Exelon Services, Inc., the competitive retail energy sales business of Exelon Energy, the district cooling business of Exelon Thermal Technologies,

Inc.,
communications joint ventures and other investments weighted towards the communications, energy services and retail services industries.

The results of InfraSource's infrastructure services business and Exelon Services' energy services business are dependent on demand for outsourced construction and maintenance services. That demand has been driven in the past by the restructuring of the electric utility industry and growth of the communications, cable and internet industries. Slowdown in that restructuring and the current condition of the communications, cable and internet industries means that results will be driven by efforts to manage costs and achieve synergies.

InfraSource, formerly Exelon Infrastructure Services, Inc., provides infrastructure services, including infrastructure construction, operation management and maintenance services to owners of electric, gas, cable and communications systems, including industrial and commercial customers, utilities and municipalities, throughout the United States. Since it was established in 1997, InfraSource has acquired thirteen infrastructure service companies. In 2001, InfraSource had revenues of approximately $900 million and employed approximately 8,200 at the end of 2001.

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

Exelon Energy provides retail electric and gas services as an unregulated retail energy supplier in Illinois, Massachusetts, Michigan, New Jersey, Ohio, Pennsylvania and other areas in the Midwest and Northeast United States. Its retail energy sales business is dependent upon continued deregulation of retail electric and gas markets and its ability to obtain supplies of electricity and gas at competitive prices in the wholesale market. The low margin nature of the business makes it important to achieve concentrations of customers with higher volumes so as to manage costs.

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

Exelon Communications is the unit of Enterprises through which Exelon manages its communications investments. Exelon Communications' principal investment is PECOAdelphia Communications. PECOAdelphia is a competitive local exchange carrier, providing local and long-distance, point-to-point voice and data communications, internet access and enhanced data services for businesses and institutions in eastern Pennsylvania. PECOAdelphia utilizes a large-scale, fiber-optic cable-based network that currently extends over 700 miles and is connected to major long-distance carriers and local businesses. PECOAdelphia is a 50% owned joint venture with Adelphia Business Solutions.

On March 1, 2002, Exelon Communications announced an agreement to sell its 49% interest in AT&T Wireless PCS of Philadelphia, LLC for $285 million in cash. Proceeds from the transaction will be used for Exelon's general corporate purposes.

Exelon Capital Partners was created in 1999 as a vehicle for direct venture capital investing in the areas of unregulated energy sales, energy services, utility infrastructure services,

e-commerce and communications. At December 31, 2001, Exelon Capital Partners had made direct investments in eight companies, with funding commitments totaling approximately $100 million. The investment mix was weighted toward the communications industry, but also included companies in energy services and retail services, including e-commerce.

EMPLOYEES

As of December 31, 2001, Exelon and its subsidiaries had approximately 29,200 employees, in the following companies:

ComEd	7,700
PECO	2,700
Generation	7,200
Enterprises	10,600
BSC	1,000
Total	29,200

Approximately 7,000 employees, including 4,900 employees of ComEd, 2,000 employees of Generation and 70 employees of BSC are covered by a collective bargaining agreement with Local 15 of the International Brotherhood of Electrical Workers (IBEW). Exelon and the IBEW Local 15 reached agreement on a new Collective Bargaining Agreement (CBA) in April 2001. The new agreement had an expiration date of March 31, 2004. An agreement to extend the date of the contracts was ratified by the union on December 31, 2001. The new agreements run through September 30, 2005, for Generation, and September 30, 2006 for ComEd and BSC. The new agreements extend the existing CBA, create separate agreements for the major business units and provide for a voluntary severance plan.

In addition, approximately 4,900 Enterprises employees are represented by unions, including approximately 2,600 employees who are represented by various local unions of the International Brotherhood of Electrical Workers. The remaining union employees are members of a number of different local unions, including laborers, welders, operators, plumbers and machinists.

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

ENVIRONMENTAL REGULATION

GENERAL

Specific operations of Exelon, primarily those of Generation, are subject to regulation regarding environmental matters by the United States and by various states and local jurisdictions where Exelon operates its facilities. The Illinois Pollution Control Board (IPCB) has jurisdiction over environmental control in the State of Illinois, together with the Illinois Environmental Protection Agency, which enforces regulations of the IPCB and issues permits in connection with environmental control. The Pennsylvania Department of Environmental Protection (PDEP) has jurisdiction over environmental control in the Commonwealth of Pennsylvania. State regulation

includes the authority to
regulate air, water and noise emissions and solid waste disposals. The United States Environmental Protection Agency (EPA) administers certain Federal statutes relating to such matters as do various interstate and local agencies.

WATER

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

SOLID AND HAZARDOUS WASTE

The Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (CERCLA), provides for immediate response and removal actions coordinated by the EPA in the event of threatened releases of hazardous substances into the environment and authorizes the U.S. Government either to clean up sites at which hazardous substances have created actual or potential environmental hazards or to order persons responsible for the situation to do so. Under CERCLA, generators and transporters of hazardous substances, as well as past and present owners and operators of hazardous waste sites, are strictly, jointly and severally liable for the cleanup costs of waste at sites, most of which are listed by the EPA on the National Priorities List (NPL). These potentially responsible parties (PRPs) can be ordered to perform a cleanup, can be sued for costs associated with a EPA-directed cleanup, may voluntarily settle with the U.S. Government concerning their liability for cleanup costs, or may voluntarily begin a site investigation and site remediation under state oversight prior to listing on the NPL. Various states, including Illinois and Pennsylvania, have enacted statutes that contain provisions substantially similar to CERCLA. In addition, the Resource Conservation and Recovery Act (RCRA) governs treatment, storage and disposal of solid and hazardous wastes and cleanup of sites where such activities were conducted.

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

By notice issued in November 1986, the EPA notified over 800 entities, including ComEd and PECO, that they may be PRPs under CERCLA with respect to releases of radioactive and/or toxic substances from the Maxey Flats disposal site, a LLRW disposal site near Moorehead, Kentucky, where ComEd and PECO wastes were deposited. A settlement was reached among the Federal and private PRPs, including ComEd and PECO, the Commonwealth of Kentucky and the EPA concerning their respective roles and responsibilities in conducting remedial activities at the site. Under the settlement, the private PRPs agreed to perform the initial remedial work at the site and the Commonwealth of Kentucky agreed to assume responsibility for long-range maintenance and final remediation of the site. On April 18, 1996, a consent decree, which included the terms of the settlement, was entered by the United States District Court for the Eastern District of Kentucky. The PRPs have entered into a contract for the design and

implementation of the remedial plan and work has commenced. As a result of restructuring, ComEd's and PECO's liability and obligations arising from the Maxey Flats site have been transferred to Generation. Exelon estimates that its share of remediation costs will not be material.

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

MGP SITES

MGPs manufactured gas in Illinois and Pennsylvania from approximately 1850 to 1950. ComEd generally did not operate MGPs as a corporate entity but did, however, acquire MGP sites as part of the absorption of smaller utilities. Approximately half of these sites were transferred to Nicor Gas as part of a general conveyance in 1954. ComEd also acquired former MGP sites as vacant real estate on which ComEd facilities have been constructed. To date, ComEd has identified 44 former MGP sites for which it may be liable for remediation. Similarly, PECO has identified 28 sites where former MGP activities may have resulted in site contamination. With respect to these sites, ComEd and PECO are presently engaged in performing various levels of activities, including initial evaluation to determine the existence and nature of the contamination, detailed evaluation to determine the extent of the contamination and the necessity and possible methods of remediation, and implementation of remediation. Overseeing state regulatory agencies have approved the remediation of five MGP sites, while 39 other sites are currently under some degree of active study or remediation. At December 31, 2001, Exelon had accrued $127 million for investigation and remediation of these MGP sites that currently can be reasonably estimated. Exelon believes that it could incur additional liabilities with respect to MGP sites, which cannot be reasonably estimated at this time. Exelon has sued a number of insurance carriers seeking indemnity/coverage for remediation costs associated with these former MGP sites.

AIR

Air quality regulations promulgated by the EPA, the PDEP and the City of Philadelphia in accordance with the Federal Clean Air Act and the Clean Air Act Amendments of 1990 (Amendments) impose restrictions on emission of particulates, sulfur dioxide (SO_2), nitrogen oxides (NO_x) and other pollutants and require permits for operation of emission sources. Such permits have been obtained by Exelon's subsidiaries and must be renewed periodically.

The Amendments establish a comprehensive and complex national program to substantially reduce air pollution. The Amendments include a two-phase program to reduce acid rain effects by significantly reducing emissions of SO_2 and NO_x from electric power plants. Flue-gas desulfurization systems (scrubbers) have been installed at all of Generation's coal-fired units other than the Keystone Station. Keystone is subject to, and in compliance with, the Phase II SO_2 and NO_x limits of the Amendments, which became effective January 1, 2000. Generation and the other Keystone co-owners are purchasing SO_2 emission allowances to comply with the Phase II limits.

Generation has completed implementation of measures, including the installation of NO_x emissions controls and the imposition of certain operational constraints, to comply with the Reasonably Available Control Technology limitations of the Amendments. Generation expects that the cost of compliance with anticipated air-quality regulations may be substantial due to further limitations on permitted NO_x emissions.

The EPA has issued two regulations to limit NO_x emissions from power plants in the eastern United States to address the "ozone transport" issue. The first regulation was issued on September 24, 1998. The original NO_x regulation covered power plants in the 22 eastern states and had an effective date of May 1, 2003. As a result of litigation at the D.C. Circuit Court of Appeals, the original NO_x regulation was revised to cover 19 eastern states (rather than the original 22) and the effective date was delayed by approximately one year to May 31, 2004. In most other respects, the original NO_x regulation was substantively upheld by the Court. Both Illinois and Pennsylvania power plants are covered by the original NO_x regulation. The second EPA regulation, referred to as the "Section 126 Petition Regulation," was issued on May 25, 1999. This regulation was issued by the EPA in response to downwind state (Connecticut, Maine, Massachusetts, New Hampshire, New York, Pennsylvania, Rhode Island, Vermont) complaints under Section 126 of the Clean Air Act that upwind state NO_x emissions were negatively impacting downwind states' ability to attain the Federal ozone standard. The Section 126 Petition Regulation requires substantively the same NO_x reduction requirement for the power generation sector as the original NO_x regulation. However, the Section 126 Petition Regulation covers a more limited number of states (Delaware, Indiana, Kentucky, Maryland, Michigan, North Carolina, New Jersey, New York, Ohio, Virginia and West Virginia). It does not cover power plants in Illinois. The compliance date of the Section 126 Petition Regulation, originally set for May 1, 2003, was tolled by the D.C. Circuit Court of Appeals pending resolution of several issues. Despite this delay, the northeast states covered by the Section 126 Petition Regulation are still expected to comply with the original May 1, 2003 compliance date. On September 23, 2000, Pennsylvania issued final state NO_x reduction regulations for power plants that satisfy both the original NO_x regulation and the Section 126 Petition Regulation. The Pennsylvania regulation is effective May 1, 2003. Exelon is currently evaluating options to comply with the new Pennsylvania regulations. These options include limiting the operation of the Generation's fossil-fired units, require the purchase of NO_x emission allowances from the allowance market, the installation of additional control equipment, or a combination of these alternatives.

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

Several other legislative and regulatory proposals regarding the control of emissions of air pollutants from a variety of sources, including utility units, are under active consideration. Exelon is unable at this time to ascertain which proposals may take effect, what requirements they may contain, or how they may affect Exelon's business. At this time, Exelon can provide no assurance that these proposals if adopted will not have a significant effect on Exelon's operations and costs.

COSTS

At December 31, 2001, Exelon accrued $156 million for various environmental investigation and remediation costs that can be reasonably estimated, including approximately $127 million for investigation and remediation of former MGP sites as described above. Exelon cannot currently predict whether it will incur other significant liabilities for additional investigation and remediation costs at sites presently identified or additional sites which may be identified by Exelon, environmental agencies or others or whether all such costs will be recoverable through rates or from third parties.

Exelon's budget for capital requirements for 2002 for compliance with environmental requirements total approximately $35 million. In addition, Exelon may be required to make significant additional expenditures not presently determinable.

OTHER SUBSIDIARIES OF COMED AND PECO WITH PUBLICLY HELD SECURITIES

ComEd Transitional Funding Trust (ComEd Funding Trust), a Delaware business trust, was formed on October 28, 1998, pursuant to a trust agreement among First Union Trust Company, National Association, as Delaware trustee, and two individual trustees appointed by ComEd. ComEd Funding Trust was created for the sole purpose of issuing transitional funding notes to securitize intangible transition property granted to ComEd Funding LLC, a ComEd affiliate, by an ICC order issued July 21, 1998. On December 16, 1998, ComEd Funding Trust issued $3.4 billion of transitional funding notes, the proceeds of which were used to purchase the intangible transition property held by ComEd Funding LLC. ComEd Funding LLC transferred the proceeds to ComEd where they were used, among other things, to repurchase outstanding debt and equity securities of ComEd. The transitional funding notes are solely obligations of ComEd Funding Trust and are secured by the intangible transition property, which represents the right to receive instrument funding charges collected from ComEd's customers. The instrument funding charges represent a nonbypassable, usage-based, per kWh charge on designated consumers of electricity.

ComEd Financing I, a Delaware business trust, was formed by ComEd on July 21, 1995. ComEd Financing I was created solely for the purpose of issuing $200 million of trust preferred securities. The trust preferred

securities issued on September 26, 1995, carry an annual distribution rate of 8.48% and are mandatorily redeemable on September 30, 2035. The sole assets of ComEd Financing I are $206.2 million principal amount of 8.48% subordinated deferrable interest notes due September 30, 2035, issued by ComEd.

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

PECO Energy Transition Trust (PETT), a Delaware business trust wholly owned by PECO, was formed on June 23, 1998 pursuant to a trust agreement between PECO, as grantor, First Union Trust Company, National Association, as issuer trustee, and two beneficiary trustees appointed by PECO. PETT was created for the sole purpose of issuing transition bonds to securitize a portion of PECO's authorized stranded cost recovery. On March 25, 1999, PETT issued $4 billion of its Series 1999-A Transition Bonds. On May 2, 2000, PETT issued $1 billion of its Series 2000-A Transition Bonds and on March 1, 2001, PETT issued $805 million of its Series 2001-A Transition Bonds to refinance a portion of the Series 1999-A Transition Bonds. The Transition Bonds are solely obligations of PETT secured by intangible transition property, representing the right to collect transition charges sufficient to pay the principal and interest on the Transition Bonds, sold by PECO to PETT.

PECO Energy Capital Corp., a wholly owned subsidiary of PECO, is the sole general partner of PECO Energy Capital, L.P., a Delaware limited partnership (Partnership). The Partnership was created solely for the purpose of issuing preferred securities, representing limited partnership interests and lending the proceeds thereof to PECO and entering into similar financing arrangements. The loans to PECO are evidenced by PECO's subordinated debentures (Subordinated Debentures), which are the only assets of the Partnership. The only revenues of the Partnership are interest on the Subordinated Debentures. All of the operating expenses of the Partnership are paid by PECO Energy Capital Corp. As of December 31, 2001, the Partnership held $128 million aggregate principal amount of the Subordinated Debentures.

PECO Energy Capital Trust II (Trust II) was created in June 1997 as a Delaware business trust solely for the purpose of issuing trust receipts (Trust II Receipts) each representing an 8.00% Cumulative Monthly Income Preferred Security, Series C (Series C Preferred Securities) of the Partnership. The Partnership is the sponsor of Trust II. As of December 31, 2001, Trust II had outstanding 2,000,000 Trust II Receipts. At December 31, 2001, the assets of Trust II consisted solely of 2,000,000 Series C Preferred Securities with an aggregate stated liquidation preference of $50 million. Distributions were made on the Trust II Receipts during 2001 in the aggregate amount of $4 million. Expenses of Trust II for 2001 were approximately $10,000, all of which were paid by PECO Energy Capital Corp. The Trust II Receipts are issued in book-entry only form.

PECO Energy Capital Trust III (Trust III) was created in April 1998 as a Delaware business trust solely for the purpose of issuing trust receipts (Trust III Receipts) each representing an 7.38% Cumulative Preferred Security, Series D (Series D Preferred Securities) of the Partnership. The Partnership is the sponsor of Trust III. As of December 31, 2001, Trust III had outstanding 78,105 Trust III Receipts. At December 31, 2001, the assets of Trust III consisted solely of 78,105 Series D Preferred Securities with an aggregate stated liquidation preference of

$78 million. Distributions were made on Trust III Receipts during 2001 in the aggregate amount of $5.8 million. Expenses of Trust III for 2001 were approximately $10,000, all of which were paid by PECO Energy Capital Corp. The Trust III Receipts are issued in book-entry only form.

EXECUTIVE OFFICERS OF THE REGISTRANTS AT DECEMBER 31, 2001

EXELON

Name	Age	Position
McNeill, Jr., Corbin A.	62	Co-Chief Executive Officer and Chairman (retiring as of April 23, 2002)
Rowe, John W.	56	Co-Chief Executive Officer and President
Kingsley Jr., Oliver D.	59	Executive Vice President
Strobel, Pamela B.	49	Executive Vice President
Clark, Frank M.	56	Senior Vice President
Gillis, Ruth Ann M.	47	Senior Vice President and Chief Financial Officer
Gilmore Jr., George H.	52	Senior Vice President
Lawrence, Kenneth G.	54	President and Chief Operating Officer, Energy Delivery
McLean, Ian P.	52	Senior Vice President
Mehrberg, Randall E.	46	Senior Vice President and General Counsel
Moler, Elizabeth A.	52	Senior Vice President, Government Affairs and Policy
Padron, Honorio J.	49	Senior Vice President
Snodgrass, S. Gary	50	Senior Vice President and Chief Human Resources Officer
Gibson, Jean	45	Vice President and Corporate Controller

ComEd

Name	Age	Position
McNeill, Jr., Corbin A.	62	Co-Chief Executive Officer and Chairman, Exelon and Director, ComEd (retiring as of April 23, 2002)
Rowe, John W.	56	Co-Chief Executive Officer and President, Exelon and Director, ComEd
Strobel, Pamela B.	49	Executive Vice President, Exelon and Chair, ComEd
Gillis, Ruth Ann M.	47	Senior Vice President, Finance and Chief Financial Officer, Exelon and Director, ComEd
Lawrence, Kenneth G.	54	President and Chief Operating Officer, Energy Delivery and Director, ComEd
Clark, Frank M.	56	President, ComEd
Helwig, David R.	51	Executive Vice President, Operations, ComEd
Berdelle, Robert E.	45	Vice President, Finance and Chief Financial Officer, ComEd

PECO

Name	Age	Position
McNeill, Jr., Corbin A.	62	Co-Chief Executive Officer and Chairman, Exelon and Director, PECO (retiring as of April 23, 2002)
Rowe, John W.	56	Co-Chief Executive Officer and President, Exelon and Director, PECO
Strobel, Pamela B.	49	Executive Vice President, Exelon and Chair, PECO
Gillis, Ruth Ann M.	47	Senior Vice President and Chief Financial Officer, Exelon and Director, PECO
Lawrence, Kenneth G.	54	President, PECO
Frankowski, Frank F.	51	Vice President, Finance and Chief Financial Officer, PECO

Each of the above was elected as an executive officer effective October 20, 2000, the closing date of the merger, except for Randall E. Mehrberg, who was elected effective December 1, 2000, Robert E. Berdelle, who was elected effective October 11, 2001, Frank F. Frankowski, who was elected effective October 22, 2001 and George H. Gilmore, Jr., who was elected effective December 3, 2001.

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

Prior to his election to his current position, Mr. McNeill was Co-Chief Executive Officer of ComEd and President, Co-Chief Executive Officer and Chairman of PECO; Chief Executive Officer of PECO; Chief Operating Officer and Executive Vice President, Nuclear division of PECO.

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

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

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

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

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

Prior to his election to his current position, Mr. Gilmore was Group President for National Service Industries, Inc.; President and Chief Operating Officer of Calmat Company; and President of Moore Document Solutions and Moore Business Systems.

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

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

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

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

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

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

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

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

Prior to his election to his current position, Mr. Berdelle was Vice President and Comptroller of Unicom and ComEd; and Manager of Financial Reporting of Unicom and ComEd.

Prior to his election to his current position of Vice President, Finance and Chief Financial Officer of PECO Energy Company, Mr. Frankowski was Controller of PECO Energy Company; Manager, Accounting and Control of PECO Energy; and Director - Taxes of PECO Energy Company.

ITEM 2. PROPERTIES.

ENERGY DELIVERY

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

TRANSMISSION AND DISTRIBUTION

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

	Voltage (Volts)	Circuit Miles
ComEd		
	765,000	90
	345,000	2,590
	138,000	2,110
PECO		
	500,000	891
	220,000	1,634
	132,000	15

ComEd's electric distribution system includes 40,633 pole-line miles of overhead lines and 38,798 cable miles of underground lines. PECO's electric distribution system includes 21,009 pole-line miles of overhead lines and 21,002 cable miles of underground lines.

GAS

The following table sets forth PECO's gas pipeline miles at December 31, 2001:

	Pipeline Miles
Transmission	31
Distribution	6,199
Service piping	5,171
Total	11,401

PECO has a liquefied natural gas facility located in West Conshohocken, Pennsylvania that has a storage capacity of 1,200,000 million cubic feet (mcf) and a sendout capacity of 157,000 mcf/day and a propane-air plant located in Chester, Pennsylvania, with a tank storage capacity of 1,980,000 gallons and a peaking capability of 25,000 mcf/day. In addition, PECO owns 28 natural gas city gate stations at various locations throughout its gas service territory.

MORTGAGES

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

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

GENERATION

The following table sets forth Generation's owned net electric generating capacity by station at December 31, 2001:

Station	Location	No. of Units	% Owned (1)	Primary Fuel Type	Dispatch Type	Net Generation Capacity(MW) (2)	
Nuclear (3)							
Braidwood	Braidwood, IL	2		Uranium	Base-load	2,372	
Byron	Byron, IL	2		Uranium	Base-load	2,391	
Dresden	Morris, IL	2		Uranium	Base-load	1,659	
LaSalle County	Seneca, IL	2		Uranium	Base-load	2,298	
Limerick	Limerick Twp., PA	2		Uranium	Base-load	2,312	
Peach Bottom	Peach Bottom Twp., PA	2	50.00	Uranium	Base-load	1,112	(4)
Quad Cities	Cordova, IL	2	75.00	Uranium	Base-load	1,172	(4)
Salem	Hancock's Bridge, NJ	2	42.59	Uranium	Base-load	934	(4)
						14,250	
Fossil (Steam Turbines)							
Cromby (1)	Phoenixville, PA	1		Coal	Base-load	144	
Cromby (2)	Phoenixville, PA	1		Oil/Gas	Intermediate	201	
Delaware	Philadelphia, PA	2		Oil	Peaking	250	
Eddystone (1), (2)	Eddystone, PA	2		Coal	Base-load	581	
Eddystone (3), (4)	Eddystone, PA	2		Oil/Gas	Intermediate	760	
Schuylkill	Philadelphia, PA	1		Oil	Peaking	166	
Conemaugh	New Florence, PA	2	20.72	Coal	Base-load	352	(4)
Keystone	Shelocta, PA	2	20.99	Coal	Base-load	357	(4)
Fairless Hills	Falls Twp., PA	2		Landfill Gas	Peaking	60	
						2,871	
Fossil (Combustion Turbines)							
Chester	Chester, PA	3		Oil	Peaking	39	
Croydon	Bristol Twp., PA	8		Oil	Peaking	380	
Delaware	Philadelphia, PA	4		Oil	Peaking	56	
Eddystone	Eddystone, PA	4		Oil	Peaking	60	
Falls	Falls Twp., PA	3		Oil	Peaking	51	
Moser	Lower Pottsgrove Twp., PA	3		Oil	Peaking	51	
Pennsbury	Falls Twp., PA	2		Landfill Gas	Peaking	6	
Richmond	Philadelphia, PA	2		Oil	Peaking	96	
Schuylkill	Philadelphia, PA	2		Oil	Peaking	30	
Southwark	Philadelphia, PA	4		Oil	Peaking	52	
Salem	Hancock's Bridge, NJ	1	42.59	Oil	Peaking	16	(4)
LaPorte	LaPorte, Tx	4		Gas	Peaking	160	
						997	
Fossil (Internal Combustion/Diesel)							
Cromby	Phoenixville, PA	1		Oil	Peaking	3	
Delaware	Philadelphia, PA	1		Oil	Peaking	3	
Schuylkill	Philadelphia, PA	1		Oil	Peaking	3	
Conemaugh	New Florence, PA	4	20.72	Oil	Peaking	2	(4)
Keystone	Shelocta, PA	4	20.99	Oil	Peaking	2	(4)
						13	
Hydroelectric							
Conowingo	Harford Co., MD	11		Hydro	Base-load	512	
Muddy Run	Lancaster Co., PA	8		Hydro	Intermediate	1,072	
						1,584	
		101				19,715	

(1) 100%, unless otherwise indicated.

(2) For nuclear stations, except Salem, capacity reflects the annual mean rating. All other stations, including Salem, reflect a summer rating.

(3) All nuclear stations are boiling water reactors except Braidwood, Byron and Salem, which are pressurized water reactors.

(4) Generation's portion.

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

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

ITEM 3. LEGAL PROCEEDINGS.

EXELON

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 which included an award of both pre-judgment and post-judgment interests, costs, and medical monitoring expenses which total $43 million. This matter is being appealed by Cotter in the Tenth Circuit Court of Appeals. Cotter will vigorously contest the award.

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. The plaintiffs appealed the verdict to the Tenth Circuit Court of Appeals.

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 the corporate restructuring, the responsibility to indemnify Cotter for any liability related to these matters was transferred to Generation. Generation's management believes adequate reserves have been established in connection with these proceedings.

The United States 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), is reviewing a draft feasibility study that recommends capping 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 are $10 to $15 million. Once a final feasibility study is complete and a remedy 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.

PECO initiated tax appeals regarding two of its nuclear facilities, Limerick Generating Station (Montgomery County) and Peach Bottom Atomic Power Station (York County), and one of its fossil facilities, Eddystone (Delaware County). The potential benefit or obligation resulting from these appeals was transferred to Generation in connection with the corporate restructuring. Generation is also involved in a tax appeal for TMI (Dauphin County) through AmerGen. Generation does not believe the outcome of these matters will have a material adverse effect on its results of operations or financial condition.

On May 27, 1998, the United States Department of Justice, on behalf of the Rural Utilities Service and the Chapter 11 Trustee for the Cajun Electric Power Cooperative, Inc. ("Cajun"), filed an action claiming breach of contract against PECO in the United States District Court for the Middle District of Louisiana arising out of PECO's termination of the contract to purchase Cajun's interest in the River Bend nuclear power plant. Effective with the corporate restructuring, Generation has agreed to assume any liability and obligation arising from this litigation. During 2001, the parties reached a settlement of the dispute, and Generation made a payment of $14 million to Cajun.

Generation is an unsecured creditor in Enron Corp.'s (Enron) bankruptcy proceeding. Generation's claim for power and other products sold to Enron in November and early December 2001 is $8.5 million. Enron may assert that Generation should not have closed out and terminated all of its forward contracts with Enron. If Enron is successful in this argument, Generation's exposure could be greater than $8.5 million. Generation may also be subject to exposure due to the credit policies of ISO-operated spot markets that allocate defaults of market participants to non-defaulting participants. Generation has established reserves for these matters.

(See the ComEd litigation section for additional Enron litigation matters.)

COMED

In March 1999, ComEd reached a settlement agreement with the City of Chicago (Chicago) to end the arbitration proceeding between ComEd and Chicago regarding the January 1, 1992 franchise agreement. As part of the settlement agreement, ComEd and Chicago agreed to a revised combination of ongoing work under the franchise agreement and new initiatives that total approximately $1 billion in defined transmission and distribution expenditures by ComEd to improve electric services in Chicago, of which approximately $940 million has been expended through December 31, 2001. The settlement agreement provides that ComEd would be subject to liquidated damages if the projects are not completed by various dates, unless it was prevented from doing so by events beyond its reasonable control. In addition, ComEd and Chicago established an Energy Reliability and Capacity Account, into which ComEd deposited $25 million during each of the years 1999 through 2001 and has conditionally agreed to deposit $25 million at the end of 2002, to help ensure an adequate and reliable electric supply for Chicago.

Three of ComEd's wholesale municipal customers filed a complaint and request for refund with the 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. On June 29, 2001, FERC denied the customers' requests for rehearing of the order granting rehearing. 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. In November 2001, the court suspended briefing pending court-initiated settlement discussions.

On April 18, 2001, the Godley Park District filed suit in Will County Circuit Court against ComEd and Exelon alleging that oil spills at Braidwood Station have contaminated the Park District's water supply. The complaint sought actual damages, punitive damages of $100 million and statutory penalties. The court dismissed all counts seeking punitive damages and statutory penalties, and the plaintiff has filed an amended complaint before the court. ComEd is contesting the liability and damages sought by the plaintiff.

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 judgement that their rights under their contracts with ComEd were not affected by the amendment. On August 4, 1999, the Illinois Appellate Court held that the developers' claims against the state were premature, and the Illinois Supreme Court denied leave to appeal that ruling. Developers of both facilities have since filed amended complaints repeating their allegations that ComEd breached the contracts in question and requesting damages for such breach, in the amount of the difference between the state-subsidized rate and the amount ComEd was willing to pay for the electricity. ComEd is contesting this matter.

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 talks. 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. A portion of any settlement or verdict may be covered by insurance; discussions with the carrier are ongoing. ComEd's management believes adequate reserves have been established in connection with these cases.

As a result of Enron's bankruptcy proceeding, ComEd has potential monetary exposure for customers served by Enron Energy Services (EES) as a billing agent. On January 7, 2002, EES was authorized by the bankruptcy court to, and subsequently did, reject its contract with 129 of ComEd's customer accounts. As of March 15, 2002, EES was the billing agent for 97 of

ComEd's customer accounts. EES has advised Exelon that it will retain its billing agency with these remaining accounts. ComEd is working to ensure that customers know what amounts are owed to ComEd on 269 accounts on which EES has been removed as billing agent, and has obtained updated billing addresses for these accounts. With regard to the 97 remaining accounts, as of March 15, 2002, ComEd's total amount outstanding is immaterial. Because that amount is owed to ComEd by individual customers, it is not part of the bankrupt Enron's estate. The ICC has rescinded EES's authority to act as an alternative retail energy supplier in Illinois. However, EES never served as a supplier, as opposed to a billing agent, to any of ComEd's retail accounts.

PECO

None.

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

None.

PART II

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

EXELON

The information required by this Item with respect to market information relating to Exelon's common stock is incorporated herein by reference to "Market for Registrant's Common Equity and Related Stockholder Matters" in Exhibit 99-1 to Exelon's Current Report on Form 8-K dated February 28, 2002.

ComEd

As of March 1, 2002, there were outstanding 127,016,373 shares of common stock, $12.50 par value, of ComEd, of which 127,002,904 shares were held by Exelon. At March 1, 2002, in addition to Exelon, there were approximately 280 holders of ComEd common stock. There is no established market for shares of the common stock of ComEd.

ComEd may not declare dividends on any shares of its capital stock in the event that: (1) it exercises its right to extend the interest payment periods on the subordinated debt securities which were issued to ComEd Financing I and ComEd Financing II (the Financing Trusts); (2) it defaults on its guarantee of the payment of distributions on the preferred trust securities of the Financing Trusts; or (3) an event of default occurs under the Indenture under which the subordinated debt securities are issued. See Item 1. Business - Other Subsidiaries of ComEd and PECO with Publicly Held Securities.

PECO

As of March 1, 2002, there were outstanding 170,478,507 shares of common stock, without par value, of PECO, all of which were held by Exelon.

PECO's Articles of Incorporation prohibit payment of any dividend on, or other distribution to the holders of, common stock if, after giving effect thereto, the capital of PECO represented by its common stock together with its retained earnings is, in the aggregate, less than the involuntary liquidating value of its then outstanding preferred stock. At December 31, 2001, such capital ($2.2 billion) amounted to about 14 times the liquidating value of the outstanding preferred stock ($156 million).

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

DIVIDENDS

Under PUHCA and the Federal Power Act, Exelon, ComEd, PECO and Generation can only pay dividends from retained or current earnings. Similar restrictions also apply to ComEd

under the Illinois Public Utilities Act. An SEC order issued under PUHCA granted permission to Exelon and ComEd to pay up to $500 million in dividends out of additional paid-in capital, provided that Exelon agreed not to pay dividends out of paid-in capital after December 31, 2002 if its common equity is less than 30% of its total capitalization. At December 31, 2001, Exelon had retained earnings of $1.2 billion, which includes ComEd retained earnings of $257 million, PECO retained earnings of $270 million and Generation retained earnings of $471 million.

The following table sets forth Exelon's quarterly cash dividends paid during 2001 and 2000:

	2001				2000			
(per share)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Exelon	$ 0.55 (1)	$ 0.42	$ 0.42	$ 0.43	$ 0.25	$ 0.25	$ 0.25	$ 0.16

(1) Exelon did not pay any cash dividends in 2000. The first quarter dividend in 2001 was a pro rata dividend. Unicom and PECO each paid their shareholders pro rata, per diem dividends from their last regular dividend dates through October 19, 2000. The first quarter of 2001 covered the 119-day period from the date of the Merger, through the February 15, 2001 record date.

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

	2001				2000			
(in millions)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
ComEd	$ 63	$ 85	$ 105	$ 230	$ 87	$ 75	$ 74	$ 90
PECO	$ 45	$ 55	$ 69	$ 173	$ 45	$ 43	$ 43	$ 26

On January 29, 2002, the Board of Directors of Exelon declared a quarterly dividend of $0.44 per share of Exelon's common stock. This increase of $0.07 per share annually will result in an annual dividend rate of $1.76 per share. The new dividend rate reflects Exelon's vertically integrated business portfolio and its focus on total return to shareholders. The new dividend rate represents about a 50% payout of the expected 2002 earnings per share from Exelon's regulated electricity delivery businesses. Exelon intends to grow the dividend to about a 60% payout of earnings from regulated operations based on cash flow and earnings growth prospects for Energy Delivery. The payment of future dividends is subject to approval and declaration by the Board of Directors each quarter.

ITEM 6. SELECTED FINANCIAL DATA.

EXELON

The information required by this Item is incorporated herein by reference to "Selected Financial Data" in Exhibit 99-1 to Exelon's Current Report on Form 8-K dated February 28, 2002.

COMED

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

The information for the year ended 2000 is presented for the periods before and after the Merger. For additional information, see ITEM 8. Financial Statements and Supplementary Data - ComEd, Notes 1 and 3 of the Notes to Consolidated Financial Statements.

(in millions)	Jan. 1 - Dec. 31 2001	Oct. 20 - Dec. 31 2000	Jan. 1 - Oct. 19 2000	For the Years Ended December 31, 1999	1998	1997
STATEMENT OF INCOME DATA:						
Operating Revenues	$ 6,206	$ 1,310	$ 5,702	$ 6,793	$ 7,150	$ 7,076
Operating Income	1,594	338	1,048	1,549	1,387	1,214
Income (Loss) before Extraordinary Items And Cumulative Effect of a Change in Accounting Principle	607	133	603	651	594	(160)
Extraordinary Item (net of income taxes)	--	--	(4)	(28)	--	(810)
Cumulative Effect of a Change in Accounting Principle (net of income taxes)	--	--	--	--	--	196
Net Income (Loss) on Common Stock	607	133	596	599	537	(834)

(in millions)	at December 31, 2001	2000	1999	1998	1997
BALANCE SHEET DATA:					
Current Assets	$ 1,114	$ 2,172	$ 4,045	$ 4,974	$ 1,745
Property, Plant and Equipment, net	7,351	7,657	11,993	13,300	16,622
Deferred Debits and Other Assets	7,251	10,369	6,538	6,583	3,397
Total Assets	$15,716	$20,198	$22,576	$24,857	$21,764
Current Liabilities	$ 1,886	$ 1,723	$ 3,427	$ 3,309	$ 2,223
Long-Term Debt	5,850	6,882	6,962	7,677	5,563
Deferred Credits and Other Liabilities	2,568	5,082	6,456	7,770	8,050
Mandatorily Redeemable Preference Stock	--	--	69	171	205
Company-Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trusts Holding the Company's Subordinated Debt Securities	329	328	350	350	350
Shareholders' Equity	5,083	6,183	5,312	5,580	5,373
Total Liabilities and Shareholders' Equity	$15,716	$20,198	$22,576	$24,857	$21,764

PECO

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

(in millions)	For the Years Ended December 31, 2001	2000	1999	1998	1997
STATEMENT OF INCOME DATA:					
Operating Revenues	$ 3,965	$ 5,950	$ 5,478	$ 5,325	$ 4,601
Operating Income	999	1,222	1,373	1,268	1,006
Income before Extraordinary Items					

and Cumulative Effect of a Change in Accounting Principle	425	487	619	533	337
Extraordinary Items (net of income taxes)	--	(4)	(37)	(20)	(1,834)
Cumulative Effect of a Change in Accounting Principle (net of income taxes)	--	24	--	--	--
Net Income (Loss) on Common Stock	415	497	570	500	(1,514)

	at December 31,				
(in millions)	2001	2000	1999	1998	1997
BALANCE SHEET DATA:					
Current Assets	$ 820	$ 1,779	$ 1,221	$ 582	$ 1,003
Property, Plant and Equipment, net	4,047	5,158	5,004	4,804	4,671
Deferred Debits and Other Assets	5,878	7,839	6,862	6,662	6,683
Total Assets	$10,745	$14,776	$13,087	$12,048	$12,357
Current Liabilities	$ 1,342	$ 2,974	$ 1,286	$ 1,735	$ 1,619
Long-Term Debt	5,438	6,002	5,969	2,920	3,853
Deferred Credits and Other Liabilities	3,358	3,860	3,738	3,756	3,576
Company-Obligated Mandatorily Redeemable Preferred Securities	128	128	128	349	352
Mandatorily Redeemable Preferred Stock	19	37	56	93	93
Shareholders' Equity	460	1,775	1,910	3,195	2,864
Total Liabilities and Shareholders' Equity	$10,745	$14,776	$13,087	$12,048	$12,357

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

EXELON

The information required by this Item is incorporated herein by reference to "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Exhibit 99-2 to Exelon's Current Report on Form 8-K dated February 28, 2002.

COMED

GENERAL

On October 20, 2000, ComEd became a 99.9% owned subsidiary of Exelon as a result of the transactions relating to the Merger. As a result of the Merger, ComEd's consolidated financial information for the period after the Merger has a different cost basis than that of previous periods. Material variances caused by the different cost basis have been disclosed where applicable.

Through December 31, 2000, ComEd operated as a vertically integrated electric utility. During January 2001, Exelon undertook a restructuring to separate its generation and other competitive businesses from its regulated energy delivery business. As part of the restructuring, the non-regulated operations and related assets and liabilities of ComEd were transferred to separate subsidiaries of Exelon. As a result, beginning January 2001, the operations of ComEd consist of its retail electricity distribution and transmission business in northern Illinois. The restructuring has had a significant impact on all components of ComEd's results of operations. The estimated impact of the restructuring set forth herein reflects the effects of removing the operations related to ComEd's nuclear generating stations and obtaining energy and capacity from Generation under the terms of the PPA for the year ended December 31, 2000.

RESULTS OF OPERATIONS

YEAR ENDED DECEMBER 31, 2001 COMPARED TO YEAR ENDED DECEMBER 31, 2000

SUMMARY FINANCIAL INFORMATION - COMED

(in millions)	2001	2000	Components of Variance: Restructuring Impact	Components of Variance: Normal Operations	Components of Variance: Total
Operating Revenues	$ 6,206	$ 7,012	$ (707)	$ (99)	$ (806)
Fuel and Purchased Power	2,670	1,977	677	16	693
Operating and Maintenance	981	2,076	(1,072)	(23)	(1,095)
Merger-Related Costs	--	67	--	(67)	(67)
Depreciation and Amortization	665	998	(282)	(51)	(333)
Taxes Other Than Income	296	508	(131)	(81)	(212)
Total Operating Expenses	4,612	5,626	(808)	(206)	(1,014)
Operating Income	1,594	1,386	101	107	208
Interest Expense	(565)	(596)	43	(12)	31
Distributions on Company-Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trusts Holding Solely the Company's Subordinated Debt Securities	(30)	(30)	--	--	--
Other, Net	114	308	--	(194)	(194)
Income Before Income Taxes and Extraordinary Items	1,113	1,068	144	(99)	45
Income Taxes	506	332	72	102	174
Net Income Before Extraordinary Items	607	736	72	(201)	(129)
Extraordinary Items (net of income taxes)	--	(4)	--	4	4
Net Income	607	732	72	(197)	(125)
Preferred and Preference Stock Dividends	--	(3)	--	3	3
Net Income on Common Stock	$ 607	$ 729	$ 72	$ (194)	$ (122)

NET INCOME

Net income from normal operations decreased $197 million, or 25% in 2001. Net income was impacted by $107 million in increased operating income offset by a higher effective tax rate and a $194 million decrease in other income and deductions primarily attributable to a gain on the forward share purchase arrangement recognized during 2000 and a reduction in intercompany interest income in 2001 as compared to 2000.

OPERATING REVENUES

Bundled service reflects deliveries to customers taking electric service under tariffed rates, which include the cost of energy and the delivery cost of the transmission and distribution of the energy. Unbundled service reflects customers electing to receive electric generation service from the PPO or an ARES. Revenue from customers choosing the PPO includes an energy charge at market rates, transmission and distribution charges and a CTC charge. 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. ComEd's electric sales statistics are as follows:

Retail Deliveries - (in megawatthours (MWh))		2001	2000	Variance
BUNDLED DELIVERIES				
Residential		25,281,880	23,997,261	1,284,619
Small Commercial & Industrial		23,435,141	24,832,551	(1,397,410)
Large Commercial & Industrial		10,305,130	15,348,098	(5,042,968)
Public Authorities & Electric Railroads		7,879,260	7,664,309	214,951
		66,901,411	71,842,219	(4,940,808)
UNBUNDLED DELIVERIES				
Small Commercial & Industrial	- PPO	3,279,491	1,433,337	1,846,154
	- ARES	2,865,423	2,772,316	93,107
Large Commercial & Industrial	- PPO	5,749,995	2,812,524	2,937,471
	- ARES	5,457,847	5,806,535	(348,688)
Public Authorities & Electric Railroads	- PPO	986,756	1,087,524	(100,768)
	- ARES	364,998	297,048	67,950
		18,704,510	14,209,284	4,495,226
TOTAL RETAIL DELIVERIES		85,605,921	86,051,503	(445,582)

Electric Revenue (in millions)		2001	2000	Variance
BUNDLED REVENUE				
Residential		$ 2,308	$ 2,235	$ 73
Small Commercial & Industrial		1,821	1,949	(128)
Large Commercial & Industrial		523	811	(288)
Public Authorities & Electric Railroads		430	424	6
		5,082	5,419	(337)
UNBUNDLED REVENUE				
Small Commercial & Industrial	- PPO	220	92	128
	- ARES	48	62	(14)
Large Commercial & Industrial	- PPO	343	158	185
	- ARES	74	115	(41)
Public Authorities & Electric Railroads	- PPO	59	56	3
	- ARES	5	7	(2)
		749	490	259
TOTAL ELECTRIC RETAIL REVENUES		$ 5,831	$ 5,909	$ (78)
Wholesale and Miscellaneous Revenue		375	396 (a)	(21)
TOTAL ELECTRIC REVENUE		$ 6,206	$ 6,305	$ (99)

(a) Includes the operations of ComEd as if the restructuring had occurred on January 1, 2000.

The changes in electric retail revenues for 2001, as compared to 2000, are attributable to the following:

(in millions) Variance -------- Customer Choice $(145) Weather 103 Revenue Taxes (88) Other Effects 76 Rate Changes (24) ----- Electric Retail Revenue $ (78) ----- o Customer Choice. ComEd non-residential customers have the choice to purchase energy from other suppliers. This choice generally does not impact MWh deliveries, but affects revenue collected from customers related to energy supplied by ComEd. The decrease in revenues reflects customers in Illinois electing to purchase energy from an ARES or the PPO. As of December 31, 2001, approximately 18,700 retail customers, representing 22% of total annual retail deliveries, had elected to purchase energy from the PPO or an ARES, compared to approximately 9,500 customers, representing 17% of total annual retail deliveries, as of December 31, 2000. o Weather. The demand for electricity and gas services 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 demand for electricity. Conversely, mild weather reduces demand. Although weather was moderate in 2001, the weather impact was favorable compared to the prior year as a result of warmer summer weather offset in part by warmer winter weather in 2001. Cooling degree days increased

11% in 2001 compared to 2000 while heating degree days decreased 5% in 2001 compared to 2000. o Revenue taxes. The change in revenue taxes represents a change in presentation of certain revenue taxes from operating revenue and tax expense to collections recorded as liabilities resulting from Illinois legislation. This change in presentation does not affect results of operations. o Other Effects. A strong housing construction market in Chicago has contributed to residential and small commercial and industrial customer volume growth, partially offset by the unfavorable impact of a slower economy on large commercial and industrial customers. o Rate Changes. The decrease in revenues attributable to rate changes reflects a 5% residential rate reduction, effective October 1, 2001, required by the Illinois restructuring legislation. The reduction in Wholesale and Miscellaneous revenues in 2001 as compared to 2000, as if the restructuring occurred on January 1, 2000, reflects a $101 million reduction in off-system sales due to the expiration of wholesale contracts that were offered by ComEd from June 2000 to May 2001 to support the open access program in Illinois, partially offset by a $58 million increase in transmission service revenue and the reversal of a $15 million reserve for revenue refunds to ComEd's municipal customers as a

result of a favorable FERC ruling. FUEL AND PURCHASED POWER EXPENSE Fuel and purchased power expense increased $16 million, or 1%, compared to 2000, excluding the effects of restructuring. The increase in fuel and purchased power expense was 51

primarily attributable to increases in the weighted average on-peak/off-peak cost per MWh, offset in part by a decrease in MWhs purchased. OPERATING AND MAINTENANCE EXPENSE Operating and maintenance (O&M) expense decreased $23 million, or 2%, compared to 2000, excluding the effects of restructuring. The decrease in O&M expense was primarily attributable to a decrease in customer credit and billing costs due to process improvements and a decrease in storm restoration and service reliability costs, partially offset by higher administrative and general costs. MERGER-RELATED COSTS Merger-related costs charged to expense in 2000 were $67 million consisting of $26 million of direct incremental costs and $41 million for employee costs. Direct incremental costs represent expenses directly associated with completing the Merger, including professional fees, regulatory approval, and other merger integration costs. Employee costs represent estimated severance payments provided for under Exelon's Merger Separation Plan (MSP) for eligible employees whose positions were eliminated

before October 20, 2000 due to integration activities of the merged companies.

DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation and amortization expense decreased $51 million, or 7%, compared to 2000, excluding the effects of restructuring. Regulatory asset and decommissioning amortization decreased $180 million primarily due to the gain on the settlement of the common stock forward purchase arrangement in the first quarter of 2000, partially offset by a $103 million increase in goodwill amortization representing the impact of a full year of amortization expense in 2001 and a $26 million increase in depreciation expense from increased plant in service due to continued transmission and distribution capital improvements. Consistent with the provisions 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. See ITEM 8. Financial Statements - ComEd -Note 5- Regulatory Issues. Annual goodwill amortization of $126 million in 2001 was discontinued in 2002 upon the adoption of SFAS No. 142, "Goodwill and Other Intangible Assets" (SFAS No. 142).

TAXES OTHER THAN INCOME

Taxes other than income decreased $81 million, or 21%, compared to 2000, excluding the effects of restructuring. The decrease in taxes other than income was

primarily attributable to the effect of the change in certain revenue taxes from operating revenue and tax expense to collections recorded as liabilities resulting from Illinois legislation.

INTEREST CHARGES Interest charges consist of interest expense and distributions on Company-Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trusts. Interest charges increased $12 million, or 2%, compared to 2000, excluding the effects of restructuring. The increase in interest expense was primarily attributable to increased interest accrued on estimated tax liabilities and interest due on amounts payable to affiliates.

OTHER INCOME AND DEDUCTIONS Other income and deductions, excluding interest charges, decreased $194 million, compared to 2000. The decrease was primarily attributable to the $113 million gain on the forward share purchase arrangement recognized during 2000 and a $115 million reduction in intercompany interest income in 2001 from an affiliate, Unicom Investment, Inc., reflecting the impact of declining interest rates and a $850 million reduction in intercompany notes receivable

in the fourth quarter of 2000, partially offset by the $38 million loss on the sale of Cotter Corporation, a ComEd subsidiary, recognized during 2000. INCOME TAXES The effective income tax rate was 45.5% in 2001, compared to 31.1% in 2000. The increase in the effective tax rate was primarily attributable to the effects of the gain on the forward share purchase arrangement recorded in 2000, which was not recognized for tax purposes, a full year of goodwill amortization in 2001, which is not deductible for tax purposes, the amortization of certain recoverable transition costs, which is not deductible for tax purposes and lower investment tax credit amortization resulting from the application of purchase accounting in connection with the Merger. EXTRAORDINARY ITEMS Extraordinary charges aggregating $6 million ($4 million, net of income taxes) were incurred in 2000, and consisted of prepayment premiums and the write-off of unamortized deferred financing costs associated with the early retirement of debt. YEAR ENDED DECEMBER 31, 2000 COMPARED TO YEAR ENDED DECEMBER 31, 1999 SUMMARY FINANCIAL INFORMATION - COMED (in millions) 2000 1999 Variance - ------------- ------ ----- ----- --- Operating Revenues $ 7,012 $ 6,793 219 Fuel and Purchased Power 1,977 1,549 428 Operating and Maintenance 2,076 2,352

(276) Merger
Related Costs 67
-- 67
Depreciation and
Amortization 998
836 162 Taxes
Other Than
Income 508 507 1
------- -------
------- Total
Operating
Expenses 5,626
5,244 382 ------
- ------- ------
- Operating
Income 1,386
1,549 (163) ----
--- ------- ----
--- Interest
Expense (596)
(602) 6
Distributions on
Company-
Obligated
Mandatorily
Redeemable
Preferred
Securities of
Subsidiary
Trusts Holding
Solely the
Company's
Subordinated
Debt Securities
(30) (30) --
Other, Net 308
60 248 ------- -
------ -------
Income Before
Income Taxes and
Extraordinary
Items 1,068 977
91 Income Taxes
332 326 6 ------
- ------- ------
- Net Income
Before
Extraordinary
Items 736 651 85
Extraordinary
Items (net of
income taxes)
(4) (28) 24 ----
--- ------- ----
--- Net Income
732 623 109
Preferred and
Preference Stock
Dividends (3)
(24) 21 -------
------- -------
Net Income on
Common Stock $
729 $ 599 $ 130
======= =======
=======

NET INCOME Net income increased $109 million or 18% in 2000 as compared to 1999. Net income was impacted by a $163 million decrease in operating income, offset by a $248 million increase in other income and deductions primarily attributable to a gain on the forward share purchase arrangement recognized during 2000 and an increase in intercompany interest income in 2000 as compared to 1999. OPERATING REVENUES Operating revenues increased $219 million, or 3% from 1999. Revenues from retail customers decreased $266 million primarily due to unfavorable weather conditions reflecting a 17% reduction in cooling degree days compared to the prior year as well as the migration of non-residential customers to ARES or PPO. Sales for resale increased $467 million primarily due to the favorable response to wholesale power purchase contracts offered by ComEd from June 2000 to May 2001 to support the open access program in Illinois as well as increased sales to other utilities as a result of the increased availability of nuclear generation. Revenues from retail customers reflect a 3% increase in MWh sales for 2000 as compared to 1999. Residential MWh deliveries increased 1%, while non-residential deliveries increased 4%. As of December 31, 2000, approximately 9,500 retail customers had elected to purchase energy

from an ARES or the PPO, compared to approximately 4,700 customers as of December 31, 1999. Delivered MWh sales to such customers of 14.2 million represents 17% of total annual retail deliveries in 2000. FUEL AND PURCHASED POWER EXPENSE Fuel and purchased power expense increased $428 million, or 28% from 1999. The increase in fuel and purchased power expense was primarily attributable to the effects of the PPAs that ComEd entered into upon the sale of its fleet of fossil stations in December 1999, which resulted in increased purchased power costs, but lower fuel, O&M, and depreciation costs. OPERATING AND MAINTENANCE EXPENSE O&M expense decreased $276 million, or 12% from 1999. The decrease in O&M expense was primarily attributable to a reduction in expenses as a result of the sale of the fossil generation stations in December 1999 as well as shorter refueling outages and fewer forced outages at nuclear generation stations. The decrease also reflects costs incurred in 1999 to address billing and collection problems encountered following the implementation of a new customer information and billing system in July 1998 and lower administrative and general costs. These decreases in O&M expenses were partially offset by increased expenses associated with ComEd's increased efforts to improve the reliability of

its transmission and distribution system. MERGER-RELATED COSTS Merger-related costs charged to expense in 2000 were $67 million consisting of $26 million of direct incremental costs and $41 million for employee costs. Direct incremental costs represent expenses directly associated with completing the Merger, including professional fee, regulatory approval, and other Merger integration costs. Employee costs represent estimated severance payments provided under Exelon's MSP for eligible employees whose positions were eliminated before October 20, 2000 due to integration activities of the merged companies. DEPRECIATION AND AMORTIZATION EXPENSE Depreciation and amortization expense increased $162 million, or 19% from 1999. The increase was primarily attributable to a $220 million increase in regulatory asset amortization as provided by the Illinois legislation, including the settlement of the forward share purchase

arrangement in 2000. The increase also reflects goodwill amortization of $23 million associated with the Merger, partially offset by an $81 million decrease in depreciation expense reflecting the fossil station sale and the fair value adjustment of ComEd's nuclear stations associated with the application of purchase accounting upon completion of the Merger.

TAXES OTHER THAN INCOME Taxes other than income for 2000 were consistent with 1999.

INTEREST CHARGES Interest charges remained consistent from year to year.

OTHER INCOME AND DEDUCTIONS Other income and deductions, excluding interest charges, increased $248 million from 1999. The increase was primarily attributable to a $168 million increase in interest income on ComEd's notes receivables from an affiliate, Unicom Investment Inc., related to the December 1999 sale of the fossil stations. The increase also reflects the effects of a $113 million gain on the forward share purchase arrangement that occurred in 2000, compared to the $44 million loss recorded in 1999 on the same arrangement, partially offset by the $38 million loss on the sale of Cotter Corporation, a ComEd subsidiary, recognized during 2000.

INCOME TAXES The effective income tax rate was 31.1% in 2000 compared to 33.4% in 1999. The decrease in the effective tax rate was primarily

attributable to the effects of the gain on the forward share purchase arrangement, compared to the loss that was recognized in 1999 on the same arrangement, neither of which were recognized for tax purposes. The decrease was partially offset by the investment tax credit amortization recorded in 1999 related to the fossil station sale. EXTRAORDINARY ITEM ComEd incurred extraordinary charges aggregating $6 million ($4 million, net of tax) and $46 million ($28 million, net of tax) in 2000 and 1999, respectively, consisting of prepayment premiums and the write-off of unamortized deferred financing costs associated with the early retirement of debt. LIQUIDITY AND 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. ComEd's access to external financing at reasonable terms is dependent on its credit ratings and the general business condition of ComEd and the industry. ComEd's business is capital intensive. Capital resources are used primarily to fund ComEd's capital requirements, including construction, repayments of maturing debt, and the payment of common stock dividends to Exelon. CASH FLOWS FROM OPERATING ACTIVITIES Cash

flows provided by operations were $1.4 billion in 2001. ComEd's cash flow from operating activities primarily results from sales of electricity to a stable and diverse base of retail customers at fixed prices. 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 55

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 $441 million in 2001. ComEd's $400 million note receivable from PECO was repaid in the second quarter of 2001. ComEd's capital expenditures were $839 million in 2001 and are expected to be approximately $781 million in 2002. Approximately two-thirds of the budgeted 2002 expenditures are for additions or upgrades to existing facilities, including reliability improvements. The remaining one third is for capital additions to support customer and load growth. ComEd anticipates that it will obtain financing, when necessary, through 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 used in financing activities were $1.0 billion in 2001 primarily attributable to debt service and payments of dividends to Exelon. ComEd's debt financing activities in 2001 reflected the retirement of $340 million of transitional trust notes and

the early retirement of $196 million in First Mortgage Bonds with available cash. ComEd expects that its common stock dividend payments to Exelon will approximate 60% of its net income in 2002.

CREDIT ISSUES

ComEd meets its short-term liquidity requirements primarily through the issuance of commercial paper, borrowings under bank credit facilities and borrowings from the Exelon intercompany money pool. ComEd, along with Exelon, PECO, and Generation are parties to a $1.5 billion unsecured 364-day revolving credit facility on December 12, 2001 with a group of banks. ComEd has a $300 million sublimit under the credit facility and uses the credit facility principally to support its $300 million commercial paper program. The credit facility requires ComEd to maintain a debt to total capitalization ratio of 65% or less (excluding transitional trust notes). At December 31, 2001, ComEd's debt to total capitalization ratio on that basis was 45%. At December 31, 2001, ComEd had no short-term borrowings.

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 are 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. ComEd from time to time enters into interest rate swaps and other derivatives 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 and the Federal Power Act, ComEd can only pay dividends from retained or current earnings. However, the SEC has authorized ComEd to pay up to $500 million in dividends out of additional paid-in capital, provided after December 31, 2001 ComEd may not pay dividends out of paid-in capital if its common equity is less than 30% of its total capitalization (including transitional trust notes). At December 31, 2001, ComEd had retained earnings of $257 million.

Effective January 1, 2001, Exelon contributed to ComEd a $1.1 billion non-interest bearing receivable for the purpose of funding future income tax payments resulting from the collection of instrument funding charges. Exelon repaid $125 million of this outstanding receivable during the fourth quarter of 2001 and the remainder will be repaid in the years 2002 through 2008. See ITEM 8. Financial Statements - ComEd - Note 17 - Related-Party Transactions.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

ComEd's contractual obligations as of December 31, 2001 representing cash obligations that are considered to be firm commitments are as follows:

(in millions)	Total	Payment Due within 1 Year	2-3 Years	4-5 Years	Due After 5 Years
Long-Term Debt	$6,821	$ 849	$1,276	$1,576	$3,120
Operating Leases	186	28	51	39	68
Company-Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trusts Holding the Company's Subordinated Debt Securities	350	--	--	--	350
Total Contractual Obligations	$7,357	$ 877	$1,327	$1,615	$3,538

See ITEM 8. Financial Statements and Supplementary Data - ComEd, Notes to Consolidated Financial Statements for additional information about: o long-

term debt see
Note 10 o
operating leases
see Note 16 o
Company-
Obligated
Mandatorily
Redeemable
Preferred
Securities of
Subsidiary
Trusts Holding
the Company's
Subordinated
Debt Securities
see Note 13 57

ComEd's commercial commitments as of December 31, 2001 representing commitments triggered by future events, including financing arrangements to secure obligations of ComEd, are as follows:

(in millions)	Total	Expiration within 1 Year	2-3 Years	4-5 Years	After 5 Years
Available Lines of Credit (a)	$300	$300	$--	$ --	$ --
Letters of Credit (non-debt) (b)	1	1	--	--	--
Letter of Credit (Long-term Debt) (c)	92	--	92	--	--
Total Commercial Commitments	$393	$301	$92	$ --	$ --

(a) Lines of Credit - ComEd, along with Exelon, PECO, and Generation, maintain a $1.5 billion 364-day credit facility to support commercial paper issuances. ComEd has a $300 million sublimit under the credit facility. At December 31, 2001, there are no borrowings against the credit facility.

(b) Letters of Credit (non-debt) - ComEd maintains 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. As part of a settlement agreement between ComEd and the City of Chicago relating to ComEd's Chicago franchise agreement, ComEd and Chicago agreed to a revised combination of ongoing work under the franchise agreement and new initiatives that total approximately $1 billion in defined transmission and distribution expenditures by ComEd to improve electric service in Chicago, of which approximately $940 million has been expended through December 31, 2001. OTHER FACTORS ComEd participates in defined benefit pension plans and postretirement welfare sponsored by Exelon. Essentially all ComEd employees are eligible to participate in these plans. In 2001, ComEd's former plans were consolidated into the Exelon plans. Essentially all ComEd management employees, and electing union employees, hired on or after January 1, 2001 are eligible to participate in the newly established Exelon cash balance pension plan. Management employees who were active participants in the former ComEd pension plans on December 31, 2000 and remain employed by ComEd on January 1, 2002, will have the opportunity to continue to participate in the pension plan or to transfer to the cash balance plan. Participants in the cash balance plan, unlike participants in the other defined benefit plans, may request a lump-sum cash payment

upon employee termination which may result in increased cash requirements from pension plan assets. ComEd may be required to increase future funding to the pension plan as a result of these increased cash requirements. Due to the performance of the United States debt and equity markets in 2001, the value of assets held in trusts to satisfy the obligations of pension and postretirement benefit plans has decreased. Also, as a result of the Merger and corporate restructuring, there was a larger than average number of employees taking advantage of retirement benefits in 2001. These factors may also result in additional future funding requirements of the pension and postretirement benefit plans.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with generally accepted accounting principles requires that management apply accounting policies and make estimates and assumptions that affect results of operations and the reported amounts of assets and liabilities in the financial statements. The following areas represent those that management believes are particularly important to the financial statements and that require the use of estimates and assumptions to describe matters that are inherently uncertain:

REGULATORY ASSETS AND LIABILITIES

Regulatory assets represent incurred costs

that have been deferred because they are probable of future recovery in customer rates. Regulatory liabilities represent previous collections from customers to fund costs that have not yet been incurred.

ComEd is currently subject to rate freezes that limit the opportunity to recover increased expenses and the costs of new investment in facilities through rates during the rate freeze period. Current rates include the recovery of ComEd's existing regulatory assets. ComEd continually assesses whether the regulatory assets are probable of future recovery by considering factors such as applicable regulatory environment changes, recent rate orders to other regulated entities in the same jurisdiction, and the status of any pending or potential deregulation legislation. If future recovery of costs ceases to be probable, the assets would be required to be recognized in current period earnings.

UNBILLED ENERGY REVENUES

Revenues related to the sale of energy are generally recorded when service is rendered or energy is delivered to customers. However, the determination of the energy sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each month, amounts of energy delivered to customers since the date of the last meter reading are estimated and the corresponding unbilled revenue is estimated. This unbilled revenue is estimated each month based on daily generation volumes, estimated customer usage by class, line losses and

applicable customer rates based on regression analyses reflecting significant historical trends and experience. Customer accounts receivable as of December 31, 2001 include unbilled energy revenues of $261 million on a base of annual revenue of $6.2 billion.

ACCOUNTING FOR DERIVATIVE INSTRUMENTS

ComEd utilizes derivatives to effectively convert fixed rate debt to floating rate debt, manage its exposure to fluctuation in interest rates related to planned future debt issuances as well as exposure to changes in the fair value of outstanding debt that is planned for early retirement. Derivative financial instruments are accounted for under SFAS No. 133. Hedge accounting has been used for all interest rate derivatives to date based on the probability of the transaction and the expected highly effective nature of the hedging relationship between the interest rate swap contract and the interest payment or changes in fair value of the hedged debt. Dealer quotes are available for all of ComEd's interest rate swap agreement derivatives. Accounting for derivatives continues to evolve through guidance issued by the Derivatives Implementation Group (DIG) of the FASB. To the extent that changes by the DIG modify current guidance, including the normal purchases and normal sales determination, the accounting

treatment for derivatives may change.

ENVIRONMENTAL COSTS As of December 31, 2001 ComEd had accrued liabilities of $105 million for environmental investigation and remediation costs. The liabilities are based upon estimates with respect to the number of sites for which ComEd will be responsible, the scope and cost of work to be performed at each site, the portion of costs that will be shared with other parties and the timing of the remediation work. Where timing and amounts of expenditures can be reliably estimated, amounts are discounted. Where timing and amounts cannot be reliably estimated, a range is estimated and the low end of the range is recognized on an undiscounted basis. Estimates can be affected by factors including future changes in technology, changes in regulations or requirements of local governmental authorities and actual costs of disposal.

OUTLOOK GENERAL ComEd's primary objectives are to deliver reliable service, to improve customer service and to sustain productive regulatory relationships. Achieving these goals is expected to maximize the value of ComEd's energy delivery assets. Under restructuring regulations adopted at the Federal and state levels, the role of electric utilities in the supply and delivery of energy is changing. ComEd continues to be obligated to provide reliable delivery systems under cost-based rates. It remains obligated, as a POLR, to supply generation service during the transition period to a competitive supply marketplace to customers who do not or cannot choose an alternate supplier. Retail competition for generation services has resulted in reduced revenues from regulated rates and the sale of increasing amounts of energy at market-based rates under the PPO. ComEd's revenues are affected by rate reductions and rate freezes currently in effect. The rate freeze limits ComEd's ability to recover increased expenses and the costs of investments in new transmission and distribution facilities through rates. As a result, ComEd's future results of operations will be dependent on its ability: o to deliver electricity to its customers cost-effectively, particularly in light of the current capital expenditure

requirements and caps on rates, o to realize cost savings and synergies from the Merger to offset increased costs on new investments and inflation while its delivery rates are capped and, o to manage its provider of last resort responsibilities. ComEd's results of operations will be affected by a legislatively mandated 5% residential base rate reduction that became effective in October 2001, a base rate freeze that will remain generally effective until at least January 1, 2005 and the collection of transition charges through 2006. ComEd's obligations to make capital expenditures, combined with the rate freeze, could affect its earnings during the rate freeze period. ComEd is obligated to make capital expenditures with respect to its transmission and distribution system, including defined projects within the City of Chicago (City) as a result of a settlement agreement with the City totaling approximately $1 billion and at least $2 billion during the period 1999 through 2004 on transmission and distribution facilities outside of the City as a result of Illinois legislation. Given ComEd's commitments to improve the reliability of its transmission and distribution system, ComEd expects that its capital expenditures will exceed depreciation on its rate base assets through at least 2002. The base rate freeze will generally preclude rate recovery of and on those investments prior to January

1, 2005. Unless ComEd can offset the additional carrying costs against cost savings, its return on investment may be reduced during the period of the rate freeze and until rate increases are approved authorizing a return of and on this new investment. All of ComEd's non-residential customers have the right to choose their electricity suppliers, and all of its residential customers will have this right as of May 1, 2002. At December 31, 2001, approximately 21% of ComEd's small commercial and industrial load, 52% of its large commercial and industrial load, and 15% of its public authority & electric railroad load were purchasing their electric energy from an ARES or the PPO. ComEd has entered into long-term agreements with Generation to procure its power 60

needs and achieve some certainty during the next several years with respect to its POLR obligations. ComEd's agreement allows it to obtain sufficient power to meet its power needs at fixed rates. In Illinois, utilities are required to offer bundled rates frozen at levels established prior to restructuring legislation until January 2005. The POLR issue requires resolution in the near term, as the answer will affect pricing, competitive market development and planning by utilities, alternate suppliers and customers. ComEd has made an informal proposal, regarding its future provider of last resort obligations. The proposal seeks to balance the desire for a reliable supply of electricity at a reasonable price with more price certainty for smaller customers, such as residential customers, while continuing to develop a functioning competitive wholesale market for generation services. The proposal offers large customers a default power and energy offering at spot market rates, thereby freeing the utility from maintaining a long-term portfolio and making that capacity available to alternative suppliers. The proposal affords certainty of supply for large customers, but not price certainty. Recognizing that small customers may not yet have the same competitive options as large customers, the proposal offers small customers

both supply and price certainty, protecting those customers from market volatility. The proposal would require regulatory action in order to become effective, and no assurance can be provided as to the timing of such action or the ultimate result of such action.

Transmission. ComEd provides wholesale and unbundled retail transmission service under rates established by FERC. FERC has used its regulation of transmission to encourage competition for wholesale generation services and the development of regional structures to facilitate regional wholesale markets. In December 1999, FERC issued Order No. 2000 requiring jurisdictional utilities to file a proposal to form an RTO or, alternatively, to describe efforts to participate in or work toward participating in an RTO or explain why they were not participating in an RTO. Order 2000 is generally designed to separate the governance and operation of the transmission system from generation companies and other market participants. In response to Order 2000, ComEd and several other utilities filed a business plan in August 2001 with FERC describing the creation of Alliance Transco as an independent, for-profit transmission company. In connection with the process leading to the FERC filing, ComEd issued a non-binding declaration of intent to divest

to Alliance Transco transmission facilities having a gross book value in excess of $1 billion. In a related action, ComEd entered into a non-binding memorandum of understanding with National Grid, the proposed manager of Alliance Transco, setting forth general principles relating to the divestiture and Alliance Transco as a basis for further discussion. On December 20, 2001, FERC issued several orders relating to RTOs operating in the Midwest. In those orders, FERC, among other things, approved MISO as an RTO and found that Alliance Transco lacked sufficient scope to be a stand-alone RTO. FERC also directed the Alliance participants to explore with the MISO how the participants' business plan can be accommodated with the MISO operational framework and dismissed the business plan filed in August 2001 by the Alliance participants. In addition, FERC determined that National Grid is not a market participant within the meaning of Order 2000 and, thus, is eligible to become the managing member of Alliance Transco if that entity is formed. FERC further directed the Alliance participants to file a statement of their plans to join an RTO, including timeframes, within 60 days. As a result of the FERC orders, representatives of ComEd and the other Alliance participants are exploring various RTO participation options and are meeting with representatives of MISO to

explore how the
Alliance Transco
may operate
under the MISO.
The Alliance
participants,
including ComEd,
filed their
discussions with
MISO at the FERC
in February
2002, 61

noting progress as to some issues, but also noted negotiations were ongoing. The Alliance participants also noted that they were exploring the possibility of filing their business plan within an RTO other than MISO. Following further discussions, the Alliance participants and the National Grid concluded that further negotiations with the MISO required policy resolutions from FERC. Accordingly, on March 6, 2002, the Alliance participants and National Grid submitted a petition to FERC for a declaratory order finding that the proposed policy resolutions contained in the petition provide an appropriate basis for the participation of the Alliance participants in the MISO. The filing requests FERC to approve a proposed division of responsibilities between National Grid and the MISO. It also seeks approval to use existing systems for startup of operations in order to speed up initial operations. It requests approval for the Alliance participants to purchase services from the MISO at incremental costs, and that the MISO refund the $60 million withdrawal fee, plus interest, to ComEd, Illinois Power, and Ameren, of which ComEd's portion is $36 million. The $36 million was paid to the MISO by ComEd in May 2001 under a FERC approved settlement agreement allowing ComEd, Illinois Power, and Ameren to withdraw from the MISO to join the Alliance

Transco. OTHER FACTORS Inflation affects ComEd through increased operating costs and increased capital costs for electric plant. As a result of the rate freeze imposed under the legislation in Illinois and price pressures due to competition, ComEd may not be able to pass the costs of inflation through to customers. ComEd participates in defined benefit pension plans and postretirement welfare sponsored by Exelon. Essentially all ComEd employees are eligible to participate in these plans. In 2001, ComEd's former plans were consolidated into the Exelon plans. Exelon adopted an amendment to the former ComEd postretirement medical benefit plan that changed the eligibility requirement of the plan to cover employees taking their pensions with ten years of service after age 45 rather than ten years of service and having attained the age of 55. ComEd's costs of providing pension and postretirement benefits to its retirees is dependent upon a number of factors, such as the discount rate, rates of return on plan assets, and the assumed rate of increase in health care costs. Although ComEd's pension and postretirement expense is determined using three-year averaging and is not as vulnerable to a single year's change in rates, these costs are expected to increase in 2002 and beyond as the result of the above noted plan changes

along with the affects of the decline in market value of plan assets, changes in appropriate assumed rates of return on plan assets and discount rates, and increases in health care costs. For a discussion of ComEd's pension and postretirement benefit plans, see ITEM 8. Financial Statements - ComEd -Note 12- Retirement Benefits. Environmental. ComEd's operations have in the past and may in the future require substantial capital expenditures in order to comply with environmental laws. Additionally, under Federal and state environmental laws, ComEd is generally liable for the costs of remediating environmental contamination of property now or formerly owned by ComEd and of property contaminated by hazardous substances generated by ComEd. ComEd owns or leases a number of real estate parcels, including parcels on which its operations or the operations of others may have resulted in contamination by substances that are considered hazardous under environmental laws. ComEd has identified 44 sites where former manufactured gas plant (MGP) activities have or may have resulted in actual site contamination. ComEd is currently involved in a number of proceedings relating to sites where hazardous substances have been deposited and may be subject 62

to additional proceedings in the future. As of December 31, 2001 and 2000, ComEd had accrued $105 million and $117 million, respectively, for environmental investigation and remediation costs, including $100 million and $110 million, respectively, (reflecting discount rates of 5.5%) for MGP investigation and remediation that currently can be reasonably estimated. ComEd expects to expend $28 million for environmental remediation activities in 2002. ComEd cannot predict whether it will incur other significant liabilities for any additional investigation and remediation costs at these or additional sites identified by ComEd, environmental agencies or others, or whether such costs will be recoverable from third parties. Security Issues and Other Impacts of Terrorist Actions. The events of September 11, 2001 have affected ComEd's operating procedures and costs and are expected to affect the cost and availability of the insurance coverages that ComEd carries. ComEd has initiated security measures to safeguard its employees and critical operations and is actively participating in industry initiatives to identify methods to maintain the reliability of its delivery systems. It is expected that governmental authorities will be working to ensure that emergency plans are in place and that critical infrastructure vulnerabilities

are addressed. The electric utility industry is proposing security guidelines rather than government mandated standards to protect critical infrastructures. It is not known if Federal standards will be issued to the electric or gas industries. ComEd is evaluating enhanced security measures at certain critical locations, enhanced response and recovery plans and assessing longer term design changes and redundancy measures. These measures will involve additional expense to develop and implement. ComEd carries property damage and liability insurance for its properties and operations. As a result of significant changes in the insurance marketplace, due in part to the September 11, 2001 terrorist acts, the available coverage and limits may be less than the amount of insurance obtained in the past, and the recovery for losses due to terrorists acts may be limited. ComEd is self-insured to the extent that any losses may exceed the amount of insurance maintained. Damage to ComEd's properties could disrupt the transmission or distribution of electricity and significantly and adversely affect results of operations. ComEd cannot predict the effects on operations of the availability of property damage and liability coverage or any disruptions to its delivery facilities. NEW ACCOUNTING PRONOUNCEMENTS

In 2001, the FASB issued SFAS No. 141, "Business Combinations" (SFAS No. 141), SFAS No. 142, SFAS No. 143, "Asset Retirement Obligations" (SFAS No. 143), and SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" (SFAS No. 144). SFAS No. 141 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 is effective for business combinations initiated after June 30, 2001. SFAS No. 142 establishes new accounting and reporting standards for goodwill and intangible assets. ComEd adopted SFAS No. 142 as of January 1, 2002. Under SFAS No. 142, effective January 1, 2002, goodwill recorded by ComEd is no longer subject to amortization. After January 1, 2002, goodwill will be subject to an assessment for impairment using a two-step fair value based test, the first step of which must be performed at least annually, or more 63

frequently if events or circumstances indicate that goodwill might be impaired. The first step compares the fair value of a reporting unit to its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its fair value, the second step is performed. The second step compares the carrying amount of the goodwill to the fair value of the goodwill. If the fair value of goodwill is less than the carrying amount, an impairment loss would be reported as a reduction to goodwill and a charge to operating expense, except at the transition date, when the loss would be reflected as a cumulative effect of a change in accounting principle. As of December 31, 2001, ComEd's Consolidated Balance Sheets reflected approximately $4.9 billion in Goodwill net of accumulated amortization. Annual amortization of goodwill of $126 million was discontinued upon adoption of SFAS No. 142. In the first quarter of 2002, ComEd completed the first step of the transitional impairment analysis which indicated that its goodwill is not impaired. SFAS No. 143 provides accounting requirements for retirement obligations associated with tangible long-lived assets. Retirement obligations associated with long-lived assets included within the scope of SFAS No. 143 are those for which there is a legal obligation to settle under existing or

enacted law, statute, written or oral contract or by legal construction under the doctrine of promissory estoppel. This statement is effective for fiscal years beginning after June 15, 2002 with initial application as of the beginning of the fiscal year. ComEd is in the process of evaluating the impact of SFAS No. 143 on its financial statements. SFAS No. 144 establishes accounting and reporting standards for both the impairment and disposal of long-lived assets. This statement is effective for fiscal years beginning after December 15, 2001 and provisions of this statement are generally applied prospectively. ComEd is in the process of evaluating the impact of SFAS No. 144 on its financial statements and does not expect the impact to be material. PECO GENERAL On October 20, 2000, PECO became a wholly owned subsidiary of Exelon as a result of the transactions relating to the Merger. During January 2001, Exelon undertook a restructuring to separate its generation and other competitive businesses from its regulated energy delivery business. As part of the restructuring, the non-regulated operations and related assets and liabilities of PECO, representing the generation and enterprises business segments, were transferred to separate subsidiaries of Exelon. As a result, beginning January 2001, the operations of PECO consist

of its retail electricity distribution and transmission business in southeastern Pennsylvania and its natural gas distribution business located in the Pennsylvania counties surrounding the City of Philadelphia. The estimated impact of the restructuring set forth herein reflects the effects of removing the generation and enterprises operations and obtaining energy and capacity from Generation under the terms of the PPA for the year ended December 31, 2000. 64

RESULTS OF OPERATIONS YEAR ENDED DECEMBER 31, 2001 COMPARED TO YEAR ENDED DECEMBER 31, 2000 SUMMARY FINANCIAL INFORMATION - PECO Components of Variance ---- ---------------- -------- Restructuring Normal (in millions) 2001 2000 Impact Operations Total - ------------- -------- ------- ---------- ----- ----- -------- Operating Revenues $ 3,965 $ 5,950 $(2,577) $ 592 $(1,985) Fuel and Purchased Power 1,802 2,127 (793) 468 (325) Operating and Maintenance 587 1,791 (1,299) 95 (1,204) Merger-Related Costs -- 248 (181) (67) (248) Depreciation and Amortization 416 325 (142) 233 91 Taxes Other Than Income 161 237 (71) (5) (76) -- ----- ------- -- ----- ------- -- ----- Total Operating Expenses 2,966 4,728 (2,486) 724 (1,762) ---- --- ------- ---- --- ------- ---- --- Operating Income 999 1,222 (91) (132) (223) ------- ------- ------- ------- ------- Interest Expense (413) (457) 48 (4) 44 Distributions on Company-Obligated Mandatorily Redeemable Preferred Securities of a Partnership, which holds Solely Subordinated Debentures of the Company (10) (8) -- (2) (2) Equity in Earnings (Losses) of Unconsolidated Affiliates, Net -- (41) 41 -- 41 Other, Net 46 41 (19) 24 5 ------ - ------- ------ - ------- ------ - Income Before Income Taxes, Extraordinary Item and Cumulative Effect of a Change of Accounting Principle 622 757 (21) (114) (135) Income Taxes 197 270 26 (99) (73) ------ - ------- ------

- ------- ------
- Net Income Before Extraordinary Item and Cumulative Effect of a Change of Accounting Principle 425 487 (47) (15) (62) Extraordinary Item (net of income taxes) -- (4) -- 4 4 Cumulative Effect of a Change of Accounting Principle -- 24 (24) -- (24) ------- ------- ------- ------- ------- Net Income 425 507 (71) (11) (82) Preferred Stock Dividends (10) (10) -- -- -- -- ------- ------- ------- ------- ------- Net Income on Common Stock $ 415 $ 497 $ (71) $ (11) $ (82) ======= ======= ======= ======= =======

NET INCOME Net income from normal operations decreased $11 million, or 3% in 2001 as compared to 2000. PECO's results from normal operations improved as a result of lower margins due to the unplanned return of certain commercial and industrial customers, milder weather, increased depreciation and amortization expense and higher interest expense partially offset by favorable rate adjustments. 65

OPERATING REVENUES Bundled service reflects deliveries to customers taking electric service under tariffed rates, which include the cost of energy, the delivery cost of the transmission and distribution of the energy and a CTC/ITC charge. Unbundled service reflects customers electing to receive electric generation service from an alternative energy supplier. Revenue from customers receiving generation from an alternate supplier includes a transmission and distribution charge and a CTC/ITC charge. PECO's electric sales statistics are as follows:

Deliveries - (in MWh)	2001	2000	Variance
BUNDLED DELIVERIES			
Residential	8,072,915	9,324,800	(1,251,885)
Small Commercial & Industrial	5,997,571	3,918,529	2,079,042
Large Commercial & Industrial	12,960,295	8,291,607	4,668,688
Public Authorities & Electric Railroads	765,554	478,809	286,745
	27,796,335	22,013,745	5,782,590
UNBUNDLED DELIVERIES			
Residential	3,104,811	1,985,614	1,119,197
Small Commercial & Industrial	1,606,067	3,549,667	(1,943,600)
Large Commercial & Industrial	2,351,520	7,404,363	(5,052,843)
Public Authorities & Electric Railroads	7,285	300,978	

(293,693) ------
----- ----------

7,069,683
13,240,622
(6,170,939) ----
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-- ----------
TOTAL RETAIL
DELIVERIES
34,866,018
35,254,367
(388,349)
===========
==========
==========

Electric Revenues (in millions)	2001	2000	Variance
BUNDLED REVENUE			
Residential	$ 1,028	$ 1,113	$ (85)
Small Commercial & Industrial	682	422	260
Large Commercial & Industrial	929	532	397
Public Authorities & Electric Railroads	72	47	25
	2,711	2,114	597
UNBUNDLED REVENUE			
Residential	235	135	100
Small Commercial & Industrial	81	154	(73)
Large Commercial & Industrial	64	180	(116)
Public Authorities & Electric Railroads	1	11	(10)
	381	480	(99)
TOTAL ELECTRIC RETAIL REVENUES	3,092	2,594	498
Wholesale and Miscellaneous Revenue	219	247	(28)
TOTAL ELECTRIC REVENUE	$ 3,311	$ 2,841	$ 470

The changes in electric retail revenues for 2001, as compared to 2000, are as follows:

(in millions)	Variance
Customer Choice	$ 276
Rate Changes	241
Weather	(5)
Other Effects	(14)
Retail Revenue	$ 498

Customer Choice. All PECO customers have choice 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. Customers who are served by an alternate supplier continue to pay competitive transition charges.

As of December 31, 2001, the customer load served by alternate suppliers was 1,003 MWh or 13.0% as compared to the same prior year period of 2,631 MW or 34.9%. For the year ended December 31, 2001, the percent of MWh sold by PECO increased by 17.2% to 79.8% of total retail deliveries as compared to 62.6% in 2000. This reduction in the customer load and the percentage of MWh served by alternate suppliers, primarily resulted from small and large commercial and industrial customers selecting or returning to PECO as their electric generation supplier.

As of December 31, 2001, the number of customers served by alternate suppliers was 371,500 or 24.4% as compared to December 31, 2000 of 269,395 or 18.0%. The increase from the prior year is primarily a result of the Competitive Default Service (CDS) agreements for residential customers with the New Power Company and Green Mountain Energy Company. As of December 31, 2001, there were 227,349 residential customers assigned to these generation providers as part of the agreement. As of December 31, 2001, the customer load served by a alternate suppliers was 1,003 MWh or 13.0% as compared to the same prior year period of 2,631 MWh or 34.9%.

Rate Changes. The increase in revenues attributable to rate changes reflects the expiration of a 6% reduction in PECO's electric rates in effect for 2000, partially offset by a $60 million rate reduction in effect for 2001.

Weather. The demand for electricity and gas services 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 demand for electricity. Conversely, mild weather reduces demand. The weather impact was unfavorable compared to the prior year as a result of warmer winter weather partially offset by warmer summer weather. Cooling degree days increased 34% in 2001 compared to 2000 while heating degree days decreased 12% in 2001 compared to 2000.

Other Effects. Other items affecting revenue during 2001 include:

- Volume. Exclusive of weather impacts, lower delivery volume affected PECO's revenue by $21 million compared to 2000. Total kWh sales to retail customers decreased 1% compared to 2000, primarily as a result of less favorable economic conditions in 2001 offset by customer growth. Large commercial and industrial sales decreased 2% and residential sales decreased 1%. These were partially offset by an increase in small commercial and industrial sales of 2%.

- Other. The payment of $29 million to Generation related to nuclear decommissioning cost recovery under an agreement effective September 2001 partially offset by an $11 million settlement of competitive transition charges by a large customer.

PECO's gas sales statistics are as follows:

	2001	2000	Variance
Deliveries in million cubic feet (mmcf)	81,528	91,686	(10,158)
Revenue (in millions)	$ 654	$ 532	$ 122

The changes in gas revenue for 2001, as compared to 2000, are as follows:

(in millions)	Variance
Price	$ 174
Weather	(38)
Volume	(14)
Gas Revenue	$ 122

- Price. The favorable variance in price is attributable to an adjustment of the purchased gas cost recovery by the PUC effective in December 2000. The average price per million cubic feet for all customers for 2001 was 38% higher than in 2000. PECO's gas rates are subject to periodic adjustments by the PUC designed to recover or refund 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.

- Weather. The unfavorable weather impact is attributable to warmer temperatures in the non-summer months of 2001 than in 2000 in the PECO service territory. Heating degree days decreased 12% in 2001 compared to 2000.

- Volume. Exclusive of weather impacts, lower delivery volume affected revenue by $14 million compared to 2000. Total mmcf sales to retail customers decreased 11% compared to 2000, primarily as a result of slower economic conditions in 2001 offset by increased customer growth.

FUEL AND PURCHASED POWER EXPENSE

Fuel and purchased power expense for 2001 increased $468 million, or 35%, as compared to the same 2000 period, excluding the effects of the restructuring. The increase in fuel and purchased power expense was primarily attributable to $293 million from customers in Pennsylvania selecting or returning to PECO as their electric generation supplier, $174 million from increased prices related to gas and higher PJM ancillary charges of $31 million. These increases were partially offset by $24 million as a result of unfavorable weather conditions and $14 million attributable to lower delivery volume related to gas.

OPERATING AND MAINTENANCE EXPENSE

O&M expense for 2001 increased $95 million, or 19%, as compared to the same 2000 period, excluding the effects of the restructuring. The increase in O&M expense was primarily attributable to $20 million related to an increased allocation of corporate expense, $18 million related to additional employee severance costs in 2001, $17 million as a result of higher administrative and general costs for functions previously performed at Corporate, $14 million related to the deployment of the automated meters during 2001, $12 million of incremental costs related to two storms in 2001, $9 million related to additional uncollectible accounts expense and $5 million associated with the write-off of excess and obsolete inventory.

MERGER-RELATED COSTS

Merger-related costs charged to income in 2000 were $248 million consisting of $132 million of direct incremental costs and $116 million for employee costs. Direct incremental costs represent expenses associated with completing the Merger, including professional fees, regulatory

approval and settlement costs, and settlement of compensation arrangements. Employee costs represent estimated severance payments and pension and postretirement benefits provided under Exelon's MSP for 642 eligible PECO employees who are expected to be involuntarily terminated before December 2002 upon completion of integration activities for the merged companies. Merger-related costs attributable to the operations transferred to Generation, Enterprises and BSC in the corporate restructuring were $181 million. The remaining $67 million is attributable to PECO's energy delivery segment. See Item 8. Financial Statements and Supplementary Data - PECO - Note 2 to Consolidated Financial Statements.

DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation and amortization expense for 2001 increased $233 million, or 127%, as compared to the same 2000 period, excluding the effects of the restructuring. The increase was primarily attributable to $214 million of additional amortization of PECO's CTC and an increase of $19 million related to depreciation expense associated with additional plant in service. The additional amortization of the CTC is in accordance with PECO's original settlement under the Pennsylvania Competition Act.

TAXES OTHER THAN INCOME

Taxes other than income for 2001 decreased $5 million, or 3%, as compared to the same 2000 period, excluding the effects of the restructuring. The decrease was primarily attributable to the elimination of the gross receipts tax on gas sales effective July 1, 2000.

INTEREST CHARGES

Interest charges consist of interest expense and distributions on Company-Obligated Mandatorily Redeemable Preferred Securities of a Partnership (COMRPS). Interest charges increased $6 million, or 1% in 2001. The increase was primarily attributable to additional interest on the Transition Bonds issued to securitize PECO's stranded cost recovery of $16 million and interest expense related to a loan from an affiliate in 2001 of $8 million, partially offset by the reduction of PECO's long-term debt with the proceeds from Transition Bonds, which reduced interest charges by $18 million.

EQUITY IN EARNINGS (LOSSES) OF UNCONSOLIDATED AFFILIATES

As part of the corporate restructuring, PECO's unconsolidated affiliates were transferred to Generation and Enterprises.

OTHER INCOME AND DEDUCTIONS

Other income and deductions excluding interest charges and equity in earnings (losses) of unconsolidated affiliates increased $24 million, or 109% in 2001 as compared to 2000, excluding the effects of the restructuring. The increase in other income and deductions was primarily attributable to intercompany interest income of $10 million in the third quarter of 2001, a gain on the settlement of an interest rate swap of $6 million and the favorable settlement of a customer contract of $3 million.

INCOME TAXES

The effective tax rate was 31.7% in 2001 as compared to 35.7% in 2000. The decrease in the effective tax rate was primarily attributable to tax benefits associated with the implementation of State tax planning Strategies, a favorable adjustment to prior period income taxes in connection with the completion of the 2000 tax return and the reduced impact of investment tax credit amortization.

EXTRAORDINARY ITEMS

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

CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE

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

PREFERRED STOCK DIVIDENDS

Preferred stock dividends for 2001 were consistent as compared to 2000.

YEAR ENDED DECEMBER 31, 2000 COMPARED TO YEAR ENDED DECEMBER 31, 1999

SUMMARY FINANCIAL INFORMATION - PECO

(in millions)	2000	1999	Variance
Operating Revenues	$5,950	$5,478	$ 472
Fuel and Purchased Power	2,127	2,152	(25)
Operating and Maintenance	1,791	1,454	337
Merger-Related Costs	248	--	248
Depreciation and Amortization	325	237	88
Taxes Other Than Income	237	262	(25)
Total Operating Expenses	4,728	4,105	623
Operating Income	1,222	1,373	(151)
Interest Expense	(457)	(396)	(61)
Distributions on Company-Obligated Mandatorily Redeemable Preferred Securities of a Partnership, which holds Solely Subordinated Debentures of the Company	(8)	(21)	13
Equity in Earnings (Losses) of Unconsolidated Affiliates, Net	(41)	(38)	(3)
Other, Net	41	59	(18)
Income Before Income Taxes, Extraordinary Item and Cumulative Effect of a Change of Accounting Principle	757	977	(220)
Income Taxes	270	358	(88)
Net Income Before Extraordinary Item and Cumulative Effect of Changes of Accounting Principles	487	619	(132)
Extraordinary Item (net of income taxes)	(4)	(37)	33
Cumulative Effect of Changes of Accounting Principles	24	--	24
Net Income	507	582	(75)
Preferred Stock Dividends	(10)	(12)	2
Net Income on Common Stock	$ 497	$ 570	$ (73)

NET INCOME

Net income decreased $75 million, or 13% in 2000, as compared to 1999 reflecting merger related expenses and amortization of CTCs in 2000.

OPERATING REVENUES

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

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

Generation. The decrease in operating revenue from generation was a result of lower electric revenue of $180 million partially offset by higher gas revenue of $14 million. The decrease in electric revenue was principally attributable to lower sales of competitive retail electric generation services of $132 million, of which $196 million represented decreased volume that was partially offset by $64 million from higher prices. In addition, the termination of the management agreement for Clinton resulted in lower revenues of $99 million. As a result of the acquisition by AmerGen of Clinton in December 1999, the management agreement was terminated and, accordingly, the operations have been included in Equity in Earnings (Losses) of Unconsolidated Affiliates on PECO's Consolidated Statements of Income in 2000. These decreases were partially offset by an increase of $50 million from higher wholesale revenue attributable to $199 million associated with higher prices partially offset by $149 million related to lower volume. Unregulated gas revenue increased primarily as a result of $11 million from wholesale sales of excess natural gas.

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

FUEL AND PURCHASED POWER EXPENSE

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

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

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

OPERATING AND MAINTENANCE EXPENSE

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

Energy Delivery. The increase in O&M expense from energy delivery was primarily attributable to the direct charging to the business segments of O&M expenses that were previously reported at PECO Corporate.

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

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

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

MERGER-RELATED COSTS

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

DEPRECIATION AND AMORTIZATION EXPENSE

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

TAXES OTHER THAN INCOME

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

INTEREST CHARGES

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

EQUITY IN EARNINGS (LOSSES) OF UNCONSOLIDATED AFFILIATES

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

OTHER INCOME AND DEDUCTIONS

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

INCOME TAXES

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

EXTRAORDINARY ITEMS

In 2000, PECO incurred extraordinary charges aggregating $6 million ($4 million, net of tax) related to prepayment premiums and the write-off of unamortized deferred financing costs associated with the early retirement of debt with a portion of the proceeds from the securitization of PECO's stranded cost recovery in May 2000. In 1999, PECO incurred extraordinary charges aggregating $62 million ($37 million, net of tax) related to prepayment premiums and the write-off of unamortized debt costs associated with the repayment and refinancing of debt.

CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE In 2000, PECO recorded a benefit of $40 million ($24 million, net of tax) representing the cumulative effect of a change in accounting method for nuclear outage costs in conjunction with the synchronization of accounting policies in connection with the Merger. PREFERRED STOCK DIVIDENDS Preferred stock dividends decreased $2 million, or 17%, to $10 million as compared 1999. The decrease was attributable to the redemption of $37 million of Mandatorily Redeemable Preferred Stock in August 1999 with a portion of the proceeds from the issuance of Transition Bonds. In addition, PECO redeemed $19 million of Mandatorily Redeemable Preferred Stock in August 2000. LIQUIDITY AND 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. PECO's access to external financing at reasonable terms is dependent on its credit ratings and the general business condition of PECO and the industry. PECO's business is capital intensive. Capital resources are used primarily to fund PECO's capital requirements, including construction, repayments of maturing debt and preferred securities and payment of common stock dividends to Exelon. CASH FLOWS FROM OPERATING ACTIVITIES Cash flows provided by operations for 2001 were $828 million. 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 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 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 2001 were $235 million, primarily for capital expenditures of $264 million. PECO's projected capital expenditures for 2002 are $279 million. Approximately one half of the budgeted 2002 expenditures are for capital additions to support customer and load growth and the remainder for additions to or upgrades of existing facilities. PECO anticipates that it will obtain financing, when necessary, through 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 were $579 million in 2001 primarily attributable to debt service and payments of dividends to Exelon. Debt financing activities during 2001 included the refinancing of $805 million in PECO transition bonds. In 2001, PECO paid Exelon $342 million in common stock dividends and currently expects that the 2002 dividend will be comparable to 2001.

CREDIT ISSUES

PECO meets its short-term liquidity requirements primarily through the issuance of commercial paper, borrowings under bank credit facilities and borrowings from the Exelon intercompany money pool. PECO, along with Exelon, ComEd and Generation, are parties to a $1.5 billion unsecured revolving credit facility with a group of banks. This credit facility is used principally by PECO to support its commercial paper program. PECO has a $300 million sublimit under this credit facility. At December 31, 2001, PECO had outstanding $101 million of notes payable consisting principally of commercial paper. For 2001, the average interest rate on notes payable was approximately 2.25%. Certain of the credit agreements to which PECO is a party requires PECO to maintain a debt to total capitalization ratio of 65% or less, excluding securitization debt and excluding the receivable from parent recorded in PECO's shareholders' equity. At December 31, 2001, the debt to total capitalization ratios on that basis for PECO was 38%. PECO'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 PECO's borrowings are subject to default or prepayment as a result of a downgrading of securities ratings although such a downgrading could increase interest charges under PECO's bank credit facility. PECO from time to time enters into interest rate swap and other derivatives 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 and the Federal Power Act, PECO can pay dividends only from retained or current earnings. At December 31, 2001, PECO had retained earnings of $270 million.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

PECO's contractual obligations as of December 31, 2001 representing cash obligations that are considered to be firm commitments are as follows:

(in millions)	Total	Payment due within 1 Year	2-3 Years	4-5 Years	Due after 5 Years
Long-Term Debt	$5,992	$ 548	$1,008	$1,003	$3,433
Short-Term Debt	101	101	--	--	--
COMRPS and Preferred Stock with Mandatory Redemption Requirements	147	19	--	--	128
Operating Leases	13	2	4	4	3
Total Contractual Obligations	$6,253	$ 670	$1,012	$1,007	$3,564

See ITEM 8. Financial Statements and Supplementary Data - PECO, Notes to Consolidated Financial Statements for additional information about:

- long-term debt see Note 11
- short-term debt see Note 10
- operating leases see Note 18
- COMRPS and Preferred Stock with Mandatory Redemption Requirements see Notes 15 and 14, respectively.

PECO's commercial commitments as of December 31, 2001 representing commitments triggered by future events, including obligations to make payment on behalf of other parties as well as financing arrangements to secure obligations of PECO, are as follows:

		Expiration			
(in millions)	Total	Within 1 Year	2-3 Years	4-5 Years	After 5 Years
Available Lines of Credit (a)	$300	$300	$--	$--	$--
Letters of Credit (non-debt) (b)	11	11	--	--	--
Letters of Credit (Long-Term Debt) (c)	17	--	17	--	--
Insured Long-Term Debt (d)	154	--	154	--	--
Guarantees (e)	100	--	--	--	100
Total Commercial Commitments	$582	$311	$171	$--	$100

(a) Lines of Credit - PECO, along with Exelon, ComEd and Generation, maintain a $1.5 billion 364-day credit facility to support commercial paper issuances. PECO has a $300 million sublimit under the credit facility. At December 31, 2001, there are no borrowings against the credit facility.

(b) Letters of Credit (non-debt) - PECO 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) Guarantees - Provide support for lines of credit, performance contracts, surety bonds and leases as required by third parties.

OFF BALANCE SHEET OBLIGATIONS

PECO is party to an agreement with a financial institution under which it can sell or finance with limited recourse an undivided interest, adjusted daily, in up to $225 million of designated accounts receivable until November 2005. At December 31, 2001, PECO had sold a $225 million interest in accounts receivable, consisting of a $170 million interest in accounts receivable which PECO accounted for as a sale under SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities - a Replacement of FASB Statement No. 125," and a $55 million interest in special-agreement accounts receivable which was accounted for as a long-term note payable. See ITEM 8. Financial Statements and Supplementary Data - PECO, Note 14 of Notes to Consolidated Financial Statements. PECO retains the servicing responsibility for these receivables. The agreement requires PECO to maintain the $225 million interest, which, if not met, requires PECO to deposit cash in order to satisfy such requirements. At December 31, 2001 and 2000, PECO met this requirement and was not required to make any cash deposits.

OTHER FACTORS

PECO participates in defined benefit pension plans and postretirement welfare sponsored by Exelon. Essentially all PECO employees are eligible to participate in these plans. In 2001, PECO's former plans were consolidated into the Exelon plans. Essentially all PECO employees, hired on or after January 1, 2001 are eligible to participate in newly established Exelon cash balance pension plans. Employees who were active participants in the former PECO pension plans on December 31, 2000 and remain employed by PECO on January 1, 2002, will have the opportunity to continue to participate in the pension plan or to transfer to the cash balance plan. Participants in the cash balance plan, unlike participants in the other defined benefit plans, may request a lump-sum cash payment upon employee termination which may result in increased cash requirements from pension plan assets. PECO may be required to increase future funding to the pension plan as a result of these increased cash requirements.

Due to the performance of the United States debt and equity markets in 2001, the value of assets held in trusts to satisfy the obligations of pension and postretirement benefit plans has decreased. Also, as a result of the Merger and corporate restructuring, there was a larger than average number of employees taking advantage of retirement benefits in 2001. These factors may also result in additional future funding requirements of the pension and postretirement benefit plans.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with generally accepted accounting principles requires that management apply accounting policies and make estimates and assumptions that affect results of operations and the reported amounts of assets and liabilities in the financial statements. The following areas represent those that management believes are particularly important to the financial statements and that require the use of estimates and assumptions to describe matters that are inherently uncertain:

REGULATORY ASSETS AND LIABILITIES

Regulatory assets represent incurred costs that have been deferred because they are probable of future recovery in customer rates. Regulatory liabilities represent previous collections from customers to fund costs which have not yet been incurred. PECO is currently subject to a rate freeze that limits the opportunity to recover increased costs and the costs of new investment in facilities through rates during the rate freeze period. Current rates include the recovery of PECO's existing regulatory assets. PECO continually assesses whether the regulatory assets are probable of future recovery by considering factors such as applicable regulatory environment changes, recent rate orders to other regulated entities in the same jurisdiction, and the status of any pending or potential deregulation legislation. If future recovery of costs ceases to be probable the assets would be required to be recognized in current period earnings.

UNBILLED ENERGY REVENUES

Revenues related to the sale of energy are generally recorded when service is rendered or energy is delivered to customers. However, the determination of the energy sales to individual customers is based on the reading of their meters which are read on a systematic basis throughout the month. At the end of each month, amounts of energy delivered to customers since the date of the last meter reading are estimated and the corresponding unbilled revenue is estimated. This unbilled revenue is estimated each month based on daily generation volumes, estimated customer usage by class, line losses and applicable customer rates based on regression analyses reflecting significant historical trends and experience. Customer accounts receivable as of December 31, 2001 include unbilled energy revenues of $100 million on a base of annual revenues of $4.0 billion.

ACCOUNTING FOR DERIVATIVE INSTRUMENTS PECO utilizes derivatives to manage its exposure to fluctuation in interest rates related to outstanding variable rate debt instruments and planned future debt issuances as well as exposure to changes in the fair value of outstanding debt that is planned for early retirement. Derivative financial instruments are accounted for under SFAS No. 133. Hedge accounting has been used for all interest rate derivatives to date based on the probability of the transaction and the expected highly effective nature of the hedging relationship between the interest rate swap contract and the interest payment or changes in fair value of the hedged debt. Dealer quotes are available for all of PECO's interest rate swap agreement derivatives. Accounting for derivatives continues to evolve through guidance issued by the DIG of the FASB. To the extent that changes by the DIG modify current guidance, including the normal purchases and normal sales determination, the accounting treatment for derivatives may change. ENVIRONMENTAL COSTS As of December 31, 2001 PECO had accrued liabilities of $37 million for environmental investigation and remediation costs. The liabilities are based upon estimates with respect to the number of sites for which PECO will be responsible, the scope and cost of work to be performed at each site, the portion of costs that will be shared with other parties and the timing of the remediation work. Where timing and amounts of expenditures can be reliably estimated, amounts are discounted. Where timing and amounts cannot be reliably estimated, a range is estimated and the low end of the range is recognized on an undiscounted basis. Estimates can be affected by factors including future changes in technology, changes in regulations or requirements of local governmental authorities and actual costs of disposal. OUTLOOK GENERAL PECO believes that it will provide a significant and steady source of earnings. PECO's primary goals are to deliver reliable service, to improve customer service and to sustain productive regulatory relationships. Achieving these goals is expected to maximize the value of PECO's assets. Under restructuring regulations adopted at the Federal and state levels, the role of electric utilities in the supply and delivery of energy is changing. PECO continues to be obligated to provide reliable delivery systems under cost-based rates. It remains obligated, as a provider of last resort, to supply generation service during the transition period to a competitive supply marketplace to customers who do not or cannot choose an alternate supplier. Retail competition for generation services has resulted in reduced revenues from regulated rates and the sale of increasing amounts of energy at market-based rates. PECO's revenues will be affected by rate reductions and rate freezes currently in effect. The rate freezes limit PECO's ability to recover increased expenses and the costs of investments in new transmission and distribution facilities through rates. As a result, PECO's future results of operations will be dependent on its ability: o to deliver electricity and gas to its customers cost-effectively, o to realize cost savings and synergies from the Merger to offset increased costs on new investments and inflation while its delivery rates are capped and, o to manage its provider of last resort responsibilities.

PECO's results will be affected by annual increases in amortization of its stranded cost recovery through 2010. PECO has been authorized to recover stranded costs of $5.3 billion ($4.9 billion of unamortized costs at December 31, 2001) over a twelve-year period ending December 31, 2010 with a return on the unamortized balance of 10.75%. In 2001, revenue attributable to stranded cost recovery was $797 million and is scheduled to increase to $932 million by 2010, the final year of stranded cost recovery. Amortization of PECO's stranded cost recovery, which is a regulatory asset, is included in depreciation and amortization. The amortization expense for 2001 was $271 million and will increase to $879 million by 2010. All of PECO's retail customers have the right to choose their electricity suppliers. At December 31, 2001, approximately 28% of PECO's residential load, 6% of its small commercial and industrial load and 5% of its large commercial and industrial load were purchasing generation service from an alternate supplier. PECO has entered into a long-term agreement with Generation to procure its power needs and achieve some certainty during the next several years with respect to these obligations. Because PECO's agreement with Generation allows it to obtain sufficient power at the rates it is allowed to charge to serve customers who do not choose alternate generation suppliers revenues and expenses may vary with customer choice, but income will not be significantly impacted. Transmission. PECO provides wholesale transmission service under rates established by FERC. FERC has used its regulation of transmission to encourage competition for wholesale generation services and the development of regional structures to facilitate regional wholesale markets. In December 1999, FERC issued Order 2000 requiring jurisdictional utilities to file a proposal to form an RTO or, alternatively, to describe efforts to participate in or work toward participating in an RTO or explain why they were not participating in an RTO. Order 2000 is generally designed to separate the governance and operation of the transmission system from generation companies and other market participants. PECO provides regional transmission service pursuant to a regional open-access transmission tariff filed by it and the other transmission owners who are members of PJM. PJM is a power pool that integrates, through central dispatch, the generation and transmission operations of its member companies across a 50,000 square mile territory. Under the PJM tariff, transmission service is provided on a region-wide, open-access basis using the transmission facilities of the PJM members at rates based on the costs of transmission service. PJM's Office of Interconnection is the ISO for PJM (PJM ISO) and is responsible for operation of the PJM control area and administration of the PJM open-access transmission tariff. PECO and the other transmission owners in PJM have turned over control of their transmission facilities to the PJM ISO. The PJM ISO and the transmission owners who are members of PJM, including PECO, have filed with FERC for approval of PJM as an RTO. FERC has conditionally approved the PJM RTO. OTHER FACTORS Inflation affects PECO through increased operating costs and increased capital costs for electric plant. As a result of the rate caps imposed under the legislation in Pennsylvania and price pressures due to competition, PECO may not be able to pass the costs of inflation through to customers. PECO participates in defined benefit pension plans and postretirement welfare sponsored by Exelon. Essentially all PECO employees are eligible to participate in these plans. In 2001, PECO's former plans were consolidated into the Exelon plans. PECO's costs of providing pension and postretirement benefits to its retirees is dependent upon a number of factors, such as 80

the discount rate, rates of return on plan assets, and the assumed rate of increase in health care costs. Although PECO's pension and postretirement expense is determined using three-year averaging and is not as vulnerable to a single year's change in rates, these costs are expected to increase in 2002 and beyond as the result of the above noted plan changes along with the affects of the decline in market value of plan assets, changes in appropriate assumed rates of return on plan assets and discount rates, and increases in health care costs. For a discussion of PECO's pension and postretirement benefit plans, see Item 8. Financial Statements and Supplementary Data - PECO - Note 13 of the Notes to Consolidated Financial Statements. Environmental. PECO's operations have in the past and may in the future require substantial capital expenditures in order to comply with environmental laws. Additionally, under Federal and state environmental laws, PECO is generally liable for the costs of remediating environmental contamination of property now or formerly owned by PECO and of property contaminated by hazardous substances generated by PECO. PECO owns or leases a number of real estate parcels, including parcels on which its operations or the operations of others may have resulted in contamination by substances that are considered hazardous under environmental laws. PECO has identified 28 sites where former MGP activities have or may have resulted in actual site contamination. PECO is currently involved in a number of proceedings relating to sites where hazardous substances have been deposited and may be subject to additional proceedings in the future. As of December 31, 2001 and 2000, PECO had accrued $37 million and $54 million, respectively, for environmental investigation and remediation costs, including $27 million and $30 million, respectively, for MGP investigation and remediation that currently can be reasonably estimated. In conjunction with the corporate restructuring in January 2001, a portion of the environmental investigation and remediation costs were transferred to Generation. PECO expects to expend $2 million for environmental remediation activities in 2002. PECO cannot predict whether it will incur other significant liabilities for any additional investigation and remediation costs at these or additional sites identified by PECO, environmental agencies or others, or whether such costs will be recoverable from third parties. Security Issues and Other Impacts of Terrorist Actions. The events of September 11, 2001 have affected PECO's operating procedures and costs and are expected to affect the cost and availability of the insurance coverages that PECO carries. PECO has initiated security measures to safeguard its employees and critical operations and is actively participating in industry initiatives to identify methods to maintain the reliability of its delivery systems. It is expected that governmental authorities will be working to ensure that emergency plans are in place and that critical infrastructure vulnerabilities are addressed. The electric utility industry is proposing security guidelines rather than government mandated standards to protect critical infrastructures. It is not known if Federal standards will be issued to the electric or gas industries. PECO is evaluating enhanced security measures at certain critical locations, enhanced response and recovery plans and assessing longer term design changes and redundancy measures. These measures will involve additional expense to develop and implement. PECO carries property damage and liability insurance for its properties and operations. As a result of significant changes in the insurance marketplace, due in part to the September 11, 2001 terrorist acts, the available coverage and limits may be less than the amount of insurance obtained in the past, and the recovery for losses due to terrorists acts may be limited. PECO is self-insured to the extent that any losses may exceed the amount of insurance maintained. Damage to PECO's properties could disrupt the transmission or distribution

electricity and significantly and adversely affect results of operations. PECO cannot predict the effects on operations of the availability of property damage and liability coverage or any disruptions to its delivery facilities. NEW ACCOUNTING PRONOUNCEMENTS In 2001, the FASB issued SFAS No. 141, SFAS No. 142, SFAS No. 143 and SFAS No. 144. SFAS No. 141 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 is effective for business combinations initiated after June 30, 2001. SFAS No. 142 establishes new accounting and reporting standards for goodwill and intangible assets. SFAS No. 142 is effective as of January 1, 2002. Under SFAS No. 142, effective January 1, 2002, goodwill recorded is no longer subject to amortization. After January 1, 2002, goodwill will be subject to an assessment for impairment using a two-step fair value based test, the first step of which must be performed at least annually, or more frequently if events or circumstances indicate that goodwill might be impaired. The first step compares the fair value of a reporting unit to its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its fair value, the second step is performed. The second step compares the carrying amount of the goodwill to the fair value of the goodwill. If the fair value of goodwill is less than the carrying amount, an impairment loss would be reported as a reduction to goodwill and a charge to operating expense, except at the transition date, when the loss would be reflected as a cumulative effect of a change in accounting principle. As of December 31, 2001, PECO does not have any Goodwill reflected on its Consolidated Balance Sheets and does not expect the effect of adopting SFAS No. 142 to materially affect the results of operations. As a result of the corporate restructuring in January 2001, all of PECO's goodwill was transferred to Enterprises. SFAS No. 143 provides accounting requirements for retirement obligations associated with tangible long-lived assets. PECO expects to adopt SFAS No. 143 on January 1, 2003. Retirement obligations associated with long-lived assets included within the scope of SFAS No. 143 are those for which there is a legal obligation to settle under existing or enacted law, statute, written or oral contract or by legal construction under the doctrine of promissory estoppel. PECO is currently in the process of evaluating the impact of SFAS No. 143 on its financial statements. SFAS No. 144 establishes accounting and reporting standards for both the impairment and disposal of long-lived assets. This statement is effective for fiscal years beginning after December 15, 2001 and provisions of this statement are generally applied prospectively. PECO is in the process of evaluating the impact of SFAS No. 144 on its financial statements, and does not expect the impact to be material. ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK EXELON The information required by this Item is incorporated herein by reference to the information appearing under the subheading "Quantitative and Qualitative Disclosures About 82

Market Risk" under "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Exhibit 99-2 to Exelon's Current Report on Form 8-K dated February 28, 2002. COMED ComEd is exposed to market risks associated with credit, interest rates and commodity price. The inherent risk in market sensitive instruments and positions is the potential loss arising from adverse changes in commodity prices, counterparty credit, and interest rates. Exelon's corporate Risk Management Committee (RMC) sets forth risk management philosophy and objectives for Exelon and its subsidiaries through a corporate policy, and establishes procedures for risk assessment, control and valuation, counterparty credit approval, and the monitoring and reporting of derivative activity and risk exposures. The RMC is chaired by Exelon's chief risk officer and includes the chief financial officer, general counsel, treasurer, vice president of corporate planning and officers from each of the business units. The RMC reports to the board of directors on the scope of ComEd's derivative activities. CREDIT RISK ComEd is obligated to provide service to all electric customers within its franchised territories, and, as a result, has a broad customer base. For the year ended December 31, 2001, ComEd's ten largest customers represented approximately 3% of its retail electric revenues. ComEd manages credit risk using credit and collection policies which are regulated by the ICC. INTEREST RATE RISK ComEd uses a combination of fixed rate and variable rate debt to reduce interest rate exposure. 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. As of December 31, 2001, a hypothetical 10% increase in the interest rates associated with variable rate debt would result in a $1 million decrease in pre-tax earnings for 2002. ComEd has entered into an interest rate swap to manage interest rate exposure associated with a $235 million fixed-rate obligation. In December 2001, ComEd entered into forward-starting interest rate swaps, with an aggregate notional amount of $250 million in anticipation of the issuance of debt in the first quarter of 2002. At December 31, 2001, these interest rate swaps had an aggregate fair market value exposure of $1 million based on the present value difference between the contract and market rates at December 31, 2001. 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 December 31, 2001 is estimated to be $7 million. If these derivative instruments had been terminated at December 31, 2001, this estimated fair value represents the amount that would be paid by ComEd 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 December 31, 2001 is estimated to be $4 million. If these derivative instruments had been terminated at December 31, 2001, this estimated fair value represents the amount to be paid by the counterparties to ComEd.

In March 2002, ComEd settled the $250 million of forward-starting interest rate swaps and paid $6 million to the counterparty. ComEd also entered into forward-starting interest rate swaps with an aggregate notional amount of $175 million in anticipation of the issuance of debt in the second half of 2002. COMMODITY PRICE RISK As part of the corporate restructuring, ComEd entered into a PPA with Generation to meet its retail customer obligations at fixed prices. ComEd's principal exposure to commodity price risk is in relation to revenues collected from customers who elect the power purchase option at market-based prices, and CTC revenues which are calculated to provide the customer with a credit for the market price for electricity. ComEd has performed a sensitivity analysis to determine the net impact of a 10% decrease in the average around-the-clock market price of electricity. Because the decrease in revenues from customers electing the power purchase option is significantly offset by increased CTC revenues, ComEd does not believe that its exposure to such a market price decrease would be material. PECO PECO is exposed to market risks associated with credit and interest rates. The inherent risk in market sensitive instruments and positions is the potential loss arising from adverse changes in counterparty credit and interest rates. Exelon's corporate RMC sets forth risk management philosophy and objectives through a corporate policy, and establishes procedures for risk assessment, control and valuation, counterparty credit approval, and the monitoring and reporting of derivative activity and risk exposures. As a result of the PPA with Generation, PECO does not believe it is subject to material commodity price risk. CREDIT RISK PECO is obligated to provide service to all electric customers within its franchised territory. As a result, PECO has a broad customer base. For the year ended December 31, 2001, PECO's ten largest customers represented approximately 10% of its retail electric revenues. Credit risk for PECO is managed by its credit and collection policies, which is consistent with state regulatory requirements. Under the Competition Act, licensed entities, including alternate electric generating suppliers, may act as agents to provide a single bill and provide associated billing and collection services to retail customers located in PECO's retail electric service territory. Currently, there are no third parties providing billing of PECO's charges to customers or advanced metering. However, if this occurs, PECO would be subject to credit risk related to the ability of the third parties to collect such receivables from the customers.

INTEREST RATE RISK PECO uses a combination of fixed rate and variable rate debt to reduce interest rate exposure. Interest rate swaps may be used to adjust exposure when deemed appropriate based upon market conditions. PECO 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. As of December 31, 2001, a hypothetical 10% increase in the interest rates associated with variable rate debt would not have a material impact on pre-tax earnings for 2002. 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 December 31, 2001, these interest rate swaps had an aggregate fair market value exposure of $19 million based on the present value difference between the contract and market rates at December 31, 2001. 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 December 31, 2001 is estimated to be $23 million. If these derivative instruments had been terminated at December 31, 2001, 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 December 31, 2001 is estimated to be $15 million. If these derivative instruments had been terminated at December 31, 2001, this estimated fair value represents the amount to be paid by PECO to the counterparties. In 1999, PECO entered into interest rate swaps relating to the Class A-3 and Class A-5 Series 1999-A Transition Bonds in the aggregate notional amount of $1.1 billion with an average interest rate of 6.65%. PECO also entered into forward-starting interest rate swaps relating to these two classes of floating rate transition bonds in the aggregate notional amount of $1.1 billion with an average interest rate of 6.01%. In connection with the refinancing of a portion of the two floating rate series of transition bonds in the first quarter of 2001, PECO settled $318 million of a forward-starting interest rate swap, resulting in a $6 million gain which is reflected in other income and deductions. Also, in connection with the refinancing, PECO settled a portion of the interest rate swaps and the remaining portion of the forward-starting interest rate swaps resulting in gains of $25 million, which were deferred and are being amortized over the expected remaining lives of the related debt. In February 2000, PECO entered into forward-starting interest rate swaps for a notional amount of $1 billion in anticipation of the issuance of $1 billion of Transition Bonds in the second quarter of 2000. In May 2000, PECO settled these forward-starting interest rate swaps and paid the counterparties $13 million which was deferred and is being amortized over the life of the Transition Bonds as an increase in interest expense.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA EXELON The information required by this Item is incorporated herein by reference to the Consolidated Statements of Income for the years 2001, 2000 and 1999; Consolidated Statements of Cash Flows for the years 2001, 2000 and 1999; Consolidated Balance Sheets as of December 31, 2001 and 2000; Consolidated Statements of Changes in Shareholders' Equity for the years 2001, 2000 and 1999 and Consolidated Statements of Comprehensive Income for the years 2001, 2000 and 1999; and Notes to Consolidated Financial Statements appearing in Exhibit 99-4 to Exelon's Current Report on Form 8-K dated February 28, 2002.

ComEd REPORT OF INDEPENDENT ACCOUNTANTS To the Shareholders and Board of Directors of Commonwealth Edison Company: In our opinion, the consolidated financial statements listed in the index appearing under Item 14(a)(2)(i) present fairly, in all material respects, the financial position of Commonwealth Edison Company and Subsidiary Companies (ComEd) at December 31, 2001 and 2000, and the results of their operations and their cash flows for the year ended December 31, 2001 and for the periods from October 20, 2000 to December 31, 2000 and from January 1, 2000 to October 19, 2000, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 14(a)(2)(ii) for the years ended December 31, 2001 and 2000, presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and the financial statement schedule are the responsibility of ComEd's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion. As discussed in Note 3 to the consolidated financial statements, effective October 20, 2000, Exelon Corporation acquired Unicom Corporation, the parent company of ComEd at that date, in a business combination accounted for as a purchase. As a result of the acquisition, the consolidated financial information for the period after the acquisition is presented on a different cost basis than that for the periods before the acquisition and therefore, is not comparable. As discussed in Note 2, as part of a corporate restructuring undertaken on January 1, 2001 by Exelon Corporation, the parent company of ComEd, all of ComEd's generation-related and certain other operations, assets and liabilities of ComEd were transferred to affiliated companies of ComEd. As discussed in Note 1 to the consolidated financial statements, ComEd changed its method of accounting for derivative instruments and hedging activities effective January 1, 2001. PricewaterhouseCoopers LLP Chicago, Illinois January 29, 2002, except for Note 19 for which the date is March 21, 2002.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS To the Shareholders of Commonwealth Edison Company: We have audited the consolidated statements of income, cash flows, comprehensive income and changes in shareholders' equity of Commonwealth Edison Company (an Illinois corporation) and Subsidiary Companies for the year ended December 31, 1999. These financial statements and the schedule referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. In our opinion, the financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of Commonwealth Edison Company and Subsidiary Companies for the year ended December 31, 1999, in conformity with accounting principles generally accepted in the United States. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed under Item 14(a)(2)(ii) for the year ended December 31, 1999, is presented for the purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole. Arthur Andersen LLP Chicago, Illinois January 31, 2000

COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF INCOME

(in millions)	For the Year Ended Dec. 31, 2001	For the period Oct. 20 - Dec. 31, 2000	For the period Jan. 1- Oct. 19, 2000	For the Year Ended Dec. 31, 1999
OPERATING REVENUES				
Operating Revenues	$ 6,125	$ 1,297	$ 5,625	$ 6,793
Operating Revenues from Affiliates	81	13	77	--
Total Operating Revenues	6,206	1,310	5,702	6,793
OPERATING EXPENSES				
Fuel and Purchased Power	14	322	1,655	1,549
Purchased Power from Affiliate	2,656	--	--	--
Operating and Maintenance	833	423	1,653	2,352
Operating and Maintenance from Affiliates	148	--	--	--
Merger-Related Costs	--	14	53	--
Depreciation and Amortization	665	130	868	836
Taxes Other Than Income	296	83	425	507
Total Operating Expenses	4,612	972	4,654	5,244
OPERATING INCOME	1,594	338	1,048	1,549
Other Income and Deductions				
Interest Expense	(555)	(127)	(469)	(602)
Interest Expense from Affiliates	(10)	--	--	--
Distributions on Company-Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trusts Holding Solely the Company's Subordinated Debt Securities	(30)	(6)	(24)	(30)
Interest Income from Affiliates	79	29	150	8
Other, Net	35	2	127	52
Total Other Income and Deductions	(481)	(102)	(216)	(572)
INCOME BEFORE INCOME TAXES AND EXTRAORDINARY ITEMS	1,113	236	832	977
INCOME TAXES	506	103	229	326
INCOME BEFORE EXTRAORDINARY ITEMS	607	133	603	651
EXTRAORDINARY ITEMS (NET OF INCOME TAXES OF $2 AND $18 FOR THE PERIODS ENDING OCT. 19, 2000 AND DEC. 31, 1999, RESPECTIVELY)	--	--	(4)	(28)
NET INCOME	607	133	599	623
PREFERRED AND PREFERENCE STOCK DIVIDENDS	--	--	3	24
NET INCOME ON COMMON STOCK	$ 607	$ 133	$ 596	$ 599

See Notes to Consolidated Financial Statements

COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)	For the Year Ended Dec. 31, 2001	For the period Oct. 20 - Dec. 31, 2000	For the period Jan. 1 - Oct. 19, 2000	For the Year Ended Dec. 31, 1999
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income	$ 607	$ 133	$ 599	$ 623
Adjustments to reconcile Net Income to Net Cash Flows provided by Operating Activities:				
Depreciation and Amortization	665	174	1,012	902
Extraordinary Items (net of income taxes)	--	--	4	28
(Gain)/loss on Forward Share Arrangements	--	--	(113)	44
Reversal of Provision for Revenue Refunds	(15)	--	--	--
Provision for Uncollectible Accounts	42	16	30	87
Deferred Income Taxes	14	72	861	(1,456)
Merger-Related Costs	--	14	53	--
Early Retirement and Separation Program	--	--	28	(62)
Midwest Independent System Operator Exit Fees	(36)	--	--	--
Contribution to Environmental Trust	--	--	--	(250)
Recovery of Coal Reserve Regulatory Assets	--	--	--	198
Other Operating Activities	(2)	(69)	(163)	1
Changes in Working Capital:				
Accounts Receivable	76	(37)	96	(175)
Inventories	16	97	17	(6)
Accounts Payable, Accrued Expenses & Current Liabilities	149	65	(1,334)	1,331
Change in Receivables and Payables to Affiliates, net	(166)	--	(10)	(6)
Other Current Assets	2	59	(6)	(16)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	1,352	524	1,074	1,243
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment in Plant	(839)	(196)	(1,210)	(1,337)
Plant Removals, net	(30)	(11)	(14)	(75)
Sales of Generating Plants	--	--	--	4,886
Proceeds from Nuclear Decommissioning Trust Funds	--	288	1,251	1,593
Investment in Nuclear Decommissioning Trust Funds	--	(377)	(1,290)	(1,683)
Change in Receivables from Affiliates	417	(441)	288	(2,209)
Other Investments	--	(63)	139	(37)
Other Investing Activities	11	--	9	8
NET CASH FLOWS (USED IN) PROVIDED BY INVESTING ACTIVITIES	(441)	(800)	(827)	1,146
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of Long-Term Debt, net of issuance costs	--	--	450	--
Common Stock Repurchases	--	--	(153)	(115)
Retirement of Long-Term Debt	(542)	(84)	(755)	(1,558)
Change in Short-Term Debt	--	--	(5)	(272)
Redemption of Preferred Securities of Subsidiaries	--	--	(71)	(534)
Change in Restricted Cash	19	50	175	2,778
Dividends on Capital Stock	(483)	(95)	(260)	(392)
Common Stock Forward Repurchases	--	--	(67)	(813)
Nuclear Fuel Lease Principal Payments	--	--	(270)	(255)
Other Financing Activities	(23)	--	--	--
NET CASH FLOW USED IN FINANCING ACTIVITIES	(1,029)	(129)	(956)	(1,161)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(118)	(405)	(709)	1,228
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	141	546	1,255	27
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 23	$ 141	$ 546	$ 1,255

See Notes to Consolidated Financial Statements

COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES CONSOLIDATED BALANCE SHEETS

at December 31, --------------- (in millions) 2001 2000 - ------------- ---- ---- ASSETS CURRENT ASSETS Cash and Cash Equivalents $ 23 $ 141 Restricted Cash 41 60 Accounts Receivable, net Customer 745 970 Other 87 234 Inventories, at average cost 56 186 Deferred Income Taxes 52 89 Receivables from Affiliates 95 468 Other 15 24 -------- -------- Total Current Assets 1,114 2,172 -------- -------- PROPERTY, PLANT AND EQUIPMENT, NET 7,351 7,657 DEFERRED DEBITS AND OTHER ASSETS Regulatory Assets 667 1,110 Nuclear Decommissioning Trust Funds -- 2,669 Investments 64 152 Goodwill, net 4,902 4,766 Receivables from Affiliates 1,314 1,316 Other 304 356 -------- -------- Total Deferred Debits and Other Assets 7,251 10,369 -------- -------- TOTAL ASSETS $ 15,716 $ 20,198 ======== ======== LIABILITIES AND SHAREHOLDERS' EQUITY CURRENT LIABILITIES Long-Term Debt Due Within One Year $ 849 $ 348 Accounts Payable 144 597 Accrued Expenses 63 148 Accrued Interest 165 149 Accrued Taxes 146 79 Payables to Affiliates 307 -- Customer Deposits 90 73 Other 122 329 -------- -------- Total Current Liabilities 1,886 1,723 -------- -------- LONG-TERM DEBT 5,850 6,882 DEFERRED CREDITS AND OTHER LIABILITIES Deferred Income Taxes 1,671 1,837 Unamortized Investment Tax Credits 55 59 Nuclear Decommissioning Liability for Retired Plants -- 1,301 Pension Obligations 151 285 Non-Pension Postretirement Benefits Obligation 146 315 Spent Fuel Obligation -- 810 Payables to Affiliates 297 -- Other 248 475 -------- -------- Total Deferred Credits and Other Liabilities 2,568 5,082 -------- -------- COMPANY-OBLIGATED MANDATORILY REDEEMABLE PREFERRED SECURITIES OF SUBSIDIARY TRUSTS HOLDING THE COMPANY'S SUBORDINATED DEBT SECURITIES 329 328 COMMITMENTS AND CONTINGENCIES SHAREHOLDERS' EQUITY Common Stock 2,048 2,678 Preference Stock 7 7 Other Paid in Capital 5,057 5,388 Receivable from Parent (937) -- Retained Earnings 257 133 Treasury Stock, at cost (1,344) (2,023) Accumulated Other Comprehensive Income (5) -- -------- -------- Total Shareholders' Equity 5,083 6,183 -------- -------- TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY $ 15,716 $ 20,198 ======== ======== See Notes to Consolidated Financial Statements 91

COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY Accumulated Preferred and Other Receivable Other Total Common Preference Paid-in from Retained Comprehensive Treasury Shareholders' (in millions) Stock Stock Capital Parent Earnings Income Stock Equity - ------------- ----- ----- ------- ------ -------- ------ ----- ------ BALANCE, DECEMBER 31, 1998 $ 2,678 $ 524 $ 2,208 $ -- $ 177 $ -- $ (7) $ 5,580 Net Income -- -- -- -- 623 -- -- 623 Preferred and Preference Stock Redemptions -- (515) -- -- -- -- -- (515) Capital Stock and Warrant Expense -- -- 3 -- (16) -- -- (13) Common Stock Dividends -- -- -- -- (342) -- -- (342) Preferred and Preference Stock Dividends -- -- -- -- (9) -- -- (9) Common Stock Repurchases -- -- -- -- -- -- (20) (20) Other Comprehensive Income, net of income taxes of $5 -- -- -- -- -- 8 -- 8 ------- ------- ------- ------- -------- ---- ------- ------- BALANCE, DECEMBER 31, 1999 $ 2,678 $ 9 $ 2,211 $ -- $ 433 $ 8 $ (27) $ 5,312 Net Income -- -- -- -- 599 -- -- 599 Preferred and Preference Stock Redemptions -- (2) -- -- -- -- -- (2) Capital Stock Expense -- -- -- -- (1) -- -- (1) Common Stock Dividends -- -- -- -- (238) -- -- (238) Preferred and Preference Stock Dividends -- -- -- -- (1) -- -- (1) Common Stock Repurchases -- -- -- -- -- -- (153) (153) Stock Forward Repurchase Contract -- -- -- -- -- -- (993) (993) Other Comprehensive Income, net of income taxes of $0 -- -- -- -- -- (2) -- (2) - -- BALANCE, OCTOBER 19, 2000 $ 2,678 $ 7 $ 2,211 $ -- $ 792 $ 6 $(1,173) 4,521 Net Income -- -- -- -- 133 -- -- 133 Merger Fair Value Adjustments -- -- 3,177 -- (792) (6) -- 2,379 Common Stock Repurchases -- -- -- -- -- -- (850) (850) ------- ------- ------- ------- -------- ---- ------- ------- BALANCE, DECEMBER 31, 2000 $ 2,678 $ 7 $ 5,388 $ -- $ 133 $ -- $(2,023) $ 6,183 Net Income -- -- -- -- 607 -- -- 607 Capital Contribution from Parent -- -- 1,062 (937) -- -- -- 125 Retirement of Treasury Shares (630) -- (1,393) -- -- -- 2,023 -- Merger Fair Value Adjustments -- -- 24 -- -- -- -- 24 Corporate Restructuring -- -- (24) -- -- -- (1,344) (1,368) Common Stock Dividends -- -- -- -- (483) -- -- (483) Other Comprehensive Income, net of income taxes of $1 -- -- -- -- -- (5) -- (5) ------- ------- ------- ------- -------- ---- ------- ------- BALANCE, DECEMBER 31, 2001 $ 2,048 $ 7 $ 5,057 $ (937) $ 257 $ (5) $(1,344) $ 5,083 ======= ======= ======= ======= ======= ==== ======= ======= COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME For the Year Ended For the Period For the Year Ended -------------- ------------------ December 31, Oct. 20-Dec. 31, | Jan.1 -Oct. 19 December 31, (in millions) 2001 2000 | 2000 1999 - ------------- ---- ---- | ---- ---- | Net Income $ 607 $ 133 | $ 599 $ 623 Other Comprehensive Income | Cash Flow Hedge Fair Value Adjustment, | net of income taxes of $0 (1) -- | -- -- Foreign Currency Translation Adjustment, | net of income taxes of $0 (1) -- | -- -- Unrealized Gain (Loss) on Marketable Securities, | net of income taxes of $1, $0 and $5, respectively (3) -- | (2) 8 Merger Fair Value Adjustment -- (6) | -- -- ----- ----- | ----- ----- Total Other Comprehensive Income (5) (6) | (2) 8 ----- ----- | ----- ----- Total Comprehensive Income $ 602 $ 127 | $ 597 $ 631 ===== ===== | ===== ===== See Notes to Consolidated Financial Statements 92

Commonwealth Edison Company and Subsidiary Companies NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in millions, unless otherwise noted) 1. Significant Accounting Policies DESCRIPTION OF BUSINESS As a result of the corporate restructuring, effective January 1, 2001 (see Note 2 - Corporate Restructuring), Commonwealth Edison Company's (ComEd's) generation and other competitive businesses were separated from its regulated energy delivery business. As a result, the operations of ComEd consist of its retail electricity distribution and transmission business to 3.6 million retail customers. ComEd's retail electric service territories are located principally in northern Illinois including metropolitan Chicago, spanning an area of approximately 11,300 square miles. BASIS OF PRESENTATION The consolidated financial statements of ComEd include the accounts of ComEd, Commonwealth Edison Company of Indiana, Inc. , Edison Development Canada Inc. , ComEd Financing I and ComEd Financing II , ComEd Funding LLC (ComEd Funding), and ComEd Transitional Funding Trust (ComEd Funding Trust). All significant intercompany transactions have been eliminated. Although the accounts of ComEd Funding and ComEd Funding Trust, which are Special Purpose Entities (SPEs), are included in the consolidated financial statements, as required by generally accepted accounting principles (GAAP), ComEd Funding and ComEd Funding Trust are separate legal entities from ComEd. The assets of the SPEs are not available to creditors of ComEd and the transitional property held by the SPEs are not assets of ComEd. Accounting policies for regulated operations are in accordance with those prescribed by the regulatory authorities having jurisdiction, principally the Illinois Commerce Commission (ICC), the Federal Energy Regulatory Commission (FERC) and the Securities and Exchange Commission (SEC) under the Public Utility Holding Company Act of 1935 (PUHCA). ComEd, a regulated electric utility, is a principal subsidiary of Exelon Corporation (Exelon), which owns 99.9% of ComEd common stock. ComEd was the principal subsidiary of Unicom Corporation (Unicom) prior to the merger with Exelon. See Note 3 - Merger. The merger was accounted for using the purchase method of accounting in accordance with GAAP. The effects of the purchase method are reflected on the financial statements of ComEd as of the merger date. Accordingly, the financial statements presented for the period after the merger reflect a new basis of accounting. ComEd's financial statements for 2000, separated by a bold black line, are presented for periods prior to and subsequent to the merger. ACCOUNTING FOR THE EFFECTS OF REGULATION ComEd accounts for its regulated electric operations in accordance with Statement of Financial Accounting Standards (SFAS) No. 71, "Accounting for the Effects of Certain Types of Regulation," requiring ComEd to record in the financial statement the effects of the rate regulation to which these operations are currently subject. Use of SFAS No. 71 is applicable to the utility operations of ComEd that meet the following criteria: (1) third-party regulation of rates; (2) cost-based rates; and (3) a reasonable assumption that all costs will be recoverable from customers through rates. ComEd believes that it is probable that regulatory assets associated with these operations will be recovered. If a separable portion of ComEd's business no longer meets the provisions of SFAS No. 71, ComEd is required to eliminate the financial statement effects of regulation for that portion.

USE OF ESTIMATES The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates have been made in the accounting for unbilled revenue, derivatives, environmental costs, retirement benefit costs and prior to the corporate restructuring nuclear decommissioning liabilities.

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

NUCLEAR FUEL Prior to the corporate restructuring in which ComEd's nuclear generating stations were transferred to Exelon Generation Company, LLC (Generation) (see Note 2 - Corporate Restructuring), the cost of nuclear fuel was capitalized and charged to fuel expense using the unit of production method. Estimated costs of nuclear fuel storage and disposal were charged to expense as the related fuel was consumed.

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

Asset Category	2001	2000	1999
Electric -- Transmission and Distribution	5.20%	5.83%	3.24%
Electric -- Generation	--	4.83%	2.20%
Other Property and Equipment	5.95%	7.31%	5.71%

Amortization of regulatory assets is provided over the recovery period specified in the related legislation or regulatory agreement. See Note 5 - Regulatory Issues - regarding the regulatory accounting treatment for the nuclear generating stations transferred to Generation. Goodwill associated with the merger was amortized on a straight line basis over 40 years in 2001 and 2000. Accumulated amortization of goodwill was $149 and $23 million at December 31, 2001 and 2000, respectively. Effective January 1, 2002, under SFAS No. 142 "Goodwill and Other Intangible Assets"(SFAS 142), goodwill recorded by ComEd is no longer subject to amortization. See the New Accounting Pronouncement section of this note. ComEd's estimate of the costs for decommissioning nuclear generating stations transferred to Generation is currently included in regulated rates. Prior to the corporate restructuring the amounts recovered from customers were deposited in trust accounts and invested for funding of future costs for current and retired plants. ComEd accounted for the current period cost of decommissioning by recording a charge to depreciation expense and a corresponding liability in accumulated depreciation for its operating nuclear units and a reduction to regulatory assets for its retired units. Subsequent to the corporate restructuring, amounts recovered from customers are remitted to Generation.

CAPITALIZED INTEREST ComEd uses SFAS No. 34, "Capitalization of Interest Costs", to calculate the costs during construction of debt funds used to finance its non-regulated construction projects. ComEd recorded capitalized interest of $0 million, $5 million and $22 million in 2001, 2000 and 1999, respectively.

Allowance for Funds Used During Construction (AFUDC) is the cost, during the period of construction, of debt and equity funds used to finance construction projects for regulated operations. AFUDC of $17 million, $19 million and $22 million in 2001, 2000 and 1999, respectively, was recorded as a charge to Construction Work in Progress and as a non-cash credit to AFUDC which is included in Other Income and Deductions. The rates used for capitalizing AFUDC are computed under a method prescribed by regulatory authorities. INCOME TAXES Deferred Federal and state income taxes are provided on all significant temporary differences between book bases and tax bases of assets and liabilities, transactions that reflect taxable income in a year different from book income and tax carryforwards. Investment tax credits previously used for income tax purposes have been deferred on ComEd's Consolidated Balance Sheets and are recognized in book income over the life of the related property. ComEd files a consolidated Federal and state income tax returns with Exelon, and was previously included in Unicom's consolidated income tax returns. Current and deferred income taxes of the consolidated group are allocated to ComEd as if ComEd filed separate income tax returns. GAINS AND LOSSES ON REACQUIRED DEBT Recoverable gains and losses on reacquired debt related to regulated operations are deferred and amortized to interest expense over the period consistent with rate recovery for ratemaking purposes. In 2000 and 1999, prior to the corporate restructuring, gains and losses on reacquired debt were recognized in ComEd's Consolidated Statements of Income as incurred. COMPREHENSIVE INCOME Comprehensive income includes all changes in equity during a period except those resulting from investments by and distributions to shareholders. CASH AND CASH EQUIVALENTS ComEd considers all temporary cash investments purchased with an original maturity of three months or less to be cash equivalents. RESTRICTED CASH Restricted cash reflects unused cash proceeds from the issuance of the transitional trust notes and escrowed cash to be applied to the principal and interest payment on the transitional trust notes. MARKETABLE SECURITIES Marketable securities are classified as available-for-sale securities and are reported at fair value, with the unrealized gains and losses, net of tax, reported in other comprehensive income. Prior to the corporate restructuring (see Note 2 - Corporate Restructuring), unrealized gains and losses on marketable securities held in the nuclear decommissioning trust funds were reported in accumulated depreciation for operating units and as a reduction of regulatory assets for retired units. At December 31, 2001 and 2000, ComEd had no held-to-maturity or trading securities. PROPERTY, PLANT AND EQUIPMENT Property, plant and equipment is recorded at cost. ComEd evaluates the carrying value of property, plant and equipment and other long-term assets based upon current and anticipated undiscounted cash flows, and recognizes an impairment when it is probable that such estimated cash flows will be less than the carrying value of the asset. Measurement of the amount of impairment, if any, is based upon the difference between carrying value and fair value. The cost of maintenance, repairs and minor replacements of property are charged to maintenance expense as incurred. Upon retirement, the cost of regulated property plus removal costs less salvage, are charged to accumulated depreciation in accordance with the provisions of SFAS No. 71. For unregulated property, the cost and accumulated depreciation of property, plant and equipment

retired or otherwise disposed of are removed from the related accounts and included in the determination of the gain or loss on disposition. CAPITALIZED SOFTWARE COSTS Costs incurred during the application development stage of software projects which are developed or obtained for internal use are capitalized. At December 31, 2001 and 2000, net capitalized software costs totaled $104 million and $150 million, respectively, reflecting $17 million and $4 million in accumulated amortization, respectively. Such capitalized amounts are amortized ratably over the expected lives of the projects when they become operational, not to exceed 10 years. Certain capitalized software is being amortized over 15 years pursuant to regulatory approval. DERIVATIVE FINANCIAL INSTRUMENTS ComEd accounts for derivative financial instruments pursuant to SFAS No. 133, "Accounting for Derivatives and Hedging Activities" (SFAS 133). Under the provisions of SFAS 133, all derivatives are recognized on the balance sheet at their fair value unless they qualify for a normal purchases and normal sales exception. Changes in the fair value of the derivative financial instrument are recognized in earnings unless specific hedge accounting criteria are met. A derivative financial instrument can be designated as a hedge of the fair value of a recognized asset or liability or of an unrecognized firm commitment (fair value hedge), or a hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability (cash flow hedge). Changes in the fair value of a derivative that is highly effective as, and is designated and qualifies as a fair value hedge, along with the gain or loss on the hedged asset or liability that is attributable to the hedged risk, are recorded in earnings. Changes in the fair value of a derivative that is highly effective as, and is designated as and qualifies as a cash flow hedge are recorded in other comprehensive income, until earnings are affected by the variability of cash flows being hedged. In connection with Exelon's Risk Management Policy, ComEd enters into derivatives to effectively convert fixed rate debt to floating rate debt, manage its exposure to fluctuations in interest rates related to planned future debt issuances prior to their actual issuance, as well as exposure to changes in the fair value of outstanding debt which is planned for early retirement. Prior to the adoption of SFAS No. 133, ComEd applied hedge accounting only if the derivative reduced the risk of the underlying hedged item and was designated at the inception of the hedge, with respect to the hedged item. ComEd recognized any gains or losses on these derivatives when the underlying physical transaction affected earnings. NEW ACCOUNTING PRONOUNCEMENTS In 2001, the FASB issued SFAS No. 141, "Business Combinations" (SFAS No. 141), SFAS No. 142, No. 143, "Asset Retirement Obligations" (SFAS No. 143), and SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" (SFAS No. 144). SFAS No. 141 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 is effective for business combinations initiated after June 30, 2001. SFAS No. 142 establishes new accounting and reporting standards for goodwill and intangible assets. ComEd adopted SFAS No. 142 as of January 1, 2002. Under SFAS No. 142, effective January 1, 2002, goodwill recorded by ComEd is no longer subject to amortization. After January 1, 2002, goodwill will be subject to an assessment for impairment using a two-step fair value based test, the first step of which must be performed at least annually, or more frequently if events or circumstances indicate that goodwill might be impaired. The first step compares the fair value of a reporting unit to its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its fair value, the second step is performed. The second step compares the carrying amount of the goodwill to the fair value of the goodwill. If the

fair value of goodwill is less than the carrying amount, an impairment loss would be reported as a reduction to goodwill and a charge to operating expense, except at the transition date, when the loss would be reflected as a cumulative effect of a change in accounting principle. As of December 31, 2001, ComEd's Consolidated Balance Sheets reflected approximately $4.9 billion in Goodwill, net of accumulated amortization. Annual amortization of goodwill of $126 million was discontinued upon adoption of SFAS No. 142. In the first quarter of 2002, ComEd has completed the first step of the transitional impairment analysis, which indicated that its goodwill is not impaired. SFAS No. 143 provides accounting requirements for retirement obligations associated with tangible long-lived assets. Retirement obligations associated with long-lived assets included within the scope of SFAS No. 143 are those for which there is a legal obligation to settle under existing or enacted law, statute, written or oral contract or by legal construction under the doctrine of promissory estoppel. This statement is effective for fiscal years beginning after June 15, 2002 with initial application as of the beginning of the fiscal year. ComEd is in the process of evaluating the impact of SFAS No. 143 on its financial statements. SFAS No. 144 establishes accounting and reporting standards for both the impairment and disposal of long-lived assets. This statement is effective for fiscal years beginning after December 15, 2001 and provisions of this statement are generally applied prospectively. ComEd is in the process of evaluating the impact of SFAS No. 144 on its financial statements and does not expect the impact to be material. RECLASSIFICATIONS Certain prior year amounts have been reclassified for comparative purposes. These reclassifications had no effect on net income or shareholders' equity. 2. Corporate Restructuring During January 2001, Exelon undertook a corporate restructuring to separate its generation and other competitive businesses from its regulated energy delivery businesses at ComEd and PECO. As part of the restructuring, the generation-related operations and assets and liabilities of ComEd were transferred to Generation. Additionally, certain operations and assets and liabilities of ComEd were transferred to Exelon Business Services Company (BSC). As a result, effective January 1, 2001, the operations of ComEd consist of its retail electricity distribution and transmission business in northern Illinois. The corporate restructuring had the following effect on the Condensed Consolidated Balance Sheets of ComEd: Decrease in Assets: Current Assets $ (397) Property, Plant and Equipment, net (781) Investments (85) Other Noncurrent Assets (2,629) Decrease in Liabilities: Current Liabilities 799 Long-Term Debt -- Deferred Income Taxes (24) Other Noncurrent Liabilities 2,212 ------- Net Assets Transferred $ (905) =======

Consideration, based on the net book value of the net assets transferred, was as follows: Treasury Stock Received $ 1,344 Other Paid in Capital 24 Notes Payable - Affiliates (463) ------- $ 905 ======= In connection with the restructuring, ComEd assigned its respective rights and obligations under various power purchase and fuel supply agreements to Generation. Additionally, ComEd entered into a power purchase agreement (PPA) with Generation. Under the PPA between ComEd and Generation, 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. 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 obligation for decommissioning ComEd's nuclear facilities and the related trust fund assets were transferred to Generation concurrently with the transfer of the generating plants and the related Nuclear Regulatory Commission (NRC) operating licenses as of January 1, 2001. ComEd had historically accounted for the current period's cost of decommissioning by recording a charge to depreciation expense and a corresponding liability in accumulated depreciation for its operating units and a reduction to regulatory assets for retired units (in current year dollars) on a straight-line basis over the NRC operating license life of the plants. As of December 31, 2000, ComEd's cumulative liability of $2.1 billion was recorded as a component of accumulated depreciation. Additionally, a $1.3 billion liability representing the present value of the estimated cost of decommissioning nuclear units previously retired was recorded as a long- term liability. These liabilities, as well as investments in trust fund assets of $2.7 billion to fund the costs of decommissioning, were transferred to Generation. Additionally, as part of the corporate restructuring, ComEd's liability to the U.S. Department of Energy (DOE) for payment of its one-time fee for spent nuclear fuel disposal was transferred to Generation. As of December 31, 2000, this liability, including accrued interest, was $810 million. Also, provisions for nuclear insurance were assumed by Generation under terms and conditions commensurate with those previously borne by ComEd.

3. Merger On October 20, 2000, Exelon became the parent corporation of PECO Energy Company (PECO) and ComEd as a result of the completion of the transactions contemplated by an Agreement and Plan of Exchange and Merger, as amended (Merger Agreement), among PECO, Unicom Corporation (Unicom) and Exelon. Pursuant to the Merger Agreement, Unicom merged with and into Exelon (Merger). In the Merger, each share of the outstanding common stock of Unicom was converted into 0.875 shares of common stock of Exelon plus $3.00 in cash. As a result of the Merger, Unicom ceased to exist and its subsidiaries, including ComEd, became subsidiaries of Exelon. The Merger was accounted for using the purchase method of accounting. Purchase transactions resulting in one entity becoming substantially wholly owned by the acquiror establish a new basis of accounting in the acquired entity's records for the purchased assets and liabilities. Thus, the purchase price has been allocated to the underlying assets purchased and liabilities assumed based on their estimated fair values at the acquisition date. As a result of the application of the purchase method of accounting, the following fair value adjustments as adjusted to reflect final purchase price allocation, including the elimination of accumulated depreciation, retained earnings and other comprehensive income, were recorded in ComEd's Consolidated Balance Sheets: Total ----- Increase (Decrease) in Assets: Property, Plant and Equipment, net $(4,791) Goodwill 5,051 Other Assets (254) (Increase) Decrease in Liabilities and Shareholders' Equity: Deferred Income Taxes 1,756 Unamortized Investment Tax Credits 401 Merger Severance Obligation (327) Pension and Postretirement Benefit Obligations 471 Long-Term Debt and Preferred Securities 116 Other Liabilities (20) Other Paid in Capital (3,201) Retained Earnings 792 Accumulated Other Comprehensive Income 6 ------- Reductions to the carrying value of property, plant and equipment balances primarily reflect the fair value of the nuclear generating assets based on discounted cash flow analyses and independent appraisals. Adjustments to deferred income taxes, long-term debt and preferred securities, and other assets and liabilities were recorded based on the estimate of fair market value. Reductions to unamortized investment tax credits represents the adjustment of nuclear generating asset investment tax credits to fair value. Merger severance obligations relating to ComEd's employee exit costs were recorded in the purchase price allocation. Reductions to pension and postretirement benefit obligations primarily reflect elimination of unrecognized net actuarial gains, prior service costs and transition obligations. Goodwill represents the purchase price allocation to ComEd of the cost in excess of net assets acquired in the Merger, which was amortized over a forty year period for 2000 and 2001. Annual amortization of goodwill related to the Merger of $126 million was discontinued upon adoption of SFAS 142. Goodwill associated with the Merger increased by $262 million in 2001 as a result of the finalization of the purchase price allocation. The adjustment resulted primarily from the after-tax effects of a reduction of the regulatory asset for decommissioning retired nuclear plants, additional employee separation costs and the finalization of other purchase price allocations.

MERGER-RELATED COSTS In connection with the Merger, ComEd recorded certain reserves for restructuring costs. Costs incurred prior to the Merger were charged to expense. Costs incurred subsequent to the Merger were reflected as part of the application of purchase accounting and did not affect results of operations. ComEd's Merger-related costs charged to expense in 2000 were $67 million consisting of $26 million of direct incremental costs and $41 million for employee costs. Direct incremental costs represent expenses directly associated with completing the Merger, including professional fees, regulatory approval and other merger integration costs. Employee costs represent estimated severance payments provided under Exelon's Merger Separation Plan (MSP) for eligible employees whose positions were eliminated before October 20, 2000 due to integration activities of the merged companies. Included in the purchase price allocation is a liability for employee costs and liabilities for estimated costs of exiting business activities that were not compatible with the strategic business direction of Exelon of $36 million. During 2001, ComEd finalized its plans for consolidation of functions, including negotiation of an agreement with the union regarding severance benefits to union employees and recorded adjustments to the purchase price allocation. The employee liabilities are as follows:

	Original Estimate	2001 Adjustments	Adjusted Liabilities
Employee severance payments (a)	$128	$ 25	$153
Actuarially determined pension and postretirement costs (b)	158	(13)	145
Relocation and other severance (a)	21	8	29
Total ComEd - Employee Cost	$307	$ 20	$327

(a) The increase is a result of the identification in 2001 of additional positions to be eliminated.

(b) The reduction results from lower estimated pension and post retirement welfare benefits reflecting revised actuarial estimates.

The involuntary terminations are a result of merger integration and reengineering of processes, primarily in the areas of corporate support, generation, and energy delivery. During 2001 a portion of the liabilities that related to Generation employees were transferred to Generation as part of the corporate restructuring. Approximately 1,228 ComEd positions, reflecting the corporate restructuring, have been identified to be eliminated as a result of the Merger. ComEd anticipates that $85 million of employee costs will be funded from its pension and postretirement benefit plans and $92 million will be funded from general corporate funds. ComEd has terminated 399 employees as of December 31, 2001. The remaining positions are expected to be eliminated by the end of 2002.

The following table provides a reconciliation of the reserve for employee severance and relocation costs associated with the Merger: Employee severance and relocation reserve as of October 20, 2000 $ 149 Additional reserve 33 ----- Adjusted employee severance and relocation reserve 182 Payments to employees (October 2000-December 2001) (75) Restructuring transfer (45) ----- Employee severance and relocation reserve as of December 31, 2001, after restructuring 62 ===== 4. Fossil Plant Sale In December 1999, ComEd completed the sale of its fossil generating assets to Edison Mission Energy, an Edison International subsidiary (EME), for a cash purchase price of $4.8 billion. The fossil generating assets represented an aggregate generating capacity of approximately 9,772 megawatts. Just prior to the consummation of the fossil plant sale, ComEd transferred these assets to an affiliate, Unicom Investment, Inc. (Unicom Investment). In consideration for the transferred assets, Unicom Investment paid ComEd consideration totaling approximately $4.8 billion in the form of a demand note in the amount of approximately $2.4 billion and an interest-bearing note with a maturity of twelve years. Unicom Investment immediately sold the fossil plant assets to EME, in consideration of which Unicom Investment received approximately $4.8 billion in cash from EME. Immediately after its receipt of the cash payment from EME, Unicom Investment paid the demand note in full. Unicom Investment used the remainder of the cash received from EME to fund other business opportunities, including share repurchases. Of the cash received by ComEd, $1.8 billion was used to pay the costs and taxes associated with the fossil plant sale, including ComEd's contribution of $250 million of the proceeds to an environmental trust as required by Illinois legislation. The remainder of the demand note proceeds was available to ComEd to fund, among other things, transmission and distribution projects, nuclear generation station projects, and environmental and other initiatives. The sale produced an after-tax gain of approximately $1.6 billion, after recognizing commitments associated with certain coal contracts of $350 million, employee-related costs of $112 million and contributing to the environmental trust. The coal contract costs include the amortization of the remaining balance of ComEd's regulatory asset for unrecovered coal reserves of $178 million and the recognition of $172 million of settlement payments related to the above-market portion of coal purchase commitments ComEd assigned to EME at market value upon completion of the fossil plant sale. The severance costs included pension and postretirement welfare benefit curtailment and special termination benefit costs of $51 million and transition, separation and retention payments of $61 million. A total of 1,730 fossil station employee positions were eliminated upon completion of the fossil plant sale on December 15, 1999. The employees whose positions were eliminated have been terminated. Consistent with the provisions of Illinois legislation, the pre-tax gain on the sale of $2,587 million resulted in a regulatory liability, which was used to recover regulatory assets. Therefore, the gain on the sale, excluding $43 million of amortization of investment tax credits, was recorded as a regulatory liability in the amount of $2,544 million and amortized in the fourth quarter of 1999. The amortization of the regulatory liability and additional regulatory asset amortization of $2,456 million are reflected in depreciation and amortization expense on ComEd's Consolidated Statements of Income.

5. Regulatory Issues In 2001, the phased process to implement competition into the electric industry continued as mandated by the requirements of Illinois legislation. Customer Choice As of December 31, 2000, all non-residential customers were eligible to choose a new electric supplier or elect the power purchase option which allows the purchase of electric energy from ComEd at market-based prices. ComEd's residential customers become eligible to choose a new electric supplier in May 2002. As of December 31, 2001, approximately 18,700 non-residential customers, representing approximately 22% of ComEd's annual retail kilowatt-hour sales, had elected to receive their electric energy from an alternative electric supplier or had chosen the power purchase option. Customers who receive energy from an alternative supplier continue to pay a delivery charge. ComEd is unable to predict the long-term impact of customer choice on results of operations. Rate Reductions and Return on Common Equity Threshold The Illinois legislation provided a 15% residential base rate reduction effective August 1, 1998 with an additional 5% residential base rate reduction effective October 1, 2001. ComEd's operating revenues were reduced by $24 million in 2001 due to the 5% residential rate reduction. Notwithstanding the rate reductions and subject to certain earnings tests, a rate freeze will generally be in effect until at least January 1, 2005. A utility may request a rate increase during the rate freeze period only when necessary to ensure the utility's financial viability. Under the Illinois legislation, if the earned return on common equity of a utility during this period exceeds an established threshold, one-half of the excess earnings must be refunded to customers. The threshold rate of return on common equity is based on the 30-Year Treasury Bond rate plus 8.5% in the years 2000 through 2004. Earnings for purposes of ComEd's threshold include ComEd's net income calculated in accordance with GAAP and reflect the amortization of regulatory assets and goodwill. As a result of Illinois legislation, at December 31, 2001, ComEd had a regulatory asset with an unamortized balance of $277 million that it expects to fully recover and amortize by the end of 2004. Consistent with the provisions 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 utility's earned return on common equity and the threshold return on common equity for ComEd are each calculated on a two-year average basis. ComEd did not trigger the earnings sharing provision in 2000 or 2001 and does not currently expect to trigger the earnings sharing provisions in the years 2002 through 2004. Nuclear Decommissioning Costs In December 2000, the ICC issued an order, effective upon the transfer of the nuclear plants to Generation (see Note 2 - Corporate Restructuring), authorizing ComEd to recover $73 million annually from customers during the first four years of the six-year term of the PPA between ComEd and Generation. Up to $73 million annually can also be collected in 2005 and 2006, depending on the portion of the output of the former ComEd nuclear stations that ComEd purchases from Generation. Under the ICC order, subsequent to 2006, there would be no further collection for decommissioning costs from customers. All amounts collected from customers must be remitted to Generation for deposit into the related decommissioning trust funds. The ICC order also provides that any surplus trust funds after ComEd's former nuclear stations are decommissioned must be refunded to ComEd's customers. The ICC order has been appealed to the Illinois Appellate Court by ComEd and other parties. The $73 million annual recovery of decommissioning costs authorized by the ICC order represents a reduction from the $84 million annual recovery in 2000. Accordingly, in the first quarter of 2001, ComEd reduced its nuclear decommissioning regulatory asset to $372 million, reflecting the expected probable future recoveries from customers. The reduction in the

regulatory asset in the amount of $347 million was recorded as an adjustment to the Merger purchase price allocation and resulted in a corresponding increase in goodwill. Effective January 1, 2001, ComEd recorded an obligation to Generation of approximately $440 million representing ComEd's legal requirement to remit funds to Generation for the remaining regulatory asset amount of $372 million upon collection from customers, and for collections from customers prior to the establishment of external decommissioning trust funds in 1989 to be remitted to Generation for deposit into the decommissioning trusts through 2006. At December 31, 2001, the nuclear decommissioning regulatory asset had an unamortized balance of $310 million.

6. Supplemental Financial Information

SUPPLEMENTAL INCOME STATEMENT INFORMATION

	For the Year Ended December 31, 2001	For the Period October 20-December 31, 2000	For the Period January 1-October 19, 2000	For the Year Ended December 31, 1999
TAXES OTHER THAN INCOME				
Utility	$203	$52	$224	$288
Real estate	33	22	101	114
Payroll	28	12	57	70
Other	32	(3)	43	35
Total	$296	$83	$425	$507

The decrease in taxes other than income from the prior year was primarily due to the corporate restructuring in which ComEd's nuclear generating stations were transferred to Generation (see Note 2 - Corporate Restructuring) and a change in presentation of certain revenue taxes which did not affect income.

	For the Year Ended December 31, 2001	For the Period October 20-December 31, 2000	For the Period January 1-October 19, 2000	For the Year Ended December 31, 1999
OTHER, NET				
Investment income	$18	$ 9	$ 39	$ 52
Gain (loss) on forward share repurchase	--	--	113	(44)
Gain (loss) on disposition of assets, net	--	--	(31)	13
AFUDC, equity and borrowed	17	--	19	22
Other income (expense)	--	(7)	(13)	9
Total	$35	$ 2	$127	$ 52

SUPPLEMENTAL CASH FLOW INFORMATION

	For the Year Ended December 31, 2001	For the Period October 20-December 31, 2000	For the Period January 1-October 19, 2000	For the Year Ended December 31, 1999
Cash paid during the year:				
Interest (net of amount capitalized)	$451	$ 88	$ 418	$588
Income taxes (net of refunds)	$300	$ 11	$1,190	$485
Noncash investing and financing:				
Capital lease obligations incurred	--	--	--	$ 2
Common stock repurchase	--	$850	--	--
Settlement of forward share Repurchase arrangement	--	--	$ 993	--
Deferred tax on fossil plant sale	--	--	$1,094	--
Net assets transferred as a result of the restructuring, net of note payable	$1,368	--	--	--
Contribution of receivable from parent	$1,062	--	--	--
Purchase accounting estimate adjustments	$ (85)	--	--	--
Regulatory asset fair value adjustment	$ 347	--	--	--
Retirement of treasury shares	$2,023	--	--	--
Depreciation and amortization:				
Property, plant and equipment	$369	$ 82	$ 543	$706
Nuclear fuel	--	44	144	66
Regulatory assets	170	9	257	46
Decommissioning	--	16	68	84
Goodwill	126	23	--	--
Total Depreciation and amortization	$665	$174	$1,012	$902

SUPPLEMENTAL BALANCE SHEET INFORMATION

REGULATORY ASSETS at December 31,	2001	2000
Nuclear decommissioning costs for retired plants	$ 310	$ 719
Recoverable transition costs	277	385
Loss on reacquired debt	54	35
Recoverable deferred income taxes (see Note 11)	26	(29)
Total	$ 667	$ 1,110

See Note 5 - Regulatory Issues - regarding the decrease in nuclear decommissioning costs for retired plants from the prior year.

7. Accounts Receivable Accounts receivable - Customer at December 31, 2001 and 2000 included unbilled operating revenues of $261 million and $318 million, respectively. The allowance for uncollectible accounts at December 31, 2001 and 2000 was $49 million and $60 million, respectively. 8. Property, Plant and Equipment A summary of property, plant and equipment by classification as of December 31, 2001 and 2000 is as follows: 2001 2000 ---- ---- Electric -- Transmission & Distribution $6,098 $5,612 Electric -- Generation -- 1,957 Nuclear Fuel -- 677 Construction Work in Progress 547 683 Plant Held for Future Use 46 50 Other Property, Plant and Equipment 896 912 ------ ------ Total Property, Plant and Equipment $7,587 $9,891 Less Accumulated Depreciation 236 2,234 ------ ------ Property, Plant and Equipment, net $7,351 $7,657 ====== ====== Accumulated depreciation as of December 31, 2000 includes accumulated amortization of nuclear fuel $52 million, and the nuclear decommissioning liability for the nuclear operating units of $2.1 billion which were transferred to Generation as part of the corporate restructuring. The decrease in the net property, plant and equipment balance from the prior year was primarily due to the corporate restructuring in which ComEd's nuclear generating stations were transferred to Generation (see Note 2 - Corporate Restructuring). 9. Notes Payable 2001 2000 1999 ---- ---- ---- Average borrowings -- $ 214 $ 7 Average interest rates, computed on daily basis -- 6.56% 7.75% Maximum borrowings outstanding -- $ 494 $ 8 Average interest rates, at December 31 -- -- 8.33% ---- ---- ---- Along with Exelon, PECO, and Generation, ComEd, is a party to a $1.5 billion 364-day unsecured revolving credit facility on December 12, 2001 with a group of banks. ComEd has a $300 million sublimit under this credit facility, which is used principally to support ComEd's commercial paper program. There was no outstanding debt under this credit facility or commercial paper at December 31, 2001. Interest rates on borrowings under this credit facility are based on the London Interbank Offering Rate as of the date of the advance.

10. Long-Term Debt

	Rates	Maturity Date	at December 31, 2001	at December 31, 2000
ComEd Transitional Trust Notes Series 1998-A:	5.34%-5.74%	2002-2008	$ 2,380	$ 2,720
First and Refunding Mortgage Bonds (a) (b): Fixed rates	4.40%-9.875%	2002-2023	2,916	3,112
Notes payable	6.40%-9.20%	2002-2018	1,366	1,366
Pollution control bonds: Fixed rates	5.875%	2007	44	46
Floating rates	2.59%	2009-2014	92	92
Sinking fund debentures	3.125%-4.75%	2004-2011	23	27
Total Long-Term Debt (c)			6,821	7,363
Unamortized debt discount and premium, net			(122)	(133)
Due within one year			(849)	(348)
Long-Term Debt			$ 5,850	$ 6,882

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

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

(c) Long-term debt maturities in the period 2002 through 2006 and thereafter are as follows:

2002	$ 849
2003	697
2004	579
2005	806
2006	770
Thereafter	3,120
Total	$ 6,821

In 2001, ComEd entered into forward-starting interest rate swaps, with an aggregate notional amount of $250 million, to manage interest rate exposure associated with the anticipated $400 million refinancing of ComEd First Mortgage Bonds in the first quarter of 2002. ComEd also entered into an interest rate swap agreement with a notional amount of $235 million to effectively convert fixed rate debt to floating rate debt. Prepayment premiums of $39 million, offset by unamortized issuance premiums of $17 million, associated with the early retirement of debt in 2001, have been deferred and recorded as regulatory assets and will be amortized to interest expense over the life of the related new debt issuance consistent with regulatory recovery. In 2000 and 1999, ComEd incurred extraordinary charges aggregating $6 million ($4 million, net of tax), and $46 million ($28 million, net of tax), respectively, consisting of prepayment premiums and the write-offs of unamortized deferred financing costs associated with the early retirement of debt.

11. Income Taxes Income tax expense (benefit) is comprised of the following components: For the Period -------------- For the Year For the Year Ended Oct. 20- Jan. 1- Ended December 31, Dec. 31, Oct. 19, December 31, 2001 2000 2000 1999 ---- ---- ---- ---- | Included in operations: | Federal | | Current $400 $24 | $(520) $1,466 Deferred 16 57 | 729 (1,135) Investment tax credit, net (4) -- | (25) (78) State | Current 92 7 | (112) 316 Deferred 2 15 | 157 (243) ---- ---- | ---- ---- $506 $103 | $229 $326 ==== ==== | ==== ==== Included in extraordinary items: | Federal | | Current $ -- $ -- | $(2) $(15) State | ---- ---- | ---- ---- Current -- -- | -- (3) ---- ---- | ---- ---- $ -- $ -- | $(2) $(18) ==== ==== | ==== ==== The effective tax rate varies from the U.S. federal statutory rate for the years ended December 31 principally due to the following: For the Period -------------- For the Year For the Year Ended Oct. 20- Jan. 1- Ended December 31, Dec. 31, Oct. 19, December 31, 2001 2000 2000 1999 ---- ---- | ---- ---- | | | U.S. Federal statutory rate 35.0% 35.0% | 35.0% 35.0% Increase (decrease) due to: | Plant basis differences 0.3 (1.7) | (3.7) (2.2) State income taxes, net of | Federal Income Tax | benefit 5.5 5.9 | 3.6 4.9 Amortization of goodwill 4.0 3.4 | -- -- Amortization of investment tax | credit (0.4) -- | (2.3) (5.0) Amortization of regulatory asset 1.4 -- | -- -- Unrealized loss (gain) on forward | share, repurchase arrangement -- -- | (4.8) 1.5 Other, net (0.3) 1.0 | (0.3) (0.8) ---- ---- | ---- ---- Effective income tax rate 45.5% 43.6% | 27.5% 33.4% ==== ==== | ==== ====

The tax effect of temporary differences giving rise to significant portions of ComEd's deferred tax assets and liabilities as of December 31, 2001 and 2000 are presented below:

	2001	2000
Deferred tax liabilities:		
Plant basis difference	$ 1,149	$ 1,638
Deferred investment tax credit	55	59
Deferred debt refinancing costs	13	14
Deferred gain on like-kind exchange	453	466
Other, net	123	--
Total deferred tax liabilities	1,793	2,177
Deferred tax assets:		
Deferred pension and postretirement obligations	(119)	(250)
Other, net	--	(120)
Total deferred tax assets	(119)	(370)
Deferred income taxes (net) on the balance sheet	$ 1,674	$ 1,807

In accordance with regulatory treatment of certain temporary differences, ComEd has recorded a regulatory asset/(liability) for recoverable deferred income taxes of $26 million and $(29) million at December 31, 2001 and 2000, respectively. These recoverable deferred income taxes include the deferred tax effects associated principally with liberalized depreciation accounted for in accordance with the ratemaking policies of the ICC, as well as the revenue impacts thereon, and assume continued recovery of these costs in future rates.

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

12. Retirement Benefits

ComEd has adopted defined benefit pension plans and postretirement welfare benefit plans sponsored by Exelon. Essentially all ComEd employees are eligible to participate in these plans. In 2001, ComEd's former plans were consolidated into the Exelon plans. Essentially all ComEd management employees, and electing union employees, hired on or after January 1, 2001 are eligible to participate in newly established Exelon cash balance pension plan. Management employees who were active participants in the former ComEd pension plans on December 31, 2000 and remain employed by ComEd on January 1, 2002, will have the opportunity to continue to participate in the pension plan or to transfer to the cash balance plan. Benefits under these pension plans generally reflect each employee's compensation, years of service, and age at retirement. Funding is based upon actuarially determined contributions that take into account the amount deductible for income tax purposes and the minimum contribution required under the Employee Retirement Income Security Act of 1974, as amended.

The following tables provide a reconciliation of benefit obligations, plan assets, and funded status for ComEd's proportionate allocated interest in the plans.

	Pension Benefits		Other Postretirement Benefits	
	2001	2000	2001	2000
Change in Benefit Obligation:				
Net benefit obligation at beginning of year	4,460	$ 4,119	$ 1,354	$ 1,169
Corporate restructuring	(2,240)	--	(815)	--
Service cost	38	70	13	33
Interest cost	219	310	40	88
Plan participants' contributions	--	--	1	--
Plan amendments	--	--	(76)	--
Actuarial (gain)loss	116	91	(11)	76
Special accounting costs	--	125	--	42
Gross benefits paid	(145)	(255)	(31)	(54)
Net benefit obligation at end of year	$ 2,448	$ 4,460	$ 475	$ 1,354
Change in Plan Assets:				
Fair value of plan assets at beginning of year	$ 3,992	$ 4,266	$ 925	$ 949
Corporate restructuring	(2,006)	--	(574)	--
Actual return on plan assets	(68)	(24)	(3)	(2)
Employer contributions	9	5	15	32
Plan participants' contributions	--	--	1	4
Gross benefits paid	(145)	(255)	(31)	(58)
Fair value of plan assets at end of year	$ 1,782	$ 3,992	$ 333	$ 925
Funded status at end of year	$ (666)	$ (468)	$ (142)	$ (429)
Miscellaneous adjustment	--	--	--	6
Unrecognized net actuarial (gain)loss	515	183	72	108
Unrecognized prior service cost	--	--	(76)	--
Net amount recognized at end of year	$ (151)	$ (285)	$ (146)	$ (315)

	Pension Benefits			Other Postretirement Benefits		
	2001	2000	1999	2001	2000	1999
WEIGHTED-AVERAGE ASSUMPTIONS AS OF DECEMBER 31,						
Discount rate	7.35%	7.60%	6.75%	7.35%	7.60%	6.75%
Expected return on plan assets	9.50%	9.50%	9.25%	9.50%	9.22%	8.97%
Rate of compensation increase	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Health care cost trend on covered charges	N/A	N/A	N/A	10.00% decreasing to ultimate trend of 4.5% in 2008	7.00% decreasing to ultimate trend of 5.0% in 2005	8.00% decreasing to ultimate trend of 5.0% in 2005

	Pension Benefits			Other Postretirement Benefits		
	2001	2000	1999	2001	2000	1999
COMPONENTS OF NET PERIODIC BENEFIT COST (BENEFIT):						
Service cost	$ 38	$ 70	$ 120	$ 13	$ 33	$ 41
Interest cost	219	310	285	40	88	82
Expected return on assets	(246)	(394)	(362)	(36)	(85)	(76)
Amortization of:						
Transition obligation (asset)	--	(9)	(13)	--	16	22
Prior service cost	--	(1)	(4)	(4)	3	4
Actuarial (gain) loss	--	(5)	3	1	(17)	(14)
Curtailment charge (credit)	--	--	16	--	--	35
Settlement charge (credit)	--	--	--	--	--	1
Net periodic benefit cost (benefit)	$ 11	$ (29)	$ 45	$ 14	$ 38	$ 95
Special accounting costs	$ --	$ 4	$ --	$ --	$ 5	$ --

SENSITIVITY OF RETIREE WELFARE RESULTS

Effect of a one percentage point increase in assumed health care cost trend	
on total service and interest cost components	$ 10
on postretirement benefit obligation	$ 60
Effect of a one percentage point decrease in assumed health care cost trend	
on total service and interest cost components	$ (8)
on postretirement benefit obligation	$ (54)

The decrease in the net benefit obligation and the fair value of plan assets from the prior year is due primarily to the corporate restructuring (see Note 2 - - Corporate Restructuring). Amounts of the obligation allocated to affiliates in the restructuring were primarily based on the relative number of active employees transferred to each affiliate.

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

Special accounting costs in 2000 of $125 million represent ComEd's accelerated liability increase, including $100 million for separation benefits and $25 million for plan enhancements.

ComEd provides certain health care and life insurance benefits for retired employees through plans sponsored by Exelon. In 2001, to more closely align the benefit plans of ComEd and PECO, Exelon amended the former ComEd postretirement medical benefit plan that changed the eligibility requirement of the plan to cover only employees who retire with 10 years of service after age 45 rather than with 10 years of service and having attained the age of 55. Welfare benefits for active employees are provided by several insurance policies or self-funded plans whose premiums or contributions are based upon the benefits paid during the year.

Additionally, ComEd provides nonqualified supplemental retirement plans which cover any excess pension benefits that would be payable to management employees under the qualified plan but which are limited by the Internal Revenue Code. The fair value of plan assets excludes $23 million held in a trust as of December 31, 2001 for the payment of benefits under the supplemental plans and $8 million held in a trust as of December 31, 2001 for the payment of postretirement medical benefits.

ComEd has savings plans for the majority of its employees. The plans allow employees to contribute a portion of their pretax income in accordance with specified guidelines. ComEd matches a percentage of the employee contribution up to certain limits. The cost of ComEd's matching contribution to the savings plans totaled $20 million, $31 million, and $32 million in 2001, 2000 and 1999, respectively.

13. Preferred Securities PREFERRED AND PREFERENCE STOCK At December 31, 2000, there were 51,773 authorized shares of $1.425 convertible preferred stock. At December 31, 2001 and 2000, there were 6,810,451 authorized shares of preference stock and 850,000 authorized shares of prior preferred stock. at December 31, Shares Outstanding Dollar Amount ------------------ ------------- 2001 2000 1999 2001 2000 1999 ---- ---- ---- ---- ---- ---- WITHOUT MANDATORY REDEMPTION $1.425 convertible preferred stock, cumulative, without par value -- -- 56,291 $ -- $ -- $ 2 Preference stock, non-cumulative, without par value 1,120 1,120 1,120 7 7 7 ----- ----- ------ ----- ---- ------ Total preferred and preference stock 1,120 1,120 57,411 $ 7 $ 7 $ 9 ===== ===== ====== ===== ==== ====== Preferred and preference stock redemptions were 56,291 and 13,502,949 shares in 2000 and 1999, respectively. COMPANY-OBLIGATED MANDATORILY REDEEMABLE PREFERRED SECURITIES OF SUBSIDIARY TRUSTS HOLDING SOLELY THE COMPANY'S SUBORDINATED DEBT SECURITIES At December 31, 2001 and 2000, subsidiary trusts of ComEd had outstanding the following securities: Mandatory at December 31, ------------------------ Redemption Distribution Liquidation Trust Receipts Outstanding Dollar Amount ---------- ------------ ----------- ------------------------- ------------- Series Date Rate Value 2001 2000 2001 2000 - ------ ---- ---- ----- ---- ---- ---- ---- ComEd Financing I 2035 8.48% $ 25 8,000,000 8,000,000 $ 200 $200 ComEd Financing II 2027 8.50% 1,000 150,000 150,000 150 150 Unamortized Discount -- -- (21) (22) --------- --------- ----- ---- Total 8,150,000 8,150,000 $ 329 $328 ========= ========= ===== ==== ComEd Financing I and ComEd Financing II are wholly owned subsidiary trusts of ComEd. The sole assets of each ComEd trust are subordinated deferrable interest debt securities issued by ComEd bearing interest rates equivalent to the distribution rate of the related trust security. The interest expense on the deferrable interest debt securities is included in Distributions on Company-Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trusts Holding Solely the Company's Subordinated Debt Securities in ComEd's Consolidated Statements of Income and is deductible for income tax purposes. 14. Common Stock At December 31, 2001 and 2000, common stock with a $12.50 par value consisted of 250,000,000 and 250,000,000 shares authorized and 127,016,000 and 163,805,000 shares outstanding, respectively. During the second quarter of 2001, ComEd canceled 50.4 million of its common shares totaling $2.023 million. At December 31, 2001 and 2000, 67,317 and 74,988, respectively, of ComEd common stock purchase warrants were outstanding. The warrants entitle the holders to convert such warrants into common stock of ComEd at a conversion rate of one share of common stock for three warrants. At December 31, 2001, 22,439 shares of common stock were reserved for the conversion of warrants.

FORWARD PURCHASE AGREEMENTS In the fourth quarter of 1998, ComEd entered into a forward purchase arrangement with Unicom for the repurchase of $200 million of ComEd common stock. This contract, which was accounted for as an equity instrument as of December 31, 1999, was settled on a net cash basis in February 1999, resulting in a $16 million reduction to Common Stock equity on ComEd's Consolidated Balance Sheets. In January 2000, ComEd physically settled the forward share repurchase arrangements it had with Unicom for the repurchase of 26.3 million ComEd common shares. Prior to settlement, the repurchase arrangements were recorded as a receivable on ComEd's Consolidated Balance Sheets based on the aggregate market value of the shares under the arrangements. In 1999, net unrealized losses of $44 million (after-tax) were recorded related to the arrangements. The settlement of the arrangements in January 2000 resulted in a gain of $113 million (after-tax), which was recorded in the first quarter of 2000. The settlement of the arrangements resulted in a reduction in ComEd's outstanding common shares and common stock equity, effective January 2000. STOCK REPURCHASES During the first quarter of 2000, ComEd repurchased four million of its common shares from Unicom for $153 million using proceeds from the 1998 issuance of transitional trust notes. In the fourth quarter of 2000, ComEd repurchased 19.9 million of its common shares from Unicom in exchange for an $850 million note receivable ComEd held from Unicom Investment. As part of the restructuring, ComEd received 36.8 million of its common shares from Exelon totaling $1,344 million in exchange for the net assets transferred to Generation and notes payable received from Generation. SHARES OUTSTANDING The following table details ComEd's common stock and treasury stock:

(in thousands)	Common Shares	Treasury Shares
Balance, December 31, 1998	214,236	179
Conversion of $1.425 Preferred Stock	2	--
Common Stock Repurchases	--	85
Balance, December 31, 1999	214,238	264
Conversion of $1.425 Preferred Stock	4	--
Common Stock Repurchases	--	3,964
Stock Forward Repurchase Contract	--	26,268
Balance, October 19, 2000	214,242	30,496
Common Stock Repurchases	--	19,941
Balance, December 31, 2000	214,242	50,437
Retirement of Treasury Shares	(50,437)	(50,437)
Restructuring (see Note 2 - Corporate Restructuring)	--	36,789
Balance, December 31, 2001	163,805	36,789

15. Fair Value of Financial Assets and Liabilities

The carrying amounts and fair values of ComEd's financial instruments as of December 31, 2001 and 2000 were as follows:

	2001		2000	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
NON-DERIVATIVES:				
Liabilities				
Long-term debt (including amounts due within one year)	$ 6,699	$ 7,088	$ 7,230	$ 7,455
Company-Obligated Mandatorily Redeemable Preferred Securities	$ 329	$ 394	$ 328	$ 347
DERIVATIVES:				
Energy derivatives	--	--	(34)	(34)
Forward interest rate swaps	(1)	(1)	--	--

Cash and cash equivalents, customer accounts receivable, and trust accounts for decommissioning nuclear plants are recorded at their fair value. As of December 31, 2001 and 2000, ComEd's carrying amounts of cash and cash equivalents and accounts receivable are representative of fair value because of the short-term nature of these instruments. Fair values of the trust accounts for decommissioning nuclear plants, long-term debt, and Company-Obligated Mandatorily Redeemable Preferred Securities are estimated based on quoted market prices for the same or similar issues. The fair value of ComEd's interest rate swaps and energy derivatives is determined using quoted exchange prices, external dealer prices, or internal valuation models which utilize assumptions of future energy prices and available market pricing curves.

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

ComEd has entered into forward-starting interest rate swaps to manage interest rate exposure in the aggregate notional amount of $250 million. These swaps have been designated as cash-flow hedges under SFAS 133, and as such, as long as the hedge remains effective, and the underlying transaction remains probable, changes in the fair value of these swaps will be recorded in accumulated other comprehensive income (loss) until earnings are affected by the variability of the cash flows being hedged. ComEd has also entered into an interest rate swap to effectively convert $235 million in fixed-rate debt to a floating rate debt. This swap has been designated as a fair-value hedge, as defined in SFAS No. 133 and as such, changes in the fair value of the swap will be recorded in earnings. However, as long as the hedge remains effective and the underlying transaction remains probable, changes in the fair value of the swap 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. The notional amount of derivatives do not represent amounts that are exchanged by the parties and, thus, are not a measure of ComEd's exposure. The amounts exchanged are calculated on the basis of the notional or contract amounts, as well as on the other terms of the derivatives, which relate to interest rates and the volatility of these rates.

ComEd would be exposed to credit-related losses in the event of non-performance by the counterparties that issued the derivative instruments. The credit exposure of derivative contracts is represented by the fair value of contracts at the reporting date. ComEd's interest rate swaps are documented under master agreements. Among other things, these agreements provide for a maximum credit exposure for both parties. Payments are required by the appropriate party when the maximum limit is reached. The initial adoption of SFAS No.133, as amended, on January 1, 2001 had no financial statement impact on ComEd. SFAS No. 133 must be applied to all derivative instruments and requires that such instruments be recorded in the balance sheet either as an asset or a liability measured at their fair value through earnings, with special accounting permitted for certain qualifying hedges. Additionally, during 2001, no amounts were reclassified from accumulated other comprehensive income into earnings as a result of forecasted financing transactions no longer being probable. 16. Commitments and Contingencies CAPITAL COMMITMENTS ComEd estimates that it will spend approximately $781 million for capital expenditures in 2002. ENERGY COMMITMENTS In connection with the corporate restructuring (see Note 2 - Corporate Restructuring), ComEd assigned its respective rights and obligations under various power purchase and fuel supply agreements to Generation. Additionally, ComEd entered into a PPA with Generation. Under the PPA between ComEd and Generation, 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. 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.

ENVIRONMENTAL ISSUES ComEd's operations have in the past and may in the future require substantial capital expenditures in order to comply with environmental laws. Additionally, under Federal and state environmental laws, ComEd is generally liable for the costs of remediating environmental contamination of property now or formerly owned by ComEd and of property contaminated by hazardous substances generated by ComEd. ComEd owns a number of real estate parcels, including parcels on which its operations or the operations of others may have resulted in contamination by substances which are considered hazardous under environmental laws. ComEd has identified 44 sites where former manufactured gas plant (MGP) activities have or may have resulted in actual site contamination. ComEd is currently involved in a number of proceedings relating to sites where hazardous substances have been deposited and may be subject to additional proceedings in the future. As of December 31, 2001 and 2000, ComEd had accrued $105 million and $117 million, respectively, for environmental investigation and remediation costs, including $100 million and $110 million, respectively, (reflecting discount rates of 5.5%) for MGP investigation and remediation, that currently can be reasonably estimated. Such estimates, reflecting the effects of a 3% inflation rate before the effects of discounting were $154 million and $170 million at December 31, 2001 and 2000, respectively. ComEd anticipates that payments related to the discounted environmental investigation and remediation costs, recorded on an undiscounted basis of $68 million, will be incurred for the five year period through 2006. ComEd cannot reasonably estimate whether it will incur other significant liabilities for additional investigation and remediation costs at these or additional sites identified by ComEd, environmental agencies or others, or whether such costs will be recoverable from third parties. LEASES Minimum future operating lease payments, including lease payments for real estate and vehicles, as of December 31, 2001 were: 2002 $ 28 2003 27 2004 24 2005 20 2006 19 Remaining years 68 ------- Total minimum future lease payments $ 186 ======= Rental expense under operating leases totaled $23 million, $30 million, and $45 million in 2001, 2000 and 1999, respectively. LITIGATION Chicago Franchise. In March 1999, ComEd reached a settlement agreement with the City of Chicago to end the arbitration proceeding between ComEd and Chicago regarding the January 1, 1992 franchise agreement. As part of the settlement agreement, ComEd and Chicago agreed to a revised combination of ongoing work under the franchise agreement and new initiatives that total approximately $1 billion in defined transmission and distribution expenditures by ComEd to improve electric services in Chicago, of which approximately $940 million has been expended through December 31, 2001. The settlement agreement provides that ComEd would be subject to liquidated damages if the projects are not completed by various dates, unless it was prevented from doing so by events beyond its reasonable control. In addition, ComEd and Chicago established an Energy Reliability and Capacity Account, into which ComEd deposited $25 million during each of the years 1999 through 2001 and has conditionally agreed to deposit $25 million at the end of 2002, to help ensure an adequate and reliable electric supply for Chicago.

FERC Municipal Request for Refund. Three of ComEd's wholesale municipal customers filed a complaint and request for refund with the 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. On June 29, 2001, FERC denied the customers' requests for rehearing of the order granting rehearing. 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. In November 2001, the court suspended briefing pending court-initiated settlement discussions. Godley Park District Litigation. On April 18, 2001, the Godley Park District filed suit in Will County Circuit Court against ComEd and Exelon alleging that oil spills at Braidwood Station have contaminated the Park District's water supply. The complaint sought actual damages, punitive damages of $100 million and statutory penalties. The court dismissed all counts seeking punitive damages and statutory penalties, and the plaintiff has filed an amended complaint after the court. ComEd is contesting the liability and damages sought by the plaintiff. 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 of Illinois constitutions. The developers also filed suit against ComEd for a declaratory judgement that their rights under their contracts with ComEd were not affected by the amendment. On August 4, 1999, the Illinois Appellate Court held that the developers' claims against the state were premature, and the Illinois Supreme Court denied leave to appeal that ruling. Developers of both facilities have since filed amended complaints repeating their allegations that ComEd breached the contracts in question and requesting damages for such breach, in the amount of the difference between the state-subsidized rate and the amount ComEd was willing to pay for the electricity. ComEd is contesting this matter. 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 talks. 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. A portion of any settlement or verdict may be covered by insurance; discussions with the carrier are ongoing. ComEd's management believes adequate reserves have been established in connection with these cases. Enron. As a result of Enron Corp.'s bankruptcy proceeding, ComEd has potential monetary exposure for customers served by Enron Energy Services (EES) as a billing agent. On January 7, 2002, EES was authorized by the bankruptcy court to, and subsequently did, reject its contract with 129 of ComEd's customer accounts. As of March 15, 2002, EES was the billing agent for 97 of ComEd's customer accounts. EES has advised Exelon that it will retain its billing

agency with these remaining accounts. ComEd is working to ensure that customers know what amounts are owed to ComEd on 269 accounts on which EES has been removed as billing agent, and has obtained updated billing addresses for these accounts. With regard to the 97 remaining accounts, as of March 15, 2002, ComEd's total amount outstanding is immaterial. Because that amount is owed to ComEd by individual customers, it is not part of the bankrupt Enron's estate. The ICC has rescinded EES's authority to act as an alternative retail energy supplier in Illinois. However, EES never served as a supplier, as opposed to a billing agent, to any of ComEd's retail accounts. General. ComEd is involved in various other litigation matters. The ultimate outcome of such matters, while uncertain, is not expected to have a material adverse effect on its respective financial condition or results of operations. 17. Related-Party Transactions At December 31, 2000, ComEd had a $400 million receivable from PECO, which was repaid in the second quarter of 2001. The average interest rate on this receivable for the period outstanding was 6.5%. Interest income on the receivable from PECO was $8 million for the year ended December 31, 2001. ComEd had a $1.3 billion note receivable from Unicom Investment Inc. at December 31, 2001 and December 31, 2000, relating to the December 1999 fossil plant sale, which is included in Deferred Debits and Other Assets in ComEd's Consolidated Balance Sheets. Interest income earned on this note receivable was $61 million and $176 million for the years ended December 31, 2001 and 2000. Interest receivable due on this note was $24 million and $38 million at December 31, 2001 and December 31, 2000, respectively, and was included in Current Assets on ComEd's Consolidated Balance Sheets. At December 31, 2001, ComEd had a $937 million non-interest bearing receivable from Exelon relating to Exelon's agreement to fund future income tax payments resulting from the collection by ComEd of instrument funding charges. This receivable is reflected as a reduction of Shareholders' Equity in ComEd's Consolidated Balance Sheets and is expected to be settled over the years 2002 through 2008. At December 31, 2001, ComEd had a short-term payable of $59 million and a long-term payable of $290 million to Generation primarily representing ComEd's legal requirement to remit collections of nuclear decommissioning costs from customers to Generation resulting from the restructuring (see Note 5 - Regulatory Issues). These liabilities to Generation were included in Current Liabilities and Deferred Credits and Other Liabilities, respectively, on ComEd's Consolidated Balance Sheets. In consideration for the net assets transferred as part of the restructuring (see Note 2 - Corporate Restructuring), ComEd had a note payable to affiliates of $450 million. This note payable was repaid during 2001. Interest expense paid on the outstanding balance of the note payable, excluding the portion related to the nuclear decommissioning liability discussed above, was $10 million for the year ended December 31, 2001. ComEd paid common stock dividends to Exelon of $483 million in 2001. In connection with the transfer of the generating assets in the corporate restructuring, ComEd entered into a PPA with Generation. See Note 2 - Corporate Restructuring. Intercompany power purchases pursuant to the PPA for the year ended December 31, 2001 were $2,656 million. At December 31, 2001, there was a $183 million payable to Generation for the PPA as well as other services provided which is included in Current Liabilities on ComEd's Consolidated Balance Sheets. ComEd provides electric, transmission and other ancillary services to Generation and Enterprises. These services were recorded in revenues and were $81 million and $90 million for 117

the years ended December 31, 2001 and 2000, respectively. At December 31, 2001, there was a $26 million receivable from Generation for services provided which is included in Current Assets on ComEd's Consolidated Balance Sheets. Effective January 1, 2001, upon the corporate restructuring, ComEd receives a variety of corporate support services from BSC, including legal, human resources, financial and information technology services. Such services, provided at cost including applicable overhead, were $134 million for the year ended December 31, 2001, of which $128 million was included in Operating and Maintenance (O&M) expense on ComEd's Consolidated Statements of Income and $6 million was capitalized. At December 31, 2001, there was a $14 million payable to BSC for services provided which is included in Current Liabilities on ComEd's Consolidated Balance Sheets. ComEd receives transmission related services under contracts with InfraSource, Inc, formerly Exelon Infrastructure Services, Inc. Such services, totaling $26 million, were capitalized in 2001. In 2001, ComEd contracted with Unicom Mechanical Services Inc. to provide energy conservation services to ComEd customers. The costs were $20 million for the year ended December 31, 2001, and were included in O&M expense on ComEd's Consolidated Statements of Income. In order to administer payment processing, ComEd processes certain invoice payments on behalf of Generation and BSC. Receivables at December 31, 2001 from Generation and BSC for such service totaled $21 million and $19 million, respectively, and were included in Current Assets on ComEd's Consolidated Balance Sheets. Interest income earned on such outstanding receivables from Generation and BSC was $9 million and $1 million, respectively, for the year ended December 31, 2001.

18. Quarterly Data (Unaudited) The data shown below include all adjustments which ComEd considers necessary for a fair presentation of such amounts:

	Operating Revenues		Operating Income		Income Before Extraordinary Items		Net Income	
Quarter ended	2001	2000	2001	2000	2001	2000	2001	2000
March 31	$1,446	$1,563	$380	$268	$146	$209	$146	$206
June 30	$1,530	$1,711	$459	$366	$182	$178	$182	$177
September 30	$1,919	$2,093	$440	$366	$178	$197	$178	$197
December 31	$1,311	$1,645	$315	$386	$101	$152	$101	$152

19. Subsequent Event On March 13, 2002, ComEd issued $400 million of 6.15% First Mortgage Bonds, due March 15, 2012. On March 21, 2002, ComEd redeemed $200 million of 8.625% First Mortgage Bonds at the redemption price of 103.84% of the principal amount plus accrued interest. These bonds had a maturity date of February 1, 2022. The $400 million bond issuance was a replacement of the $200 million bonds early retired on March 21, 2002 and the $196 million 9.875% First Mortgage Bonds which were early retired in November, 2001.

PECO REPORT OF INDEPENDENT ACCOUNTANTS To the Shareholders and Board of Directors of PECO Energy Company: In our opinion, the consolidated financial statements listed in the index appearing under Item 14(a)(3)(i) present fairly, in all material respects, the financial position of PECO Energy Company and Subsidiary Companies (PECO) at December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 14(a)(3)(ii) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of PECO's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion. As discussed in Note 2, as part of a corporate restructuring undertaken on January 1, 2001 by Exelon Corporation, the parent company of PECO, certain of PECO's operations, assets and liabilities, including those related to power generation and enterprises, were transferred to affiliated companies of PECO. As discussed in Note 5 to the consolidated financial statements, PECO changed its method of accounting for nuclear outage costs in 2000. As discussed in Note 1 to the consolidated financial statements, PECO changed its method of accounting for derivative instruments and hedging activities effective January 1, 2001. PricewaterhouseCoopers LLP Philadelphia, Pennsylvania January 29, 2002

PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF INCOME

(in millions)	For the Years Ended December 31, 2001	2000	1999
OPERATING REVENUES			
Operating Revenues	$ 3,953	$ 5,950	$ 5,478
Operating Revenues from Affiliates	12	--	--
Total Operating Revenues	3,965	5,950	5,478
OPERATING EXPENSES			
Fuel and Purchased Power	640	2,127	2,152
Purchased Power from Affiliates	1,162	--	--
Operating and Maintenance	527	1,791	1,454
Operating and Maintenance from Affiliates	60	--	--
Merger-Related Costs	--	248	--
Depreciation and Amortization	416	325	237
Taxes Other Than Income	161	237	262
Total Operating Expenses	2,966	4,728	4,105
OPERATING INCOME	999	1,222	1,373
OTHER INCOME AND DEDUCTIONS			
Interest Expense	(405)	(457)	(396)
Interest Expense from Affiliates	(8)	--	--
Company-Obligated Mandatorily Redeemable Preferred Securities of a Partnership, which holds Solely Subordinated Debentures of the Company	(10)	(8)	(21)
Equity in Earnings (Losses) of Unconsolidated Affiliates	--	(41)	(38)
Interest Income from Affiliates	10	--	--
Other, Net	36	41	59
Total Other Income and Deductions	(377)	(465)	(396)
INCOME BEFORE INCOME TAXES, EXTRAORDINARY ITEMS AND CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE	622	757	977
INCOME TAXES	197	270	358
INCOME BEFORE EXTRAORDINARY ITEMS AND CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE	425	487	619
EXTRAORDINARY ITEMS (NET OF INCOME TAXES OF $2, AND $25 FOR 2000, AND 1999, RESPECTIVELY)	--	(4)	(37)
CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE (NET OF INCOME TAXES OF $16)	--	24	--
NET INCOME	425	507	582
PREFERRED STOCK DIVIDENDS	10	10	12
NET INCOME ON COMMON STOCK	$ 415	$ 497	$ 570

See Notes to Consolidated Financial Statements

PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)	2001	2000	1999
	For the Years Ended December 31,		
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income	$ 425	$ 507	$ 582
Adjustments to reconcile Net Income to Net Cash Flows provided by Operating Activities:			
Depreciation and Amortization	416	437	358
Extraordinary Items (net of income taxes)	--	4	37
Cumulative Effect of a Change in Accounting Principle (net of income taxes)	--	(24)	--
Provision for Uncollectible Accounts	69	68	59
Deferred Income Taxes	(66)	103	(7)
Merger-Related Costs	--	248	--
Deferred Energy Costs	29	(79)	23
Equity in (Earnings) Losses of Unconsolidated Affiliates	--	41	38
Other Operating Activities	79	(76)	(20)
Changes in Working Capital:			
Accounts Receivable	(54)	(264)	(159)
Repurchase of Accounts Receivable	--	(50)	(150)
Inventories	(15)	(45)	(43)
Accounts Payable, Accrued Expenses & Other Current Liabilities	(133)	(85)	189
Change in Receivables and Payables to Affiliates, net	73	--	--
Other Current Assets	5	(29)	(12)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	828	756	895
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in Plant	(264)	(549)	(491)
InfraSource, Inc.Acquisitions	--	(245)	(222)
Investments in and Advances to Joint Ventures	--	--	(118)
Proceeds from Nuclear Decommissioning Trust Funds	--	74	69
Investment in Nuclear Decommissioning Trust Funds	--	(100)	(95)
Other Investing Activities	29	(74)	(29)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(235)	(894)	(886)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of Long-Term Debt, net of issuance costs	1,055	1,021	4,170
Common Stock Repurchases	--	(496)	(1,705)
Retirement of Long-Term Debt	(1,416)	(557)	(1,343)
Change in Receivable and Payable to Affiliates	25	400	--
Change in Notes Payable	(60)	--	(388)
Redemption of COMRPS	--	--	(221)
Redemptions of Mandatorily Redeemable Preferred Stock	(18)	(19)	(37)
Change in Restricted Cash	(69)	(80)	(174)
Dividends on Preferred and Common Stock	(352)	(167)	(208)
Proceeds from Employee Stock Plans	--	47	19
Capital Lease Payments	--	--	(139)
Contribution from Parent	225	--	--
Proceeds on the Settlement of Interest Rate Swap Agreements	31	--	--
Other Financing Activities	--	(16)	23
NET CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES	(579)	133	(3)
INCREASE IN CASH AND CASH EQUIVALENTS	14	(5)	6
Cash Transferred in Restructuring	(31)	--	--
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	49	54	48
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 32	$ 49	$ 54

See Notes to Consolidated Financial Statements

PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEETS

(in millions)	at December 31, 2001	2000
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 32	$ 49
Restricted Cash	323	254
Accounts Receivable, net		
Customer	286	774
Other	33	250
Inventories, at average cost		
Fossil Fuel	72	135
Materials and Supplies	7	122
Receivable from Affiliates	8	--
Other	59	195
Total Current Assets	820	1,779
PROPERTY, PLANT AND EQUIPMENT, NET	4,047	5,158
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory Assets	5,756	6,026
Nuclear Decommissioning Trust Funds	--	440
Investments	24	847
Goodwill, net	--	326
Pension Asset	13	--
Other	85	200
Total Deferred Debits and Other Assets	5,878	7,839
TOTAL ASSETS	$10,745	$ 14,776
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes Payable	$ 101	$ 163
Payables to Affiliates	194	1,096
Long-Term Debt Due Within One Year	548	553
Accounts Payable	54	403
Accrued Expenses	397	637
Deferred Income Taxes	27	27
Other	21	95
Total Current Liabilities	1,342	2,974
LONG-TERM DEBT	5,438	6,002
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred Income Taxes	2,938	2,532
Unamortized Investment Tax Credits	27	271
Pension Obligations	--	129
Non-Pension Postretirement Benefits Obligation	239	501
Payables to Affiliates	44	--
Other	110	427
Total Deferred Credits and Other Liabilities	3,358	3,860
COMPANY-OBLIGATED MANDATORILY REDEEMABLE PREFERRED SECURITIES OF A PARTNERSHIP, WHICH HOLDS SOLELY SUBORDINATED DEBENTURES OF THE COMPANY	128	128
MANDATORILY REDEEMABLE PREFERRED STOCK	19	37
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Common Stock	1,912	1,442
Receivable from Parent	(1,878)	--
Preferred Stock	137	137
Retained Earnings	270	197
Accumulated Other Comprehensive Income (Loss)	19	(1)
Total Shareholders' Equity	460	1,775
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$10,745	$ 14,776

See Notes to Consolidated Financial Statements

PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY Accumulated Receivable Other Total Common Preferred from Deferred Retained Comprehensive Treasury Shareholders' (in millions) Stock Stock Parent Compensation Earnings Income Stock Equity - ------------- ----- ----- ------ ----------- -------- ----- ----- ------ BALANCE, DECEMBER 31, 1998 $ 3,558 $ 137 $ -- $ -- $ (501) $ -- $ -- $ 3,194 Net Income -- -- -- -- 582 -- -- 582 Long-Term Incentive Plan 19 -- -- (5) 15 -- -- 29 Deferred Compensation -- -- -- 2 -- -- -- 2 Common Stock Dividends -- -- -- -- (196) -- -- (196) Preferred Stock Dividends -- -- -- -- (12) -- -- (12) Common Stock Repurchases -- -- -- -- 12 -- (1,705) 1,693) Other Comprehensive Income, net of income taxes of $3 -- -- -- -- -- 4 -- 4 ------- ------- ----- ----- ------- -------- --------- ------- BALANCE, DECEMBER 31, 1999 3,577 137 -- (3) (100) 4 (1,705) 1,910 Net Income -- -- -- -- 507 -- -- 507 Long-Term Incentive Plan 47 -- -- (9) 7 -- 7 52 Deferred Compensation -- -- -- 5 -- -- -- 5 Common Stock Dividends -- -- -- -- (157) -- -- 157) Preferred Stock Dividends -- -- -- -- (10) -- -- (10) Unicom Merger Consideration -- -- -- -- (45) -- -- (45) Common Stock Repurchases -- -- -- -- (5) -- (496) (501) Stock Option Exercises -- -- -- -- -- -- 19 19 Cancellation of Treasury Shares (2,175) -- -- -- -- -- 2,175 -- Other Comprehensive Income, net of income taxes of $(3) -- -- -- -- -- (5) -- (5) Reorganization Pursuant to Share Exchange (7) -- -- 7 -- -- -- -- ------- ------- ----- ----- ------- -------- --------- ------- BALANCE, DECEMBER 31, 2000 1,442 137 -- -- 197 (1) -- 1,775 Net Income -- -- -- -- 425 -- -- 425 Common Stock Dividends -- -- -- -- (342) -- -- (342) Preferred Stock Dividends -- -- -- -- (10) -- -- (10) Receivable from Parent 1,983 -- (1,983) -- -- -- -- -- Repayment of Receivable from Parent -- -- 105 -- -- -- -- 105 Stock Option Exercises (26) -- -- -- -- -- -- (26) Capital Contribution from Parent 121 -- -- -- -- -- -- 121 Net Assets Transferred in Restructuring (1,608) -- -- -- -- -- -- (1,608) Other Comprehensive Income, net of income taxes of $16 -- -- -- -- -- 20 -- 20 ------- ------- ----- ----- ------- -------- --------- ------- BALANCE, DECEMBER 31, 2001 $ 1,912 $ 137 $(1,878) $ -- $ 270 $ 19 $ -- $ 460 ======= ======= ======= ===== ======= ====== ========= ======= PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME For the Years Ended December 31, ------------------------------- (in millions) 2001 2000 1999 - ------------- ---- ---- ---- NET INCOME $ 425 $ 507 $ 582 OTHER COMPREHENSIVE INCOME SFAS 133 Transition Adjustment, net of income taxes of $29 $ 40 $ -- $ -- Cash Flow Hedge Fair Value Adjustment, net of income taxes of $(13) (20) -- -- Unrealized Gain (Loss) on Marketable Securities, net of income taxes of $(2) and $2 for 2000 and 1999, respectively -- (5) 4 -------- --------- -------- Total Other Comprehensive Income 20 (5) 4 -------- --------- -------- Total Comprehensive Income $ 445 $ 502 $ 586 ======== ========= ======== See Notes to Consolidated Financial Statements

PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in millions, except per share data unless otherwise noted) 1. SIGNIFICANT ACCOUNTING POLICIES DESCRIPTION OF BUSINESS Incorporated in Pennsylvania in 1929, PECO Energy Company (PECO) is engaged principally in the production, purchase, transmission, distribution and sale of electricity to residential, commercial, industrial and wholesale customers and the distribution and sale of natural gas to residential, commercial and industrial customers. Pursuant to the Pennsylvania Electricity Generation Customer Choice and Competition Act (Competition Act), the Commonwealth of Pennsylvania has required the unbundling of retail electric services in Pennsylvania into separate generation, transmission and distribution services with open retail competition for generation services. Since the commencement of deregulation in 1999, PECO serves as the local distribution company providing electric distribution services in its franchised service territory in southeastern Pennsylvania and bundled electric service to customers who do not choose an alternate electric generation supplier. PECO is a wholly owned subsidiary of Exelon Corporation (Exelon) (see Note 3 - Merger). During January 2001, Exelon undertook a corporate restructuring to separate PECO's generation and other competitive businesses from its regulated energy delivery business. As part of the restructuring, the non-regulated operations and related assets and liabilities of PECO, representing the generation and enterprises business segments were transferred to separate subsidiaries of Exelon. As a result, beginning January 2001, the operations of PECO consist of its retail electricity distribution and transmission business in southeastern Pennsylvania and its natural gas distribution business located in the Pennsylvania counties surrounding the City of Philadelphia. As a result of the corporate restructuring, certain risks and commitments and the financial condition and results of operations of PECO have changed significantly. Additionally as a result of the restructuring, PECO is no longer subject to the risks associated with nuclear insurance, decommissioning, spent fuel disposal and energy commitments, other than its purchase power agreement with Exelon Generation Company, LLC (Generation). See Note 19 - Segment Information for additional financial information. Prior to the corporate restructuring effective January 2001, PECO also engaged in the wholesale marketing of electricity on a national basis. Through its Exelon Energy division, PECO was a competitive generation supplier offering competitive energy supply to customers throughout Pennsylvania. PECO's infrastructure services subsidiary, InfraSource, Inc. (InfraSource), formerly Exelon Infrastructure Services, Inc., provided utility infrastructure services to customers in several regions of the United States. PECO owned a 50% interest in AmerGen Energy Company, LLC (AmerGen), a joint venture with British Energy, Inc., a wholly-owned subsidiary of British Energy plc (British Energy), to acquire and operate nuclear generating facilities. PECO also participated in joint ventures which provide communications services in the Philadelphia metropolitan region. As a result of the corporate restructuring effective January 1, 2001, these operations were separated from the regulated energy delivery business. See Note 2 - Corporate Restructuring. BASIS OF PRESENTATION The consolidated financial statements of PECO include the accounts of its majority-owned subsidiaries after the elimination of intercompany transactions. In 2000 and 1999, PECO generally accounted for its 20% to 50% owned investments and joint ventures, in which it exerts significant influence, under the equity method of accounting. In 2000 and 1999, PECO consolidated its proportionate interest in its jointly owned electric utility plants. PECO accounts for its less than 20% owned investments under the cost method of accounting. Accounting policies for regulated operations are in accordance with those prescribed by the

regulatory authorities having jurisdiction, principally the Pennsylvania Public Utility Commission (PUC), the Federal Energy Regulatory Commission (FERC) and the Securities and Exchange Commission (SEC) under the Public Utility Holding Company Act of 1935 (PUHCA). ACCOUNTING FOR THE EFFECTS OF REGULATION PECO accounts for all of its regulated electric and gas operations in accordance with the Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards (SFAS) No. 71, "Accounting for the Effects of Certain Types of Regulation," (SFAS No. 71) requiring PECO to record in its financial statements the effects of the rate regulation. Use of SFAS No. 71 is applicable to the utility operations of PECO that meet the following criteria: (1) third-party regulation of rates; (2) cost-based rates; and (3) a reasonable assumption that all costs will be recoverable from customers through rates. PECO believes that it is probable that currently recorded regulatory assets will be recovered. If a separable portion of PECO's business no longer meets the provisions of SFAS No. 71, PECO is required to eliminate the financial statement effects of regulation for that portion. USE OF ESTIMATES The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates have been made in the accounting for unbilled revenue, derivatives, environmental costs, retirement benefit costs and prior to the corporate restructuring, nuclear decommissioning liabilities. REVENUES Operating revenues are generally recorded as service is rendered or energy is delivered to customers. At the end of each month, PECO accrues an estimate for the unbilled amount of energy delivered or services provided to its electric and gas customers. In 2000 and 1999, PECO recognized contract revenues and profits on certain long-term fixed-price contracts from its services businesses under the percentage-of-completion method of accounting based on costs incurred as a percentage of estimated total costs of individual contracts. PURCHASED GAS ADJUSTMENT CLAUSE PECO's natural gas rates are subject to a fuel adjustment clause designed to recover or refund the difference between the actual cost of purchased gas and the amount included in base rates. Differences between the amounts billed to customers and the actual costs recoverable are deferred and recovered or refunded in future periods by means of prospective quarterly adjustments to rates. NUCLEAR FUEL In 2000 and 1999, the cost of nuclear fuel was capitalized and charged to fuel expense using the unit of production method. Estimated costs of nuclear fuel storage and disposal at operating plants were charged to fuel expense as the related fuel was consumed.

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

Asset Category	2001	2000	1999
Electric-Transmission and Distribution	2.13%	1.82%	1.83%
Electric-Generation	--	5.15%	5.12%
Gas	2.34%	2.39%	2.36%
Common - Gas and Electric	6.26%	3.60%	4.45%
Other Property and Equipment	0.60%	7.82%	8.61%

Amortization of regulatory assets is provided over the recovery period as specified in the related regulatory agreement. In 2000 and 1999, goodwill associated with acquisitions was amortized over periods from 10 to 20 years. Accumulated amortization of goodwill was $35 million and $1 million at December 31, 2000 and 1999, respectively. Due to the corporate restructuring, which was effective January 2001, the Goodwill on PECO's Consolidated Balance Sheets was transferred to Exelon Enterprises Company, LLC (Enterprises). CAPITALIZED INTEREST Allowance for Funds Used During Construction (AFUDC) is the cost, during the period of construction, of debt and equity funds used to finance construction projects for regulated operations. AFUDC of $2 million, $2 million and $4 million in 2001, 2000 and 1999, respectively, was recorded as a charge to construction work in progress and as a non-cash credit to AFUDC which is included in other income and deductions. The rates used for capitalizing AFUDC are computed under a method prescribed by regulatory authorities. PECO uses SFAS No. 34, "Capitalizing Interest Costs," to calculate the costs during construction of debt funds used to finance its non-regulated construction projects. PECO did not record any capitalized interest in 2001, but did record capitalized interest of $2 million and $6 million in 2000 and 1999, respectively. INCOME TAXES Deferred Federal and state income taxes are provided on all significant temporary differences between book bases and tax bases of assets and liabilities, transactions that reflect taxable income in a year different from book income and tax carryforwards. Investment tax credits previously utilized for income tax purposes have been deferred on the Consolidated Balance Sheets and are recognized in book income over the life of the related property. PECO and its subsidiaries file a consolidated Federal income tax return with Exelon. Current and deferred income taxes of the consolidated group are allocated to PECO based on the separate return method. GAINS AND LOSSES ON REACQUIRED DEBT Recoverable gains and losses on reacquired debt related to regulated operations are deferred and amortized to interest expense over the period consistent with rate recovery for ratemaking purposes. In 2000 and 1999, prior to the corporate restructuring, gains and losses on reacquired debt were recognized in PECO's Consolidated Statements of Income as incurred. COMPREHENSIVE INCOME Comprehensive income includes all changes in equity during a period except those resulting from investments by and distributions to shareholders. Comprehensive Income is reflected in the Consolidated Statements of Comprehensive Income.

CASH AND CASH EQUIVALENTS PECO considers all temporary cash investments purchased with an original maturity of three months or less to be cash equivalents. RESTRICTED CASH Restricted cash reflects unused cash proceeds from the issuance of the transition bonds and escrowed cash to be applied to the principal and interest payment on the transition bonds. MARKETABLE SECURITIES Marketable securities are classified as available-for-sale securities and are reported at fair value, with the unrealized gains and losses, net of tax, reported in other comprehensive income. Prior to the corporate restructuring in which PECO's nuclear generating stations were transferred to Generation (See Note 2 - Corporate Restructuring), unrealized gains and losses on marketable securities held in the nuclear decommissioning trust funds were reported in accumulated depreciation. At December 31, 2001 and 2000, PECO had no held-to-maturity or trading securities. PROPERTY, PLANT AND EQUIPMENT Property, plant and equipment is recorded at cost. PECO evaluates the carrying value of property, plant and equipment and other long-term assets based upon current and anticipated undiscounted cash flows, and recognizes an impairment when it is probable that such estimated cash flows will be less than the carrying value of the asset. Measurement of the amount of impairment, if any, is based upon the difference between carrying value and fair value. The cost of maintenance, repairs and minor replacements of property are charged to maintenance expense as incurred. Upon retirement, the cost of regulated property plus removal costs less salvage value, are charged to accumulated depreciation by the regulated subsidiaries in accordance with regulatory practices. For unregulated property, the cost and accumulated depreciation of property, plant and equipment retired or otherwise disposed of are removed from the related accounts and included in the determination of the gain or loss on disposition. CAPITALIZED SOFTWARE COSTS Costs incurred during the application development stage of software projects for software which is developed or obtained for internal use are capitalized. At December 31, 2001 and 2000, capitalized software costs totaled $107 million and $131 million, respectively, net of $31 million and $49 million accumulated amortization, respectively. Such capitalized amounts are amortized ratably over the expected lives of the projects when they become operational, not to exceed ten years. DERIVATIVE FINANCIAL INSTRUMENTS PECO accounts for derivative financial instruments under SFAS No. 133 "Accounting for Derivatives and Hedging Activities" (SFAS No. 133). Under the provisions of SFAS No. 133, all derivatives are recognized on the balance sheet at their fair value unless they qualify for a normal purchases and normal sales exception. Changes in the fair value of the derivative financial instruments are recognized in earnings unless specific hedge accounting criteria are met. A derivative financial instrument can be designated as a hedge of the fair value of a recognized asset or liability or of an unrecognized firm commitment (fair value hedge), or a hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability (cash flow hedge). Changes in the fair value of a derivative that is highly effective as, and is designated and qualifies as, a fair value hedge, along with the gain or loss on the hedged asset or liability that is attributable to the hedged risk, are recorded in earnings. Changes in the fair value of a derivative that is highly effective as, and is designated as and qualifies as a cash flow hedge are recorded in other comprehensive income, until earnings are affected by the variability of cash flows being hedged. In connection with Exelon's Risk Management Policy (RMP), PECO enters into derivatives to manage its exposure to fluctuation in interest rates related to its variable rate debt

instruments, changes in interest rates related to planned future debt issuances prior to their actual issuance and changes in the fair value of outstanding debt which is planned for early retirement. For 2000 and 1999, prior to the corporate restructuring, PECO utilized derivatives to manage the utilization of its available generating capability and provisions of wholesale energy to its affiliates. PECO also utilized energy option contracts and energy financial swap arrangements to limit the market price risk associated with forward energy commodity contracts. Prior to the adoption of SFAS No. 133, PECO applied hedge accounting only if the derivative reduced the risk of the underlying hedged item and was designated at the inception of the hedge, with respect to the hedged item. PECO recognized any gains or losses on these derivatives when the underlying physical transaction affected earnings. NEW ACCOUNTING PRONOUNCEMENTS In 2001, the FASB issued SFAS No. 141, "Business Combinations" (SFAS No. 141), SFAS No. 142 "Goodwill and Other Intangible Assets"(SFAS 142), SFAS No. 143, "Asset Retirement Obligations" (SFAS No. 143), and SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" (SFAS No.144). SFAS No. 141 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 is effective for business combinations initiated after June 30, 2001. SFAS No. 142 establishes new accounting and reporting standards for goodwill and intangible assets. SFAS No. 142 is effective as of January 1, 2002. Under SFAS No. 142, effective January 1, 2002, goodwill recorded is no longer subject to amortization. After January 1, 2002, goodwill will be subject to an assessment for impairment using a two-step fair value based test, the first step of which must be performed at least annually, or more frequently if events or circumstances indicate that goodwill might be impaired. The first step compares the fair value of a reporting unit to its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its fair value, the second step is performed. The second step compares the carrying amount of the goodwill to the fair value of the goodwill. If the fair value of goodwill is less than the carrying amount, an impairment loss would be reported as a reduction to goodwill and a charge to operating expense, except at the transition date, when the loss would be reflected as a cumulative effect of a change in accounting principle. As of December 31, 2001, PECO does not have any Goodwill reflected on its Consolidated Balance Sheets. As a result of the corporate restructuring in January 2001, the goodwill was transferred to Enterprises. SFAS No. 143 provides accounting requirements for retirement obligations associated with tangible long-lived assets. PECO expects to adopt SFAS No. 143 on January 1, 2003. Retirement obligations associated with long-lived assets included within the scope of SFAS No. 143 are those for which there is a legal obligation to settle under existing or enacted law, statute, written or oral contract or by legal construction under the doctrine of promissory estoppel. PECO is in the process of evaluating the impact of SFAS No. 143 on its financial statements. SFAS No. 144 establishes accounting and reporting standards for both the impairment and disposal of long-lived assets. This statement is effective for fiscal years beginning after December 15, 2001 and provisions of this statement are generally applied prospectively. PECO is in the process of evaluating the impact of SFAS No. 144 on its financial statements, and does not expect the impact to be material. RECLASSIFICATIONS Certain prior year amounts have been reclassified for comparative purposes. The reclassifications did not affect net income. 2. CORPORATE RESTRUCTURING During January 2001, Exelon undertook a restructuring to separate it's generation and other competitive businesses from its regulated energy delivery business. As part of the restructuring,

the non-regulated operations and related assets and liabilities of PECO, representing PECO's generation and enterprises business segments, were transferred to Generation and Enterprises, respectively. Additionally, certain operations and assets and liabilities of PECO were transferred to Exelon Business Services Company (BSC). As a result, effective January 1, 2001, the operations of PECO consist of its retail electricity distribution and transmission business in southeastern Pennsylvania, and its natural gas distribution business in the Pennsylvania counties surrounding the City of Philadelphia. The corporate restructuring had the following effect on PECO's Consolidated Balance Sheet: Decrease in Assets: Current Assets $(1,085) Property, Plant and Equipment, net (1,212) Investments (1,262) Other Noncurrent Assets (431) (Increase) Decrease in Liabilities: Current Liabilities 1,540 Long-Term Debt 205 Deferred Income Taxes (441) Other Noncurrent Liabilities 1,003 ------- Net Assets Transferred $(1,683) ======= Consideration, based on the net book value of the net assets transferred, was as follows: Return of Capital $1,608 Note Receivable 75 ------ $1,683 ====== In connection with the transfer, PECO entered into a power purchase agreement (PPA) with Generation. Under the terms of the PPA, PECO obtains the majority of its electric supply from Generation through 2010. Also, under the terms of the transfer, PECO assigned its rights and obligations under various PPAs and fuel supply agreements to Generation. Generation supplies power to PECO from the transferred generation assets, assigned PPAs and other market sources. As a result of the corporate restructuring, certain risks and commitments that have been disclosed in Note 18 - Commitments and Contingencies and the future financial condition and results of operations will change significantly. On a prospective basis, PECO will not be subject to the risks associated with nuclear insurance, decommissioning, spent fuel disposal and energy commitments, other than its purchase power agreement with Generation. See Note 19 - Segment Information for additional financial information. 3. MERGER On October 20, 2000, Exelon became the parent corporation of PECO and Commonwealth Edison Company (ComEd) as a result of the completion of the transactions contemplated by an Agreement and Plan of Exchange and Merger, as amended (Merger Agreement), among PECO, Unicom Corporation (Unicom) and Exelon. As a result of the share exchange, Exelon became the owner of all of the common stock of PECO. Following the share exchange, pursuant to the Merger Agreement, Unicom merged with and into Exelon (Merger). In the Merger, each share of the outstanding common stock of Unicom was converted into 0.875 shares of common stock of 129

Exelon plus $3.00 in cash. As a result of the Merger, Unicom ceased to exist and its subsidiaries, including ComEd, became subsidiaries of Exelon. MERGER-RELATED COSTS Merger-related costs charged to expense in 2000 were $248 million, consisting of $132 million of direct incremental costs and $116 million for PECO employee costs. Direct incremental costs represent expenses directly associated with completing the Merger, including professional fees, regulatory approval and settlement costs, and settlement of compensation arrangements. Employee costs represent estimated severance costs and pension and postretirement benefits provided under Exelon's Merger Separation Plan (MSP) for eligible employees who are expected to be involuntarily terminated by December 2002 due to integration activities of the merged companies. 4. ACQUISITIONS SITHE ENERGIES, INC. ACQUISITION On December 18, 2000, PECO acquired 49.9% of the outstanding common stock of Sithe Energies, Inc. (Sithe) through an intercompany transaction with Exelon for $696 million in cash and $8 million of acquisition costs. The transaction includes an option to purchase the remaining common stock outstanding exercisable between December 2002 and December 2005, at a price to be determined based on prevailing market conditions. Sithe is an independent power generator in North America utilizing primarily fossil and hydro generation. The purchase involves approximately 10,000 megawatts (MW) of generation consisting of 3,800 MW of existing merchant generation, 2,500 MW under construction, and another 3,700 MW of generation in various stages of development, as well as Sithe's domestic marketing and development businesses. The generation assets are located primarily in Massachusetts and New York, but also include plants in Pennsylvania, California, Colorado and Idaho, as well as Canada and Mexico. In conjunction with the corporate restructuring in January 2001, PECO transferred its investment in Sithe and the purchase option to Generation. INFRASOURCE, INC. ACQUISITIONS In 2000, InfraSource, Inc. (InfraSource), an unregulated majority owned subsidiary of PECO, formerly Exelon Infrastructure Services, Inc., acquired the stock or assets of seven utility service contracting companies for an aggregate purchase price of approximately $245 million, net of cash acquired of $9 million, including InfraSource common stock valued at $14 million. The acquisitions were accounted for using the purchase method of accounting. The initial estimate of the excess of purchase price over the fair value of net assets acquired (goodwill) was approximately $216 million. The allocation of purchase price to the fair value of assets acquired and liabilities assumed in these acquisitions is as follows: Current Assets (net of cash acquired) $ 63 Property, Plant and Equipment 17 Goodwill 216 Current Liabilities (51) ----- Total $ 245 ===== At December 31, 2000 current assets included $70 million of costs and earnings in excess of billings on uncompleted contracts and current liabilities includes $23 million of billings and earnings in excess of costs on uncompleted contracts, related to InfraSource.

In conjunction with the corporate restructuring in January 2001, PECO transferred InfraSource to Enterprises. AMERGEN ENERGY COMPANY, LLC In August 2000, AmerGen completed the purchase of Oyster Creek Nuclear Generating Facility (Oyster Creek) from GPU, Inc. (GPU) for $10 million. Under the terms of the purchase agreement, GPU agreed to fund outage costs not to exceed $89 million, including the cost of fuel, for a refueling outage that occurred in 2000. AmerGen is repaying these costs to GPU in nine equal annual installments through 2009. In addition, AmerGen assumed full responsibility for the ultimate decommissioning of Oyster Creek. At the closing of the sale, GPU provided funding for the decommissioning trust of $440 million. In conjunction with this acquisition, AmerGen has received a fully funded decommissioning trust fund which has been computed assuming the anticipated costs to appropriately decommission Oyster Creek discounted to net present value using the NRC's mandated rate of 2%. AmerGen believes that the amount of the trust fund and investment earnings thereon will be sufficient to meet its decommissioning obligation. GPU is purchasing the electricity generated by Oyster Creek pursuant to a three-year PPA. In conjunction with the corporate restructuring in January 2001, PECO transferred its investment in AmerGen to Generation. 5. ACCOUNTING CHANGES On January 1, 2001, PECO recognized a deferred non-cash gain of $40 million (net of income taxes of $29 million), in accumulated other comprehensive income, a component of shareholders' equity, to reflect the adoption of SFAS No. 133, as amended. During the fourth quarter of 2000, as a result of the synchronization of accounting policies with Unicom in connection with the Merger, PECO changed its method of accounting for nuclear outage costs to record such costs as incurred. Previously, PECO accrued these costs over the operating unit cycle. As a result of the change in accounting method for nuclear outage costs, PECO recorded income of $24 million (net of income taxes of $16 million). The change is reported as a Cumulative Effect of a Change in Accounting Principle on the Consolidated Statements of Income as of December 31, 2000, representing the balance of the nuclear outage cost reserve at January 1, 2000. 6. REGULATORY ISSUES In 2001, the phased process to implement competition in the electric industry continued as mandated by the requirements of the PUC's Final Restructuring Order. Customer Choice The PUC's Final Restructuring Order provided for the phase-in of customer choice of electric generation supplier (EGS) for all customers by January 1, 2000. The Final Restructuring Order also established market share thresholds to ensure that a minimum number of residential and commercial customers choose an EGS or a PECO affiliate. If less than 35% and 50% of residential and commercial customers have chosen an EGS, including residential customers assigned to an EGS as a provider of last resort default supplier, by January 1, 2001 and January 1, 2003, respectively, the number of customers sufficient to meet the necessary threshold levels shall be randomly selected and assigned to an EGS through a PUC-determined process. On January 1, 2001, the 35% threshold was met for all three customer classes as a result of agreements assigning customers to New Power Company and Green Mountain Energy Company as providers of last resort default service. During 2001, PECO experienced an increase in the number of customers selecting or returning to PECO as their EGS and at December 31, 2001, approximately 28% of PECO's residential load, 6% of its small commercial and industrial load and 5% of its large commercial and industrial load were purchasing generation from an

alternative generation supplier. Customers who purchase energy from an EGS continue to pay a delivery charge. Rate Reductions and Caps Under the Final Restructuring Order, retail electric rates were capped at year-end 1996 levels (system-wide average of 9.96 cents/kilowatt hour (kWh)) through June 2005. The Final Restructuring Order required PECO to reduce its retail electric rates by 8% from the 1996 system-wide average rate on January 1, 1999. This rate reduction decreased to 6% on January 1, 2000 until January 1, 2001. The transmission and distribution rate component was capped at a system-wide average rate of 2.98 cents/kWh through June 30, 2005. Additionally, generation rate caps, defined as the sum of the applicable transition charge and energy and capacity charge, remain in effect through 2010. On March 16, 2000, the PUC issued an order authorizing PECO to securitize up to an additional $1 billion of its authorized stranded costs recovery. In accordance with the terms of that order, PECO provided its retail customers with rate reductions of $60 million for calendar year 2001 only. Under a comprehensive settlement agreement in connection with achieving regulatory approval of the Merger, PECO agreed to $200 million in aggregate rate reductions for all customers in Pennsylvania over the period January 1, 2002 through 2005 and extended the rate caps on PECO's retail electric distribution charges through December 31, 2006. 7. SUPPLEMENTAL FINANCIAL INFORMATION SUPPLEMENTAL INCOME STATEMENT INFORMATION For the Years Ended December 31, ------------------------------- 2001 2000 1999 ---- ---- ---- TAXES OTHER THAN INCOME Utility $ 135 $ 144 $ 155 Real estate 12 45 72 Payroll 12 27 28 Other 2 21 7 ------ ----- ------ Total $ 161 $ 237 $ 262 ====== ===== ====== OTHER, NET Investment income $ 24 $ 50 $ 52 Gain (loss) on disposition of assets, net 6 (20) (1) Settlement of power purchase agreement -- 6 -- AFUDC, equity and borrowed 2 2 4 Other income (expense) 4 3 4 ------ ----- ------ Total $ 36 $ 41 $ 59 ====== ===== ======

SUPPLEMENTAL CASH FLOW INFORMATION

	For the Years Ended December 31,		
	2001	2000	1999
Cash paid during the year:			
Interest (net of amount capitalized)	$ 416	$ 431	$ 350
Income taxes (net of refunds)	$ 271	$ 261	$ 304
Non-cash investing and financing:			
Contribution of Receivable from Parent	$ 1,878	--	--
Net Assets Transferred as a Result of Restructuring	$ 1,608	--	--
Investment in Sithe	--	$ 696	--
Issuance of InfraSource stock	$ --	$ 14	$ 11
Depreciation and amortization:			
Property, plant and equipment	$ 135	$ 229	$ 207
Nuclear fuel	--	112	104
Regulatory assets	275	57	--
Decommissioning	6	29	29
Goodwill	--	10	1
Leased property	--	--	17
Total Depreciation and Amortization	$ 416	$ 437	$ 358

SUPPLEMENTAL BALANCE SHEET INFORMATION

	at December 31,	
	2001	2000
INVESTMENTS		
Investment in Sithe	$ --	$ 704
Energy services and other ventures	--	39
Communication ventures	--	35
Investment in AmerGen	--	44
Other Investments	24	25
Total	$ 24	$ 847
REGULATORY ASSETS		
Competitive transition charge	$ 4,947	$ 5,218
Recoverable deferred income taxes (see Note 12)	675	661
Loss on reacquired debt	58	64
Compensated absences	5	5
Non-pension postretirement benefits	71	78
Long-Term Regulatory Assets	5,756	6,026
Deferred energy costs (current asset)	56	86
Total	$ 5,812	$ 6,112

At December 31, 2001 and 2000, the Competitive Transition Charge (CTC) includes the unamortized balance of $4.5 billion and $4.8 billion, respectively, of Intangible Transition Property (ITP) sold to PECO Energy Transition Trust (PETT), a wholly owned subsidiary of PECO, in connection with the securitization of PECO's stranded cost recovery. PETT financed its purchase of the ITP through the issuance of transition bonds. See Note 11 - Long-Term Debt.

ITP represents the irrevocable right of PECO or its assignee to collect non-bypassable charges from customers to recover stranded costs. The CTC represents PECO's stranded costs that are recoverable through regulated rates. The CTC is recoverable over a twelve-year period ending December 31, 2010 with a return on the unamortized balance of 10.75%.

8. ACCOUNTS RECEIVABLE

Accounts receivable -- Customer at December 31, 2001 and 2000 included unbilled operating revenues of $100 million and $180 million, respectively. The allowance for uncollectible accounts at December 31, 2001 and 2000 was $110 million and $131 million, respectively.

Accounts receivable -- Other at December 31, 2000 included demand notes receivable from a communications joint venture in the amount of $153 million. The receivable has been adjusted for PECO's share of this joint venture's operating losses incurred in excess of its investment. The notes bear interest at the Applicable Federal Rate, compounded semi-annually. The average interest rate on the notes receivable was 6.22% at December 31, 2000. Interest income related to the notes receivable was $10 million in 2000. In conjunction with the corporate restructuring in January 2001, these demand notes were transferred to Enterprises.

PECO is party to an agreement with a financial institution under which it can sell or finance with limited recourse an undivided interest, adjusted daily, in up to $225 million of designated accounts receivable until November 2005. At December 31, 2001, PECO had sold a $225 million interest in accounts receivable, consisting of a $170 million interest in accounts receivable which PECO accounted for as a sale under SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities - a Replacement of FASB Statement No. 125," and a $55 million interest in special-agreement accounts receivable which was accounted for as a long-term note payable. See Note 11 - Long-Term Debt. PECO retains the servicing responsibility for these receivables. The agreement requires PECO to maintain the $225 million interest, which, if not met, requires PECO to deposit cash in order to satisfy such requirements. At December 31, 2001 and 2000, PECO met this requirement and was not required to make any cash deposits.

9. PROPERTY, PLANT, AND EQUIPMENT

A summary of property, plant and equipment by classification as of December 31, 2001 and 2000 is as follows:

Asset Category	2001	2000
Electric-Transmission and Distribution	$4,058	$3,836
Electric-Generation	--	2,086
Gas	1,281	1,181
Common	399	408
Nuclear Fuel	--	1,664
Construction Work in Progress	88	498
Leased Property	--	2
Other Property, Plant and Equipment	20	197
Total Property, Plant and Equipment	5,846	9,872
Less Accumulated Depreciation	1,799	4,714
Property, Plant and Equipment, net	$4,047	$5,158

Accumulated depreciation included accumulated amortization of nuclear fuel of $1.4 billion, as well as the nuclear decommissioning liability for the nuclear operating units of $406 million as of December 31, 2000.

The decrease in the net property, plant and equipment balance from the prior year was primarily due to the corporate restructuring in which PECO's generation and enterprise assets were transferred to separate subsidiaries of Exelon (see Note 2 - Corporate Restructuring). 10. NOTES PAYABLE 2001 2000 1999 ---- ---- ---- Average borrowings $ 3 $ 186 $ 242 Average interest rates, computed on daily basis 2.99% 6.62% 5.62% Maximum borrowings outstanding $ 471 $ 500 $ 728 Average interest rates, at December 31 2.25% 7.18% 6.80% PECO, along with Exelon, ComEd and Generation, is a party to a $1.5 billion 364-day unsecured revolving credit facility on December 12, 2001 with a group of banks. PECO has a $300 million sublimit under this credit facility, which is used principally to support PECOs commercial paper program. At December 31, 2001 and 2000, the amount of commercial paper outstanding was $101 million and $161 million, respectively. At December 31, 2001 and 2000, there were no borrowings under this credit facility. Interest rates on borrowings under the credit facility are based on the London Interbank Offering Rate as of the date of the advance.

11. LONG-TERM DEBT at December 31, 2001 at December 31, -------------------- --------------- Maturity Rates Date 2001 2000 ----------- --------- -------- -------- PETT Bonds Series 1999-A: Fixed rates 5.63%-6.13% 2003-2007 (a) $ 2,577 $ 2,706 Floating rates 2.11%-2.18% 2003-2007 (a) 310 1,132 PETT Bonds Series 2000-A: 7.3%-7.65% 2002-2009 (a) 890 1,000 PETT Bonds Series 2001: 6.52% 2010 (a) 805 -- First and Refunding Mortgage Bonds (b) (c): Fixed rates 5.95%-8.00% 2002-2022 1,027 1,148 Floating rates 1.35%-2.35% 2012 154 154 Notes payable 7.25% 2003-2004 -- 14 Pollution control notes: Fixed rates 5.20%-5.30% 2021-2034 157 157 Floating rates 1.75% 2027 17 212 Notes payable - accounts receivable agreement 2.00% 2005 55 40 -------- -------- TOTAL LONG-TERM DEBT (d) 5,992 6,563 Unamortized debt discount and premium, net (6) (8) Due within one year (548) (553) LONG-TERM DEBT $ 5,438 $ 6,002 ======== ======== (a) The maturity date represents the expected final payment date which is the date when all principal and interest of the related class of transition bonds is expected to be paid in full in accordance with the expected amortization schedule for the applicable class. The date when all principal and interest must be paid in full for the PETT Bonds Series 1999-A, 2000-A and 2001-A are 2003 through 2009, 2003 through 2010 and 2010, respectively. The current portion of transition bonds is based upon the expected maturity date. (b) Utility plant of PECO is subject to the lien of its mortgage indenture. (c) Includes first mortgage bonds issued under the PECO mortgage indenture securing pollution control notes. (d) Long-term debt maturities in the period 2002 through 2006 and thereafter are as follows: 2002 $ 548 2003 690 2004 318 2005 503 2006 500 Thereafter 3,433 ------ Total $5,992 In 2001, PECO Energy Transition Trust (PETT), a Delaware business trust and a wholly owned subsidiary of PECO, refinanced $805 million of floating rate Series 1999-A Transition Bonds through the issuance by PETT of fixed-rate transition bonds (Series 2001-A Transition Bonds). Approximately 72% of Class A-3 and 70% of the Class A-5 Series 1999-A Transition Bonds were redeemed. The Series 2001-A Transition Bonds are non-callable, fixed-rate securities with an interest rate of 6.52%. The Series 2001-A Transition Bonds have an expected final payment date of September 1, 2010 and a termination date of December 31, 2010. Also in 2001, PECO issued, through a private placement, $250 million of its First and Refunding Mortgage Bonds, with an interest rate of 5.95% and a maturity date of November 11, 2011. Proceeds from the first mortgage bonds were used to repay a $250 million aggregate principal amount of PECO's First and Refunding Mortgage Bonds having an interest rate of 5.625% and a maturity date of November 1, 2001. In 1999, PECO entered into treasury forwards associated with the anticipated issuance of the Series 2000-A Transition Bonds. On May 2, 2000, these instruments were settled with net 136

proceeds to the counterparties of $13 million which has been deferred and is being amortized over the life of the Series 2000-A Transition Bonds as an increase to interest expense. In 1998, PECO entered into treasury forwards and forward-starting interest rate swaps to manage interest rate exposure associated with the anticipated issuance of the Series 1999-A Transition Bonds. On March 18, 1999, these instruments were settled with net proceeds of $80 million to PECO which were deferred and are being amortized over the life of the Series 1999-A Transition Bonds as a reduction of interest expense. In connection with the refinancing of a portion of the two floating rate series of transition bonds in the first quarter of 2001, PECO settled $318 million of a forward-starting interest rate swap resulting in a $6 million gain which is reflected in other income and deductions due to the transaction no longer being probable. Also, in connection with the refinancing, PECO settled a portion of the interest rate swaps and the remaining portion of the forward-starting interest rate swaps resulting in gains of $25 million, which were deferred and are being amortized over the expected remaining lives of the related debt. At December 31, 2001 and 2000, the aggregate unamortized net gain on the settlement of PECO transactions was $55 million and $51 million, respectively. In 2000 and 1999, PECO incurred extraordinary charges aggregating $6 million ($4 million, net of tax) and $62 million ($37 million, net of tax), respectively for prepayment premiums and the write-offs of unamortized deferred financing costs associated with the early retirement of debt.

12. INCOME TAXES

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

	For the Year Ended December 31,		
	2001	2000	1999
Included in operations:			
Federal			
Current	$ 255	$ 181	$ 293
Deferred	(49)	91	6
Investment tax credit, net	(3)	(15)	(14)
State			
Current	8	2	72
Deferred	(14)	11	1
	$ 197	$ 270	$ 358
Included in extraordinary item:			
Federal			
Current	$ --	$ (2)	$ (19)
State			
Current	--	--	(6)
	$ --	$ (2)	$ (25)
Included in cumulative effects of changes in accounting principles:			
Federal			
Deferred	$ --	$ 13	$ --
State			
Deferred	--	3	--
	$ --	$ 16	$ --

The effective income tax rate varies from the U.S. Federal statutory rate for the years ended December 31 principally due to the following: For the Year Ended December 31, ----------------------------------- 2001 2000 1999 ---- ---- ---- U.S. Federal statutory rate 35.0% 35.0% 35.0% Increase (decrease) due to: Plant basis differences (0.8) (0.8) (0.8) State income taxes, net of Federal income tax benefit (0.6) 2.7 4.8 Amortization of investment tax credit (0.4) (1.9) (1.6) Prior period income taxes (1.5) 0.5 (0.7) Other, net -- 0.2 (0.1) ---- ---- ---- Effective income tax rate 31.7% 35.7% 36.6% ==== ==== ==== The tax effects of temporary differences giving rise to significant portions of PECO's deferred tax assets and liabilities as of December 31, 2001 and 2000 are presented below: 2001 2000 ---- ---- Deferred tax liabilities: Plant basis difference $ 2,990 $ 2,839 Deferred investment tax credit 27 271 Deferred debt refinancing costs 31 34 ------- -------- Total deferred tax liabilities 3,048 3,144 ------- -------- Deferred tax assets: Deferred pension and postretirement obligations (12) (187) Other, net (44) (127) ------- -------- Total deferred tax assets (56) (314) ------- -------- Deferred income taxes (net) on the balance sheet $ 2,992 $ 2,830 ======= ======== In accordance with regulatory treatment of certain temporary differences, PECO has recorded a regulatory asset for recoverable deferred income taxes of $675 million and $661 million at December 31, 2001 and 2000, respectively. These recoverable deferred income taxes include the deferred tax effects associated principally with liberalized depreciation accounted for in accordance with the ratemaking policies of the PUC, as well as the revenue impacts thereon, and assume continued recovery of these costs in future rates. The Internal Revenue Service and certain state tax authorities are currently auditing certain tax returns of PECO. The current audits are not expected to have an adverse impact on financial condition or results of operations of PECO. 13. RETIREMENT BENEFITS PECO has adopted defined benefit pension plans and postretirement welfare benefit plans sponsored by Exelon. Essentially all PECO employees are eligible to participate in these plans. In 2001, PECO's former plans were consolidated into the Exelon plans. Essentially all PECO employees, hired on or after January 1, 2001 are eligible to participate in newly established Exelon cash balance pension plans. Employees who were active participants in the former PECO pension plans on December 31, 2000 and remain employed by PECO on January 1, 2002, will have the opportunity to continue to participate in the pension plan or to transfer to the cash balance plan. Benefits under these pension plans generally reflect each employee's compensation, years of service, and age at retirement. Funding is based upon actuarially determined contributions that take into account the amount deductible for income tax purposes

and the minimum contribution required under the Employee Retirement Income Security Act of 1974, as amended. The following tables provide a reconciliation of benefit obligations, plan assets, and funded status for PECO's proportionate allocated interest in the plans.

	Pension Benefits		Other Postretirement Benefits	
	2001	2000	2001	2000
Change in Benefit Obligation:				
Net benefit obligation at beginning of year	$ 2,230	$ 2,054	$ 922	$ 798
Service cost	11	24	9	18
Interest cost	84	158	43	66
Plan amendments	20	--	--	--
Actuarial (gain)loss	11	140	92	69
Curtailments/Settlements	2	(74)	--	4
Special accounting costs(benefit)	(16)	96	(2)	11
Gross benefits paid	(93)	(168)	(24)	(44)
Corporate Restructuring Transfer	(1,206)	--	(499)	--
Net benefit obligation at end of year	$ 1,043	$ 2,230	$ 541	$ 922
Change in Plan Assets:				
Fair value of plan assets at beginning of year	$ 3,005	$ 2,982	$ 263	$ 244
Actual return on plan assets	(59)	190	(2)	8
Employer contributions	9	1	26	54
Plan participants' contributions	--	--	--	1
Gross benefits paid	(93)	(168)	(24)	(44)
Corporate Restructuring Transfer	(1,625)	--	(142)	--
Fair value of plan assets at end of year	$ 1,237	$ 3,005	$ 121	$ 263
Funded status at end of year	$ 194	$ 775	$ (420)	$ (659)
Unrecognized net actuarial (gain)loss	(225)	(960)	132	36
Unrecognized prior service cost	51	77	--	--
Unrecognized net transition obligation (asset)	(7)	(21)	49	122
Net asset (liability) recognized at end of year	$ 13	$ (129)	$ (239)	$ (501)

	Pension Benefits			Other Postretirement Benefits		
	2001	2000	1999	2001	2000	1999
WEIGHTED-AVERAGE ASSUMPTIONS AS OF DECEMBER 31,						
Discount rate	7.35%	7.60%	8.00%	7.35%	7.60%	8.00%
Expected return on plan assets	9.50%	9.50%	9.50%	9.50%	8.00%	8.00%
Rate of compensation increase	4.00%	5.00%	5.00%	4.00%	4.30%	5.00%
Health care cost trend on covered charges	N/A	N/A	N/A	10.00% decreasing to ultimate trend of 4.5% in 2008	7.00% decreasing to ultimate trend of 5.0% in 2005	8.00% decreasing to ultimate trend of 5.0% in 2006

	Pension Benefits			Other Postretirement Benefits		
	2001	2000	1999	2001	2000	1999
COMPONENTS OF NET PERIODIC BENEFIT COST (BENEFIT):						
Service cost	$ 12	$ 25	$ 29	$ 10	$ 18	$ 19
Interest cost	84	158	154	43	66	57
Expected return on assets	(131)	(238)	(222)	(11)	(18)	(16)
Amortization of:						
Transition obligation (asset)	(2)	(5)	(4)	6	12	12
Prior service cost	4	7	5	--	--	--
Actuarial (gain) loss	(13)	(26)	(8)	--	--	--
Curtailment charge (credit)	1	(12)	--	(5)	24	--
Settlement charge (credit)	(1)	(16)	--	--	--	--
Net periodic benefit cost (benefit)	$ (46)	$ (107)	$ (46)	$ 43	$ 102	$ 72
Special accounting costs	$ 16	$ 96	$ --	$ (2)	$ 11	$ --

SENSITIVITY OF RETIREE WELFARE RESULTS	
Effect of a one percentage point increase in assumed health care cost trend on total service and interest cost components	$ 7
on postretirement benefit obligation	$ 59
Effect of a one percentage point decrease in assumed health care cost trend on total service and interest cost components	$ (6)
on postretirement benefit obligation	$ (50)

The decrease in the net benefit obligation and the fair value of plan assets in 2001 as compared to 2000 is due primarily to the corporate restructuring (See Note 2 - Corporate Restructuring). Amounts of the obligation allocated to affiliates in the restructuring were primarily based on the relative number of active employees transferred to each affiliate. Prior service cost is amortized on a straight-line basis over the average remaining service period of employees expected to receive benefits under the plans. Special accounting costs of $16 million and $96 million in 2001 and 2000, respectively, represent accelerated separation and enhancement benefits provided to PECO employees expected to be terminated as a result of the Merger. PECO provides certain health care and life insurance benefits for retired employees through plans sponsored by Exelon. Welfare benefits for active employees are provided by several insurance policies or self-funded plans whose premiums or contributions are based upon the benefits paid during the year. PECO has savings plans for the majority of its employees. The plans allow employees to contribute a portion of their pretax income in accordance with specified guidelines. PECO matches a percentage of the employee contribution up to certain limits. The cost of PECO's matching contribution to the savings plans totaled $7 million, $11 million and $7 million in 2001, 2000, and 1999, respectively.

14. PREFERRED AND PREFERENCE STOCK At December 31, 2001 and 2000, Series Preference Stock of PECO, no par value, consisted of 100,000,000 shares authorized, of which no shares were outstanding. At December 31, 2001 and 2000, cumulative Preferred Stock of PECO, no par value, consisted of 15,000,000 shares authorized and the amounts set forth below: at December 31, ---------------------- 2001 2000 2001 2000 Current Redemption ---- ---- ---- ---- Price(a) Shares Outstanding Amount -------- ------------------ ------ SERIES (WITHOUT MANDATORY REDEMPTION) $4.68 $ 104.00 150,000 150,000 $ 15 $ 15 $4.40 112.50 274,720 274,720 27 27 $4.30 102.00 150,000 150,000 15 15 $3.80 106.00 300,000 300,000 30 30 $7.48 (b) 500,000 500,000 50 50 - ----- -------- --------- --------- ----------- 1,374,720 1,374,720 137 137 SERIES (WITH MANDATORY REDEMPTION) $6.12 (c) 185,400 370,800 19 37 - ----- -------- --------- --------- ------ ----- ------ Total preferred stock 1,560,120 1,745,520 $ 156 $ 174 ========= ========= ===== ====== (a) Redeemable, at the option of PECO, at the indicated dollar amounts per share, plus accrued dividends. (b) None of the shares of this series is subject to redemption prior to April 1, 2003. (c) PECO made the annual sinking fund payments of $18.5 million on August 1, 2001 and August 2, 2000. The future sinking fund requirement in 2002 is $18.5 million. 15. COMPANY - OBLIGATED MANDATORILY REDEEMABLE PREFERRED SECURITIES OF A PARTNERSHIP At December 31, 2001 and 2000, PECO Energy Capital, L.P. (Partnership), a Delaware limited partnership of which a wholly owned subsidiary of PECO is the sole general partner, had outstanding Company-Obligated Mandatorily Redeemable Preferred Securities of a Partnership (COMRPS) as set forth in the following table: Mandatory Distri- Liqui- at December 31, Redemption bution dation 2001 2000 2001 2000 Date Rate Value Trust Securities Outstanding Amount ---------- ------ -------- ---------------------------- ------ ------ PECO Energy Capital Trust II 2037 8.00% $ 25 2,000,000 2,000,000 $ 50 $ 50 PECO Energy Capital Trust III 2028 7.38% 1,000 78,105 78,105 78 78 ------------ ---------- ----- ------ Total 2,078,105 2,078,105 $ 128 $ 128 ============ ========== ===== ====== The securities issued by the PECO trusts represent Company-Obligated Mandatorily Redeemable Preferred Securities of a Partnership (COMRPS) having a distribution rate and liquidation value equivalent to the trust securities. The COMRPS are the sole assets of these trusts and represent limited partnership interests of PECO Energy Capital, L.P. (Partnership), a Delaware limited partnership. Each holder of a trust's securities is entitled to withdraw the corresponding number of COMRPS from the trust in exchange for the trust securities so held. Each series of COMRPS is supported by PECO's deferrable interest subordinated debentures, held by the Partnership, which bear interest at rates equal to the distribution rates on the related series of COMRPS. The interest expense on the debentures is included in Other Income and Deductions in the Consolidated Statements of Income and is deductible for income tax purposes.

16. COMMON STOCK

At December 31, 2001 and 2000, common stock without par value consisted of 600,000,000 and 600,000,000 shares authorized and 170,478,507 and 170,478,507 shares outstanding, respectively.

STOCK REPURCHASE

In January 2000, in connection with the Merger Agreement, PECO entered into a forward purchase agreement to purchase $500 million of its common stock from time to time. Settlement of this forward purchase agreement was, at PECO's election, on a physical, net share or net cash basis. In May 2000, PECO utilized a portion of the proceeds from the securitization of its stranded cost recovery to physically settle this agreement, resulting in the repurchase of 12 million shares of common stock for $496 million. In connection with the settlement of this agreement, PECO received $1 million in accumulated dividends on the repurchased shares and paid $6 million of interest. During 1997, PECO's Board of Directors authorized the repurchase of up to 25 million shares of its common stock from time to time through open-market, privately negotiated and/or other types of transactions in conformity with the rules of the SEC. Pursuant to these authorizations, PECO entered into forward purchase agreements to be settled from time to time, at PECO's election, on a physical, net share or net cash basis. PECO utilized the proceeds from the securitization of a portion of its stranded cost recovery in the first quarter of 1999, to physically settle these agreements, resulting in the purchase of 21 million shares of common stock for $696 million. In connection with the settlement of these agreements, PECO received $18 million in accumulated dividends on the repurchased shares and paid $6 million of interest.

Shares Outstanding

The following table details PECO's common stock and treasury stock:

(in thousands)	Common Shares	Treasury Shares
Balance, December 31, 1998	224,684	--
Long Term Incentive Plan Issuances	670	--
Common Stock Repurchases	--	44,082
Balance, December 31, 1999	225,354	44,082
Long Term Incentive Plan Issuances	--	(195)
Cancellation of Treasury Shares	(54,875)	(54,875)
Common Stock Repurchases	--	11,950
Stock Option Exercises	--	(962)
Balance, December 31, 2000	170,479	--
Balance, December 31, 2001	170,479	--

17. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts and fair values of PECO's financial assets and liabilities as of December 31, 2001 and 2000 were as follows:

	2001		2000	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
NON-DERIVATIVES:				
Liabilities				
Long-term debt (including amounts due within one year)	$ 5,986	$ 6,199	$ 6,555	$ 6,797
COMRPS	$ 128	$ 127	$ 128	$ 122
Mandatorily Redeemable Preferred Stock	$ 19	$ 10	$ 37	$ 30
DERIVATIVES:				
Interest rate swaps	$ (19)	$ (19)	--	$ (19)
Forward interest rate swaps	--	--	--	$ 40

Cash and cash equivalents, customer accounts receivable and trust accounts for decommissioning nuclear plants are recorded at their fair value. As of December 31, 2001 and 2000, PECO's carrying amounts of cash and cash equivalents and accounts receivable are representative of fair value because of the short-term nature of these instruments. Fair values of the trust accounts for decommissioning nuclear plants, long-term debt, COMRPS and Mandatorily Redeemable Preferred Stock are estimated based on quoted market prices for the same or similar issues. The fair value of PECO's interest rate swaps and power purchase and sale contracts is determined using quoted exchange prices, external dealer prices, or internal valuation models which utilize assumptions of future energy prices and available market pricing curves.

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

In 1999, PECO entered into interest rate swaps to manage interest rate exposure in the aggregate notional amount of $326 million. These swaps have been designated as cash-flow hedges under SFAS No. 133, and as such, as long as the hedge remains effective and the underlying transaction remains probable, changes in the fair value of these swaps will be recorded in accumulated other comprehensive income (loss) until earnings are affected by the variability of the cash flows being hedged.

The notional amount of derivatives do not represent amounts that are exchanged by the parties and, thus, are not a measure of PECO's exposure. The amounts exchanged are calculated on the basis of the notional or contract amounts, as well as on the other terms of the derivatives, which relate to interest rates and the volatility of these rates. PECO would be exposed to credit-related losses in the event of non-performance by the counterparties that issued the derivative instruments. The credit exposure of derivatives contracts is represented by the fair value of contracts at the reporting date. PECO's interest rate swaps are documented under master agreements. Among other things, these agreements provide for a maximum credit exposure for both parties. Payments are required by the appropriate party when the maximum limit is reached.

On January 1, 2001, PECO deferred a non-cash gain of $40 million, net of income taxes, in accumulated other comprehensive income, a component of shareholders' equity, to reflect the initial adoption of SFAS No. 133, as amended. SFAS No. 133 is applied to all derivative instruments and requires that such instruments be recorded in the balance sheet either as an asset or a liability measured at their fair value through earnings, with special accounting permitted for certain qualifying hedges. For 2001, $6 million ($4 million, net of income taxes) was reclassified from accumulated other comprehensive income into earnings as a result of forecasted financing transactions no longer being probable. As of December 31, 2001, $15 million of deferred net gains on derivative instruments accumulated in other comprehensive income are expected to be reclassified to earnings during the next twelve months. Amounts in accumulated other comprehensive income related to interest rate cash flows are reclassified into earnings when the forecasted interest payment occurs. 18. COMMITMENTS AND CONTINGENCIES ENVIRONMENTAL ISSUES PECO's operations have in the past and may in the future require substantial capital expenditures in order to comply with environmental laws. Additionally, under Federal and state environmental laws, PECO is generally liable for the costs of remediating environmental contamination of property now or formerly owned by PECO and of property contaminated by hazardous substances generated by PECO. PECO owns or leases a number of real estate parcels, including parcels on which its operations or the operations of others may have resulted in contamination by substances that are considered hazardous under environmental laws. PECO has identified 28 sites where former manufactured gas plant (MGP) activities have or may have resulted in actual site contamination. PECO is currently involved in a number of proceedings relating to sites where hazardous substances have been deposited and may be subject to additional proceedings in the future. As of December 31, 2001 and 2000, PECO had accrued $37 million and $54 million, respectively, for environmental investigation and remediation costs, including $27 million and $30 million, respectively, for MGP investigation and remediation, that currently can be reasonably estimated. In conjunction with the corporate restructuring in January 2001, PECO transferred a portion of the environmental investigation and remediation costs to Generation. PECO cannot reasonably estimate whether it will incur other significant liabilities for additional investigation and remediation costs at these or additional sites identified by PECO, environmental agencies or others, or whether such costs will be recoverable from third parties. LEASES Minimum future operating lease payments, which consist primarily of lease payments for autos, as of December 31, 2001 were: 2002 $ 2 2003 2 2004 2 2005 2 2006 2 Remaining years 3 --- Total minimum future lease payments $13 === Rental expense under operating leases totaled $2 million, $36 million, and $54 million in 2001, 2000 and 1999, respectively. 144

LITIGATION

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

19. SEGMENT INFORMATION

As a result of the corporate restructuring in January 2001, PECO operates in one segment - energy delivery. Energy delivery consists of the retail electricity distribution and transmission business of PECO in southeastern Pennsylvania and the natural gas distribution business of PECO located in the Pennsylvania counties surrounding the City of Philadelphia. Prior to 2001, PECO operated in two other business segments, generation and enterprises. See Note 2 - Corporate Restructuring. Generation consisted of electric generating facilities, energy marketing operations and PECO's interests in Sithe and AmerGen. Enterprises consisted of competitive retail energy sales, energy and infrastructure services, communications and other investments weighted towards the communications, energy services and retail services industries. Prior to 2001, PECO evaluated the performance of its business segments based on Earnings Before Interest Expense and Income Taxes (EBIT). An analysis and reconciliation of PECO's business segment information to the respective information in the consolidated financial statements are as follows:

	Energy Delivery	Generation	Enterprises	Corporate	Intersegment Eliminations	Consolidated
TOTAL REVENUES:						
2000	$ 3,373	$2,803	$ 697	$ --	$(923)	$ 5,950
1999	3,265	2,411	644	--	(842)	5,478
INTERSEGMENT REVENUES:						
2000	$ 4	$ 872	$ 47	$ --	$(923)	$ --
1999	--	842	--	--	(842)	--
EBIT (a):						
2000 (b)	$ 1,139	$ 341	$(136)	$(172)	$ --	$ 1,172
1999	1,372	379	(212)	(194)	--	1,345
DEPRECIATION AND AMORTIZATION:						
2000	$ 195	$ 98	$ 32	$ --	$ --	$ 325
1999	108	125	4	--	--	237
CAPITAL EXPENDITURES:						
2000	$ 219	$ 243	$ 64	$ 23	$ --	$ 549
1999	205	245	1	40	--	491
TOTAL ASSETS:						
2000	$13,100	$1,648	$ 991	$(963)	$ --	$14,776
1999	10,306	1,734	640	407	--	13,087

(a) EBIT consists of operating income, equity in earnings (losses) of unconsolidated affiliates, and other income and expenses recorded in other, net with the exception of investment income. Investment income for 2000 and 1999 was $50 million and $52 million, respectively.

(b) Includes non-recurring items of $248 million for Merger-related expenses in 2000.

Equity in losses of communications joint ventures of $45 million and $38 million for 2000, and 1999, respectively, are included in the Enterprises business unit's EBIT. Equity in earnings of AmerGen and Sithe of $4 million for 2000 are included in the generation business unit's EBIT.

20. RELATED PARTY TRANSACTIONS At December 31, 2000, PECO had a $400 million payable to ComEd, which was repaid in the second quarter of 2001. The average annual interest rate on this payable for the period outstanding was 6.5%. Interest expense related to this payable for 2001 was $8 million. Effective January 1, 2001, Exelon contributed to PECO a $2.0 billion non-interest bearing receivable related to Exelon's agreement to fund future income tax payments resulting from the collection of competitive transition charges. This receivable is reflected as a reduction of Shareholders' Equity in PECO's Consolidated Balance Sheets and is expected to be settled over the years 2002 through 2010. As of December 31, 2001, the balance of this receivable from Exelon was $1.9 billion. In addition, at December 31, 2001, PECO had a $60 million payable to Exelon related to stock options in 2000. PECO paid common stock dividends of $342 million to Exelon in 2001. In connection with the transfer of the generation assets in the corporate restructuring, PECO entered into a PPA with Generation. See Note 2 - Corporate Restructuring. Intercompany power purchases pursuant to the PPA for 2001 were $1,162 million. As of December 31, 2001, PECO's payable related to the PPA was $90 million. In addition, at December 31, 2001, PECO had a $28 million payable to Generation for various services. Effective January 1, 2001, upon the corporate restructuring, PECO receives a variety of corporate support services from BSC, including legal, human resources, financial and information technology services. Such services, provided at cost including applicable overhead, were $36 million for 2001. At December 31, 2001, there was a $41 million payable to BSC. During 2001, PECO received intercompany interest income of $10 million primarily related to bills and payroll paid on behalf of BSC. PECO received services from Enterprises during 2001 for deployment of automated meters and meter reading services for $24 million. At December 31, 2001, PECO had recorded a $8 million payable to Enterprises. 21. QUARTERLY DATA (UNAUDITED) The data shown below include all adjustments which PECO considers necessary for a fair presentation of such amounts:

	Operating Revenues		Operating Income		Income (Loss) Before Extraordinary Items and Cumulative Effect of a Change in Accounting Principle		Net Income (Loss)	
	2001	2000	2001	2000(a)	2001	2000 (a)	2001	2000(a)
Quarter ended:								
March 31	$1,051	$1,352	$287	$343	$122	$166	$122	$195
June 30	$ 906	$1,385	$246	$313	$ 85	$124	$ 85	$118
September 30	$1,051	$1,629	$258	$449	$104	$238	$104	$235
December 31	$ 957	$1,584	$208	$117	$114	$(41)	$114	$(41)

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

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE Exelon, ComEd and PECO None.

PART III ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT Exelon The information required by Item 10 relating to directors and nominees for election as directors at Exelon's Annual Meeting of shareholders is incorporated herein by reference to the information under the heading "BOARD OF DIRECTORS" on pages 16-19 and "OTHER INFORMATION - Section 16(a) Beneficial Ownership Reporting Compliance" on page 37 in Exelon's definitive Proxy Statement (2002 Exelon Proxy Statement) filed with the SEC on March 13, 2002, pursuant to Regulation 14A under the Securities Exchange Act of 1934. The information required by Item 10 relating to executive officers is set forth above in ITEM 1. Business - Executive Officers of Exelon, ComEd and PECO. ComEd The information required by Item 10 relating to directors and nominees for election as directors at ComEd's annual meeting of shareholders is incorporated herein by reference to information under the subheadings "Nominees" and "Security Ownership of Certain Beneficial Owners and Management" under the heading "Election of Directors" in ComEd's definitive Information Statement (2002 ComEd Information Statement) to be filed with the SEC prior to April 30, 2002, pursuant to Regulation 14C under the Securities Exchange Act of 1934. The information required by Item 10 relating to executive officers is set forth above in ITEM 1. Business - Executive Officers of Exelon, ComEd and PECO. PECO The information required by Item 10 relating to directors and nominees for election as directors at PECO's annual meeting of shareholders is incorporated herein by reference to information under the subheadings "Nominees" and "Security Ownership of Certain Beneficial Owners and Management" under the heading "Election of Directors" in PECO's definitive Information Statement (2002 PECO Information Statement) to be filed with the SEC prior to April 30, 2002, pursuant to Regulation 14C under the Securities Exchange Act of 1934. The information required by Item 10 relating to executive officers is set forth above in ITEM 1. Business - Executive Officers of Exelon, ComEd and PECO. ITEM 11. EXECUTIVE COMPENSATION Exelon The information required by Item 11 is incorporated herein by reference to the information labeled "Board Compensation" and pages 13-36 in the 2002 Exelon Proxy Statement.

ComEd The information required by Item 11 is incorporated herein by reference to the paragraph labeled "Compensation of Directors" under the heading "Election of Directors" and the paragraphs under the heading "Executive Compensation" (other than the paragraphs under the subheading "Compensation Committee Report on Executive Compensation") in the 2002 ComEd Information Statement. PECO The information required by Item 11 is incorporated herein by reference to the paragraph labeled "Compensation of Directors" under the heading "Election of Directors" and the paragraphs under the heading "Executive Compensation" (other than the paragraphs under the subheading "Compensation Committee Report on Executive Compensation") in 2002 PECO Information Statement. ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT Exelon The information required by Item 12 is incorporated herein by reference to the stock ownership information under the heading "BENEFICIAL OWNERSHIP" on pages 14-15 in the 2002 Exelon Proxy Statement. ComEd The information required by Item 12 is incorporated herein by reference to the stock ownership information under the subheading "Security Ownership of Certain Beneficial Owners and Management" under the heading "Election of Directors" in the 2002 ComEd Information Statement. PECO The information required by Item 12 is incorporated herein by reference to the stock ownership information under the subheading "Security Ownership of Certain Beneficial Owners and Management" under the heading "Election of Directors" in the 2002 PECO Information Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS Exelon The information required by Item 13 is incorporated herein by reference to the information labeled "OTHER INFORMATION - Transactions with Management" on page 37 in the 2002 Exelon Proxy Statement. ComEd The information required by Item 13 is incorporated herein by reference to the information under the subheading "Transactions with Management" under the heading "Other Information" in the 2002 ComEd Information Statement. PECO None.

PART IV ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K REPORT OF INDEPENDENT ACCOUNTANTS ON FINANCIAL STATEMENT SCHEDULE To the Shareholders and Board of Directors of Exelon Corporation: Our audits of the consolidated financial statements referred to in our report dated January 29, 2002, except for Note 25 for which the date is March 1, 2002, appearing in the 2001 Annual Report to Shareholders of Exelon Corporation (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedule listed in Item 14(a)(1)(ii) of this Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. PricewaterhouseCoopers LLP Chicago, Illinois January 29, 2002

(a) Financial Statements and Financial Statement Schedules (1) Exelon (i) Financial Statements Consolidated Statements of Income for the years 2001, 2000 and 1999 Consolidated Statements of Cash Flows for the years 2001, 2000 and 1999 Consolidated Balance Sheets as of December 31, 2001 and 2000 Consolidated Statements of Changes in Shareholders' Equity for the years 2001, 2000 and 1999 Consolidated Statements of Comprehensive Income for the years 2001, 2000 and 1999 Notes to Consolidated Financial Statements (ii) Financial Statement Schedule 152

EXELON CORPORATION AND SUBSIDIARY COMPANIES

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

(IN MILLIONS)

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E
		ADDITIONS			
DESCRIPTION	BALANCE AT BEGINNING OF YEAR	CHARGED TO COST AND EXPENSES	CHARGED TO OTHER ACCOUNTS	DEDUCTIONS	BALANCE AT END OF YEAR
FOR THE YEAR ENDED DECEMBER 31, 2001					
Allowance for Uncollectible Accounts	$ 200	$145	$ --	$132(a)	$ 213
Reserve for:					
Merger-Related Costs	$ 144	$ --	$ 41	$ 71	$ 114
Injuries and Damages	$ 69	$ 17	$ 2	$ 16(b)	$ 72
Environmental Investigation and Remediation	$ 171	$ 1	$ --	$ 16(c)	$ 156
Obsolete Materials	$ 103	$ 16	$ --	$101	$ 18
FOR THE YEAR ENDED DECEMBER 31, 2000					
Allowance for Uncollectible Accounts	$ 112	$ 87	$ 59(d)	$ 58(a)	$ 200
Reserve for:					
Merger-Related Costs	$ --	$ --	$149(e)	$ 5	$ 144
Injuries and Damages	$ 23	$ 9	$ 48(f)	$ 11(b)	$ 69
Environmental Investigation and Remediation	$ 57	$ 26	$ 98(e)	$ 10(c)	$ 171
Obsolete Materials	$ --	$ 48	$ 55(e)	$ 3	$ 100
FOR THE YEAR ENDED DECEMBER 31, 1999					
Allowance for Uncollectible Accounts	$ 122	$ 59	$ --	$ 69(a)	$ 112
Reserve for:					
Injuries and Damages	$ 27	$ 7	$ --	$ 11(b)	$ 23
Environmental Investigation and Remediation	$ 60	$ --	$ --	$ 3(c)	$ 57

(a) Write-off of individual accounts receivable.

(b) Payments of claims and related costs.

(c) Expenditures for site investigation and remediation.

(d) Includes October 20, 2000 opening balance of former Unicom Corporation of $48.

(e) Reflects October 20, 2000 opening balance of former Unicom Corporation.

(f) Reflects October 20, 2000 opening balance of former Unicom Corporation of $47 million.

(2) ComEd (i) Financial Statements Consolidated Statements of Income for the year 2001, the periods from October 20, 2000 to December 31, 2000 and from January 1, 2000 to October 19, 2000 and the year 1999 Consolidated Statements of Cash Flows for the year 2001, the periods from October 20, 2000 to December 31, 2000 and from January 1, 2000 to October 19, 2000 and the year 1999 Consolidated Balance Sheets as of December 31, 2001 and 2000 Consolidated Statements of Changes in Shareholders' Equity for the year 2001, the periods from October 20, 2000 to December 31, 2000 and from January 1, 2000 to October 19, 2000 and the year 1999 Consolidated Statements of Comprehensive Income for the year 2001, the periods from October 20, 2000 to December 31, 2000 and from January 1, 2000 to October 19, 2000 and the year 1999 Notes to Consolidated Financial Statements (ii) Financial Statement Schedule

COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

(IN MILLIONS)

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E	COLUMN F
		ADDITIONS				
DESCRIPTION	BALANCE AT BEGINNING OF YEAR	CHARGED TO COST AND EXPENSES	CHARGED TO OTHER ACCOUNTS	DEDUCTIONS	RESTRUCTURING TRANSFERS(A)	BALANCE AT END OF YEAR
FOR THE YEAR ENDED DECEMBER 31, 2001						
Allowance for Uncollectible Accounts	$ 60	$ 42	$ 1	$ 54	$ --	$ 49
Reserve for:						
Merger-Related Costs	$ 144	$ --	$ 33	$ 70	$ 45	$ 62
Injuries and Damages	$ 48	$ 4	$ --	$ 7(b)	$ 8	$ 37
Environmental Investigation and Remediation	$ 117	$ 1	$ --	$ 13(c)	$ --	$ 105
Obsolete Materials	$ 98	$ --	$ --	$ 14	$ 78	$ 6
FOR THE YEAR ENDED DECEMBER 31, 2000						
Allowance for Uncollectible Accounts	$ 49	$ 46	$ 11	$ 46	$ --	$ 60
Reserve for:						
Merger-Related Costs	$ --	$ --	$149	$ 5	$ --	$ 144
Injuries and Damages	$ 55	$ 10	$ 5	$ 22(b)	$ --	$ 48
Environmental Investigation and Remediation	$ 100	$ 26	$ --	$ 9(c)	$ --	$ 117
Obsolete Materials	$ 27	$ 57	$ 19	$ 5	$ --	$ 98
FOR THE YEAR ENDED DECEMBER 31, 1999						
Allowance for Uncollectible Accounts	$ 48	$ 89	$ --	$ 88	$ --	$ 49
Reserve for:						
Injuries and Damages	$ 47	$ 28	$ 7	$ 27(b)	$ --	$ 55
Environmental Investigation and Remediation	$ 32	$ 74	$ --	$ 6(c)	$ --	$ 100
Obsolete Materials	$ 24	$ 19	$ --	$ 16	$ --	$ 27
Closing Costs for Zion Station (d)	$ 79	$ --	$ --	$ 79	$ --	$ --

(a) Represents amounts transferred as part of the Corporate Restructuring. See ITEM 8. Financial Statements and Supplementary Information - ComEd, Note 2 of Notes to Consolidated Financial Statements.

(b) Payments of claims and related costs.

(c) Expenditures for site investigation and remediation.

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

(3) PECO (i) Financial Statements Consolidated Statements of Income for the years 2001, 2000 and 1999 Consolidated Statements of Cash Flows for the years 2001, 2000 and 1999 Consolidated Balance Sheets as of December 31, 2001 and 2000 Consolidated Statements of Changes in Shareholders' Equity for the years 2001, 2000 and 1999 Consolidated Statements of Comprehensive Income for the years 2001, 2000 and 1999 Notes to Consolidated Financial Statements (ii) Financial Statement Schedule 156

PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

(IN MILLIONS)

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E	COLUMN F
		ADDITIONS				
DESCRIPTION	BALANCE AT BEGINNING OF YEAR	CHARGED TO COST AND EXPENSES	CHARGED TO OTHER ACCOUNTS	DEDUCTIONS	RESTRUCTURING TRANSFERS(A)	BALANCE AT END OF YEAR
FOR THE YEAR ENDED DECEMBER 31, 2001						
Allowance for Uncollectible Accounts	$131	$ 69	$--	$ 67(b)	$23	$110
Reserve for:						
Injuries and Damages	$ 21	$ 13	$--	$ 9(c)	$--	$ 25
Environmental Investigation and Remediation	$ 54	$--	$--	$ 2(d)	$15	$ 37
Obsolete Materials	$ 3	$ 6	$--	$ 7	$ 1	$ 1
FOR THE YEAR ENDED DECEMBER 31, 2000						
Allowance for Uncollectible Accounts	$112	$ 68	$--	$ 49(b)	$--	$131
Reserve for:						
Injuries and Damages	$ 23	$ 7	$--	$ 9(c)	$--	$ 21
Environmental Investigation and Remediation	$ 57	$--	$--	$ 3(d)	$--	$ 54
FOR THE YEAR ENDED DECEMBER 31, 1999						
Allowance for Uncollectible Accounts	$122	$ 59	$--	$ 69(b)	$--	$112
Reserve for:						
Injuries and Damages	$ 27	$ 7	$--	$ 11(c)	$--	$ 23
Environmental Investigation and Remediation	$ 60	$--	$--	$ 3(d)	$--	$ 57

(a) Represents amounts transferred as part of the Corporate Restructuring. See ITEM 8. Financial Statements and Supplementary Information - ComEd, Note 2 of the Notes to Consolidated Financial Statements.

(b) Write-off of individual accounts receivable.

(c) Payments of claims and related costs.

(d) Expenditures for site investigation and remediation.

The individual financial statements and schedules of Exelon's and ComEd's nonconsolidated wholly owned subsidiaries have been omitted from their respective Annual Reports on Form 10-K because the investments are not material in relation to their respective financial positions or results of operations. As of December 31, 2001, the assets of the nonconsolidated subsidiaries, in the aggregate, were less than 1% of Exelon's and ComEd's consolidated assets. The 2001 revenues of the nonconsolidated subsidiaries, in the aggregate, were less than 1% of Exelon's and ComEd's consolidated annual revenues. (b) Reports on Form 8-K (1) Exelon Exelon filed Current Reports on Form 8-K during the fourth quarter of 2001 regarding the following items: Date of Earliest Event Reported Description of Item Reported - -------------- ---------------------------- October 23, 2001 "ITEM 5. OTHER EVENTS" regarding Exelon's earnings release for the third quarter of 2001. October 23, 2001 "ITEM 9. REGULATION FD DISCLOSURE" regarding highlights and clarifications of the Exelon Third Quarter Earnings Conference Call. October 29, 2001 "ITEM 9. REGULATION FD DISCLOSURE" regarding a presentation by John W. Rowe, Co-CEO and President of Exelon, at the Edison Electric Institute Conference. The exhibits under "ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS" include the slide presentation and additional information. November 28, 2001 "ITEM 9. REGULATION FD DISCLOSURE" regarding a press release issued by Exelon disclosing its direct net exposure to Enron. December 20, 2001 "ITEM 5. OTHER EVENTS" regarding the announcement by Exelon of its intention to purchase two generating plants from TXU Corp. and "ITEM 9. REGULATION FD DISCLOSURE" regarding additional information related to the acquisition.

(2) ComEd ComEd filed Current Reports on Form 8-K during the fourth quarter of 2001 regarding the following items: Date of Earliest Event Reported Description of Item Reported - -------------- --------------------------- October 23, 2001 "ITEM 5. OTHER EVENTS" regarding Exelon's earnings release for the third quarter of 2001. October 23, 2001 "ITEM 9. REGULATION FD DISCLOSURE" regarding highlights and clarifications of the Exelon Third Quarter Earnings Conference Call. October 29, 2001 "ITEM 9. REGULATION FD DISCLOSURE" regarding a presentation by John W. Rowe, Co-CEO and President of Exelon, at the Edison Electric Institute Conference. The exhibits under "ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS" include the slide presentation and additional information. (3) PECO PECO filed Current Reports on Form 8-K during the fourth quarter of 2001 regarding the following items: Date of Earliest Event Reported Description of Item Reported - -------------- --------------------------- October 23, 2001 "ITEM 5. OTHER EVENTS" regarding Exelon's earnings release for the third quarter of 2001. October 23, 2001 "ITEM 9. REGULATION FD DISCLOSURE" regarding highlights and clarifications of the Exelon Third Quarter Earnings Conference Call. October 29, 2001 "ITEM 9. REGULATION FD DISCLOSURE" regarding a presentation by John W. Rowe, Co-CEO and President of Exelon, at the Edison Electric Institute Conference. The exhibits under "ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS" include the slide presentation and additional information. October 30, 2001 "ITEM 5. OTHER EVENTS" regarding the issuance of a press release announcing the sale of $250 million of PECO first mortgage bonds through private placement.

(c) Exhibits Certain of the following exhibits are incorporated herein by reference under Rule 12b-32 of the Securities and Exchange Act of 1934, as amended. Certain other instruments which would otherwise be required to be listed below have not been so listed because such instruments do not authorize securities in an amount which exceeds 10% of the total assets of the applicable registrant and its subsidiaries on a consolidated basis and the relevant registrant agrees to furnish a copy of any such instrument to the Commission upon request. Exhibit No. Description - ----------- ----------- 2-1 Amended and Restated Agreement and Plan of Merger dated as of October 20, 2000, among PECO Energy Company, Exelon Corporation and Unicom Corporation (File No. 1-01401, PECO Energy Company Form 10-Q for the quarter ended September 30, 2000, Exhibit 2-1) 3-1 Articles of Incorporation of Exelon Corporation (Registration Statement No. 333-37082, Form S-4, Exhibit 3-1). 3-2 Bylaws of Exelon Corporation (Registration Statement No. 333-37082, Form S-4, Exhibit 3-2). 3-3 Amended and Restated Articles of Incorporation of PECO Energy Company (File No. 1-1401, 2000 Form 10-K, Exhibit 3-3). 3-4 Bylaws of PECO Energy Company, adopted February 26, 1990 and amended January 26, 1998 (File No. 1-01401, 1997 Form 10-K, Exhibit 3-2). 3-5 Restated Articles of Incorporation of Commonwealth Edison Company effective February 20, 1985, including Statements of Resolution Establishing Series, relating to the establishment of three new series of Commonwealth Edison Company preference stock known as the "$9.00 Cumulative Preference Stock," the "$6.875 Cumulative Preference Stock" and the "$2.425 Cumulative Preference Stock" (File No. 1-1839, 1994 Form 10-K, Exhibit 3-2). 3-6 Bylaws of Commonwealth Edison Company, effective September 2, 1998, as amended through October 20, 2000 (File No. 1-1839, 2000 Form 10-K, Exhibit 3-6). 4-1 364-day Credit Agreement, dated as of December 12, 2001, among Exelon Corporation, Commonwealth Edison Company, PECO Energy Company and Exelon Generation, LLC as Borrowers, certain banks named therein as Lenders, Bank One, N.A., as Administrative Agent, ABN AMRO Bank, N.V. and Barclays Bank plc, as Co-documentation Agents, Citibank, N.A. and First Union National Bank, as Co-syndication Agents and Banc One Capital Markets, Inc., as Lead Arranger and Sole Book Runner. 4-2 First and Refunding Mortgage dated May 1, 1923 between The Counties Gas and Electric Company (predecessor to PECO Energy Company) and Fidelity Trust Company, Trustee (First Union National Bank, successor), (Registration No. 2-2281, Exhibit B-1). 4-2-1 Supplemental Indentures to PECO Energy Company's First and Refunding Mortgage:

Dated as of File Reference Exhibit No. ----------- -------------- ----------- May 1, 1927 2-2881 B-1(c) March 1, 1937 2-2881 B-1(g) December 1, 1941 2-4863 B-1(h) November 1, 1944 2-5472 B-1(i) December 1, 1946 2-6821 7-1(j) September 1, 1957 2-13562 2(b)-17 May 1, 1958 2-14020 2(b)-18 March 1, 1968 2-34051 2(b)-24 March 1, 1981 2-72802 4-46 March 1, 1981 2-72802 4-47 December 1, 1984 1-01401, 1984 Form 10-K 4-2(b) April 1, 1991 1-01401, 1991 Form 10-K 4(e)-76 December 1, 1991 1-01401, 1991 Form 10-K 4(e)-77 April 1, 1992 1-01401, March 31, 1992 Form 10-Q 4(e)-79 June 1, 1992 1-01401, June 30, 1992 Form 10-Q 4(e)-81 July 15, 1992 1-01401, June 30, 1992 Form 10-Q 4(e)-83 September 1, 1992 1-01401, 1992 Form 10-K 4(e)-85 March 1, 1993 1-01401, 1992 Form 10-K 4(e)-86 May 1, 1993 1-01401, March 31, 1993 Form 10-Q 4(e)-88 May 1, 1993 1-01401, March 31, 1993 Form 10-Q 4(e)-89 August 15, 1993 1-01401, Form 8-A dated August 19, 1993 4(e)-92 May 1, 1995 1-01401, Form 8-K dated 4(e)-96 May 24, 1995 October 15, 2001 4-3 Exelon Corporation Dividend Reinvestment and Stock Purchase Plan. (Registration Statement No. 333-84446, Form S-3, Prospectus) 4-4 Mortgage of Commonwealth Edison Company to Illinois Merchants Trust Company, Trustee (BNY Midwest Trust Company, as current successor Trustee), dated July 1, 1923, as supplemented and amended by Supplemental Indenture thereto dated August 1, 1944. (File No. 2-60201, Form S-7, Exhibit 2-1). 4-3 Exelon Corporation Dividend Reinvestment and Stock Purchase Plan. (Registration Statement No. 333-84446, Form S-3, Prospectus) 4-4 Mortgage of Commonwealth Edison Company to Illinois Merchants Trust Company, Trustee (BNY Midwest Trust Company, as current successor Trustee), dated July 1, 1923, as supplemented and amended by Supplemental Indenture thereto dated August 1, 1944. (File No. 2-60201, Form S-7, Exhibit 2-1).

4-4-1 Supplemental Indentures to aforementioned Commonwealth Edison Mortgage. Dated as of File Reference Exhibit No. ----------- --- ----------- ----------- August 1, 1946 2-60201, Form S-7 2-1 April 1, 1953 2-60201, Form S-7 2-1 March 31, 1967 2-60201, Form S-7 2-1 April 1,1967 2-60201, Form S-7 2-1 February 28, 1969 2-60201, Form S-7 2-1 May 29, 1970 2-60201, Form S-7 2-1 June 1, 1971 2-60201, Form S-7 2-1 April 1, 1972 2-60201, Form S-7 2-1 May 31, 1972 2-60201, Form S-7 2-1 June 15, 1973 2-60201, Form S-7 2-1 May 31, 1974 2-60201, Form S-7 2-1 June 13, 1975 2-60201, Form S-7 2-1 May 28, 1976 2-60201, Form S-7 2-1 June 3, 1977 2-60201, Form S-7 2-1 May 17, 1978 2-99665, Form S-3 4-3 August 31, 1978 2-99665, Form S-3 4-3 June 18, 1979 2-99665, Form S-3 4-3 June 20, 1980 2-99665, Form S-3 4-3 April 16, 1981 2-99665, Form S-3 4-3 April 30, 1982 2-99665, Form S-3 4-3 April 15, 1983 2-99665, Form S-3 4-3 April 13, 1984 2-99665, Form S-3 4-3 April 15, 1985 2-99665, Form S-3 4-3 April 15, 1986 33-6879, Form S-3 4-9 June 15, 1990 33-38232, Form S-3 4-12 June 1, 1991 33-40018, Form S-3 4-12 October 1, 1991 33-40018, Form S-3 4-13 October 15, 1991 33-40018, Form S-3 4-14 February 1, 1992 1-1839, 1991 Form 10-K 4-18 May 15, 1992 33-48542, Form S-3 4-14 July 15, 1992 33-53766, Form S-3 4-13 September 15, 1992 33-53766, Form S-3 4-14 February 1, 1993 1-1839, 1992 Form 10-K 4-14 April 1, 1993 33-64028, Form S-3 4-12 April 15, 1993 33-64028, Form S-3 4-13 June 15, 1993 1-1839, Form 8-K dated May 4-1 July 15, 1993 1-1839, Form 10-Q for 4-1 quarter ended June 30, 1993. January 15, 1994 1-1839, 1993 Form 10-K 4-15 December 1, 1994 1-1839, 1994 Form 10-K 4-16 June 1, 1996 1-1839, 1996 Form 10-K 4-16 March 1, 2002 162

4-4-2 Instrument of Resignation, Appointment and Acceptance dated as of February 20, 2002, under the provisions of the Mortgage dated July 1, 1923, and Indentures Supplemental thereto, regarding corporate trustee. 4-4-3 Instrument dated as of January 31, 1996, under the provisions of the Mortgage dated July 1, 1923 and Indentures Supplemental thereto, regarding individual trustee (File No. 1-1839, 1995 Form 10-K, Exhibit 4-29). 4-5 Indenture dated as of September 1, 1987 between Commonwealth Edison Company and Citibank, N.A., Trustee relating to Notes (File No. 1-1839, Form S-3, Exhibit 4-13). 4-6-1 Supplemental Indentures to aforementioned Indenture. Dated as of File Reference Exhibit No. ----------- -------------- ----------- September 1, 1987 33-32929, Form S-3 4-16 January 1, 1997 1-1839, 1999 Form 10-K 4-21 September 1, 2000 1-1839, 2000 Form 10-K 4-7-3 10-1 Stock Purchase Agreement among Exelon (Fossil) Holdings, Inc., as Buyer and The Stockholders of Sithe Energies, Inc., as Sellers, and Sithe Energies, Inc. (File No. 0-16844, PECO Energy Company Form 10-Q for the quarter ended September 30, 2000, Exhibit 10-1). 10-2 Amended and restated employment agreement between Exelon Corporation and John W. Rowe dated as of November 26, 2001.* 10-3 Exelon Corporation Deferred Compensation Pension Benefit Plan* 10-4 Exelon Corporation Retirement Program 10-5 PECO Energy Company Unfunded Deferred Compensation Plan for Directors* (Registration Statement No. 333-49780, Form S-8, Exhibit 4-4). 10-6 Exelon Corporation Long-Term Incentive Plan As Amended and Restated effective January 28, 2002 * (File No. 1-16169, Exelon Proxy Statement dated March 13, 2002, Appendix B). 10-6-1 Forms of Restricted Stock Award Agreement under the Exelon Corporation Long-Term Incentive Plan.* 10-6-2 Forms of Transferable Stock Option Award Agreement under the Exelon Corporation Long-Term Incentive Plan.* 10-6-3 Forms of non-transferable Stock Option Award Agreement under the Exelon Corporation Long-Term Incentive Plan* 10-7 PECO Energy Company Management Incentive Compensation Plan *(File No. 1-01401, 1997 Proxy Statement, Appendix A). 10-8 PECO Energy Company 1998 Stock Option Plan * (Registration Statement No. 333-37082, Post-Effective Amendment No. 1 to Form S-4, Exhibit 4-3). 10-9 Exelon Corporation Employee Savings Plan

10-10 Second Amended and Restated Trust Agreement for PECO Energy Transition Trust (File No. 333-58055, PECO Energy Transition Trust Report on Form 8-K dated May 2, 2000, Exhibit 4.1). 10-11 Indenture dated as of March 1, 1999 between PECO Energy Transition Trust and The Bank of New York. (File No. 333-58055, PECO Energy Transition Trust Report on Form 8-K dated March 25, 1999, Exhibit 4.3.1). 10-11-1 Series Supplement dated as of March 25, 1999 between PECO Energy Transition Trust and The Bank of New York. (File No. 333-58055, PECO Energy Transition Trust Report on Form 8-K dated March 25, 1999, Exhibit 4.3.2). 10-11-2 Series Supplement dated as of March 1, 2001 between PECO Energy Transition Trust and The Bank of New York. (File No. 333-58055, PECO Energy Transition Trust Report on Form 8-K dated March 1, 2001, Exhibit 4.3.2). 10-11-3 Series Supplement dated as of May 2, 2000 between PECO Energy Transition Trust and The Bank of New York (File No. 333-58055, PECO Energy Transition Trust Report on Form 8-K dated May 2, 2000, Exhibit 4.3.2). 10-12 Intangible Transition Property Sale Agreement dated as of March 25,1999, as amended and restated as of May 2, 2000, between PECO Energy Transition Trust and PECO Energy Company. (File No. 333-58055, PECO Energy Transition Trust Report on Form 8-K dated May 2, 2000, Exhibit 10.1). 10-12-1 Amendment No. 1 to Intangible Transition Property Sale Agreement dated as of March 25, 1999, as amended and restated as of May 2, 2000 (File No. 1-01401, PECO Energy Company and PECO Energy Transition Trust Report on Form 8-K dated March 1, 2001). 10-13 Master Servicing Agreement dated as of March 25, 1999, as amended and restated as of May 2, 2000, between PECO Energy Transition Trust and PECO Energy Company. (File No. 333-58055, PECO Energy Transition Trust Current Report on Form 8-K dated May 2, 2000, Exhibit 10.2). 10-13-1 Amendment No. 1 to Master Servicing Agreement dated as of March 25, 1999, as amended and restated as of May 2, 2000 (File No. 1-01401, PECO Energy Company and PECO Energy Transition Trust Report on Form 8-K dated March 1, 2001). 10-14 Exelon Corporation Cash Balance Pension Plan 164

10-15 Joint Petition for Full Settlement of PECO Energy Company's Restructuring Plan and Related Appeals and Application for a Qualified Rate Order and Application for Transfer of Generation Assets dated April 29, 1998. (Registration Statement No. 333-58055, Exhibit 10.3). 10-16 Joint Petition for Full Settlement of PECO Energy Company's Application for Issuance of Qualified Rate Order Under Section 2812 of the Public Utility Code dated March 8, 2000 (Amendment No. 1 to Registration Statement No. 333-31646, Exhibit 10.4). 10-17 Unicom Corporation Amended and Restated Long-Term Incentive Plan *(File No. 1-11375, Unicom Proxy Statement dated April 7, 1999, Exhibit A). 10-17-1 First Amendment to Unicom Corporation Amended and Restated Long Term Incentive Plan *(Registration Statement No. 333-49780, Form S-8, Exhibit 4-8). 10-17-2 Second Amendment to Unicom Corporation Amended and Restated Long Term Incentive Plan *(Registration Statement No. 333-49780, Form S-8, Exhibit 4-9). 10-18 Unicom Corporation General Provisions Regarding 1996 Stock Option Awards Granted under the Unicom Corporation and Long-Term Incentive Plan. *(File Nos. 1-11375 and 1-1839, 1996 Form 10-K, Exhibit 10-9). 10-19 Unicom Corporation General Provisions Regarding 1996B Stock Option Awards Granted under the Unicom Corporation Long-Term Incentive Plan. *(File Nos. 1-11375 and 1-1839, 1996 Form 10-K, Exhibit 10-8). 10-20 Unicom Corporation General Provisions Regarding Stock Option Awards Granted under the Unicom Corporation Long-Term Incentive Plan (Effective July 10, 1997) *(File Nos. 1-11375 and 1-1839, 1999 Form 10-K, Exhibit 10-8). 10-21 Unicom Corporation Deferred Compensation Unit Plan, as amended *(File Nos. 1-11375 and 1-1839, 1995 Form 10-K, Exhibit 10-12). 10-22 Exelon Corporation Corporate Stock Referral Plan* 10-23 Unicom Corporation Retirement Plan for Directors, as amended *(Registration Statement No. 333-49780, Form S-8, Exhibit 4-12). 10-24 Commonwealth Edison Company Retirement Plan for Directors, as amended *(Registration Statement No. 333-49780, Form S-8, Exhibit 4-13). 10-25 Unicom Corporation 1996 Directors' Fee Plan *(File No. 1-11375, Unicom Proxy Statement dated April 8, 1996, Appendix A).

10-25-1 Second Amendment to Unicom Corporation 1996 Directors Fee Plan *(Registration Statement No. 333-49780, Form S-8, Exhibit 4-11). 10-26 Employment Agreement dated November 1, 1997 between Commonwealth Edison Company and Oliver D. Kingsley, Jr. (File Nos. 1-11375 and 1-1839, 1998 Form 10-K, Exhibit 10-22). 10-27 Change in Control Agreement between Unicom Corporation, Commonwealth Edison Company and certain senior executives *(File Nos. 1-11375 and 1-1839, 1998 Form 10-K, Exhibit 10-24). 10-27-1 Forms of Change in Control Agreement Between PECO Energy Company and Certain Employees *(File No. 1-1401, 2000 Form 10-K, Exhibit 10-25-1). 10-28 Commonwealth Edison Company Executive Group Life Insurance Plan *(File No. 1-1839, 1980 Form 10-K, Exhibit 10-3). 10-28-1 Amendment to the Commonwealth Edison Company Executive Group Life Insurance Plan *(File No. 1-1839, 1981 Form 10K, Exhibit 10-4). 10-28-2 Amendment to the Commonwealth Edison Company Executive Group Life Insurance Plan dated December 12, 1986 *(File No. 1-1839, 1986 Form 10-K, Exhibit 10-6). 10-28-3 Amendment to the Commonwealth Edison Company Executive Group Life Insurance Plan to implement program of "split dollar life insurance" dated December 13, 1990 *(File No. 1-1839, 1990 Form 10-K, Exhibit 10-10). 10-28-4 Amendment to Commonwealth Edison Company Executive Group Life Insurance Plan to stabilize the death benefit applicable to participants dated July 22, 1992 *(File No. 1-1839, 1992 Form 10-K, Exhibit 10-13). 10-29 First Amendment to Exelon Corporation Employee Savings Plan 10-29-1 First Amendment to the Commonwealth Edison Company Supplemental Management Retirement Plan. *(File No. 1-1839, 2000 Form 10-K, Exhibit 10-27-1) 10-30 Second Amendment and Restated Exelon Corporation Key Management Severance Plan* 10-31 Forms of Change in Control Agreement between Exelon Corporation and Certain Senior Executives.

10-32 Amendment No. 1 to Exelon Corporation Supplemental Executive Retirement Plan* 10-33 Form of Stock Award Agreement under the Unicom Corporation Long-Term Incentive Plan *(File Nos. 1-11375 and 1-1839, 1997 Form 10-K, Exhibit 10-37). 10-34 Amended and Restated Key Management Severance Plan for Unicom Corporation and Commonwealth Edison Company dated March 8, 1999 *(File No. 1-1839, 1999 Form 10-K, Exhibit 10-38). 10-34-1 Exelon Corporation Employee Stock Purchase Plan (Registration Statement No. 333-61390, Form S-8, Exhibit 4.2). 10-34-2 First Amendment to the Exelon Corporation Employee Stock Purchase Plan. 10-35 PECO Energy Company Supplemental Pension Benefit Plan (As Amended and Restated January 1, 2001)* 10-36 Exelon Corporation 2001 Performance Share Awards for Power Team Employees Under the Exelon Corporation Long Term Incentive Plan* 16 Arthur Andersen Letter to Securities and Exchange Commission regarding the change in certifying accountant (File No. 1-01839, Exelon Corporation Report on Form 8-K dated November 28, 2000, Exhibit 16). 18-1 Letter from PricewaterhouseCoopers LLP addressed to Exelon Corporation concerning a change in accounting principles (File No. 1-16169, 2000 Form 10-K, Exhibit 18-1). 18-2 Letter from PricewaterhouseCoopers LLP addressed to PECO Energy Company concerning a change in accounting principles (File No. 1-1401, 2000 Form 10-K, Exhibit 10-30-1). 21 Subsidiaries 21-1 Exelon Corporation 21-2 Commonwealth Edison Company (File No. 1-1839, 2000 Form 10-K, Exhibit 21-3). 21-3 PECO Energy Company (File No. 1-1401, 2000 Form 10-K, Exhibit 21-2).

23 Consent of Independent Accountants 23-1 Exelon Corporation 23-2-1 Commonwealth Edison Company 23-2-2 Commonwealth Edison Company 23-3 PECO Energy Company 99 Exelon Corporation's Current Report on Form 8-K dated February 28, 2002, File No. 1-16169. - --- * Compensatory plan or arrangements in which directors or officers of the applicable registrant participate and which are not available to all employees.

SIGNATURES Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Chicago and State of Illinois on the 1st day of April, 2002. EXELON CORPORATION By: /S/ Corbin A. McNeill, Jr. ------------------------------- Name: Corbin A. McNeill, Jr. Title: Chairman and Co-Chief Executive Officer By: /S/ John W. Rowe ------------------------------- Name: John W. Rowe Title: President and Co-Chief Executive Officer Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities indicated on the 1st day of April, 2002. Signature Title --------- ----- /S/ Corbin A. McNeill, Jr. Chairman and Co-Chief Executive Officer and Director - ---------------------------- Corbin A. McNeill, Jr. (Co-Chief Executive Officer) /S/ John W. Rowe President and Co-Chief Executive Officer and Director - ---------------------------- John W. Rowe (Co-Chief Executive Officer) /S/ Ruth Ann M. Gillis Senior Vice President and Chief Financial Officer - ---------------------------- Ruth Ann M. Gillis (Principal Financial and Accounting Officer) This annual report has also been signed below by John W. Rowe and Randall E. Mehrberg, Attorneys-in-Fact, on behalf of the following Directors on the date indicated: EDWARD A. BRENNAN RICHARD H. GLANTON CARLOS H. CANTU ROSEMARIE B. GRECO DANIEL L. COOPER EDGAR D. JANNOTTA M. WALTER D'ALESSIO JOHN M. PALMS, PH.D. BRUCE DEMARS JOHN W. ROGERS, JR. G. FRED DIBONA, JR. RONALD RUBIN SUE L. GIN RICHARD L. THOMAS By: /S/ John W. Rowe April 1, 2002 -- Name: John W. Rowe Title: President and Co-Chief Executive Officer By: /S/ Randall E. Mehrberg April 1, 2002 -- Name: Randall E. Mehrberg Title: Senior Vice President and General Counsel

SIGNATURES Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Chicago and State of Illinois on the 1st day of April, 2002. COMMONWEALTH EDISON COMPANY By: /S/ John W. Rowe ------------------------------ Name: John W. Rowe Title: President, Co-Chief Executive Officer and Chairman By: /S/ Corbin A. McNeill, Jr. ------------------------------ Name: Corbin A. McNeill, Jr. Title: Co-Chief Executive Officer Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities indicated on the 1st day of April, 2002. Signature Title --------- ----- /S/ John W. Rowe President, Co-Chief Executive Officer and Chairman - --------------------------- John W. Rowe /S/ Corbin A. McNeill, Jr. Co-Chief Executive Officer - --------------------------- Corbin A. McNeill, Jr. /S/ Robert E. Berdelle Vice President and Chief Financial Officer - --------------------------- Robert E. Berdelle (Principal Financial and Accounting Officer) /S/ Pamela B. Strobel Chairman - --------------------------- Pamela B. Strobel (Principal Executive Officer) /S/ Ruth Ann M. Gillis Director - --------------------------- Ruth Ann M. Gillis /S/ Kenneth G. Lawrence Director - --------------------------- Kenneth G. Lawrence 170

SIGNATURES Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Chicago and State of Illinois on the 1st day of April, 2002. PECO ENERGY COMPANY By: /S/ Corbin A. McNeill, Jr. ------------------------------ Name: Corbin A. McNeill, Jr. Title: President, Co-Chief Executive Officer and Chairman By: /S/ John W. Rowe ------------------------------- Name: John W. Rowe Title: Co-Chief Executive Officer Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities indicated on the 1st day of April, 2002. Signature Title --------- ----- /S/ Corbin A. McNeill, Jr. President, Co-Chief Executive Officer and Chairman - --------------------------- Corbin A. McNeill, Jr. /S/ John W. Rowe Co-Chief Executive Officer - --------------------------- John W. Rowe /S/ Frank F. Frankowski Vice President, Finance and Chief Financial Officer - --------------------------- Frank F. Frankowski (Principal Financial and Accounting Officer) /S/ Pamela B. Strobel Chairman - --------------------------- Pamela B. Strobel (Principal Executive Officer) /S/ Ruth Ann M. Gillis Director - --------------------------- Ruth Ann M. Gillis /S/ Kenneth G. Lawrence Director - --------------------------- Kenneth G. Lawrence

Exhibit 4-1

$1,500,000,000

364-DAY CREDIT AGREEMENT

dated as of December 12, 2001

among

EXELON CORPORATION,

COMMONWEALTH EDISON COMPANY,

PECO ENERGY COMPANY

and

EXELON GENERATION COMPANY, LLC

as Borrowers

VARIOUS FINANCIAL INSTITUTIONS

as Lenders

BANK ONE, NA

as Administrative Agent

ABN AMRO BANK, N.V.

and

BARCLAYS BANK PLC

as Co-Documentation Agents

and

CITIBANK, N.A.

and

FIRST UNION NATIONAL BANK

as Co-Syndication Agents

BANC ONE CAPITAL MARKETS, INC.

Lead Arranger and Sole Book Runner

364-DAY CREDIT AGREEMENT
dated as of December 12, 2001

EXELON CORPORATION, COMMONWEALTH EDISON COMPANY, PECO ENERGY COMPANY, EXELON GENERATION COMPANY, LLC, the banks listed on the signature pages hereof, BANK ONE, NA, as Administrative Agent, ABN AMRO BANK, N.V. and BARCLAYS BANK PLC, as Co-Documentation Agents, and CITIBANK, N.A. and FIRST UNION NATIONAL BANK, as Co-Syndication Agents hereby agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01 Certain Defined Terms. As used in this Agreement, each of the following terms shall have the meaning set forth below (each such meaning to be equally applicable to both the singular and plural forms of the term defined):

"Administrative Agent" means Bank One in its capacity as administrative agent for the Lenders pursuant to Article VII, and not in its individual capacity as a Lender, and any successor Administrative Agent appointed pursuant to Section 7.06.

"Advance" means an advance by a Lender to a Borrower hereunder. An Advance may be a Base Rate Advance or a Eurodollar Rate Advance, each of which shall be a "Type" of Advance.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person.

"Agents" means the Administrative Agent, the Co-Documentation Agents and the Co-Syndication Agents; and "Agent" means any one of the foregoing.

"Applicable Lending Office" means, with respect to each Lender, such Lender's Domestic Lending Office in the case of a Base Rate Advance and such Lender's Eurodollar Lending Office in the case of a Eurodollar Rate Advance.

"Applicable Margin" - see Schedule II.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Administrative Agent, in substantially the form of Exhibit C hereto.

"Bank One" means Bank One, NA, a national banking association with its main office in Chicago, Illinois.

"Base Rate" means, for any period, a fluctuating interest rate per annum which rate per annum shall at all times be equal to the higher of:

(a) the Prime Rate; and

(b) the sum of 0.5% per annum plus the Federal Funds Rate in effect from time to time.

"Base Rate Advance" means an Advance that bears interest as provided in Section 2.06(a).

"Borrowers" means Exelon, ComEd, PECO and Genco; and "Borrower" means any one of the foregoing.

"Borrowing" means a group of Advances to the same Borrower of the same Type made, continued or converted on the same day by the Lenders ratably according to their Pro Rata Shares and, in the case of a Borrowing of Eurodollar Rate Advances, having the same Interest Period.

"Business Day" means a day on which banks are not required or authorized to close in Philadelphia, Pennsylvania, Chicago, Illinois or New York, New York, and, if the applicable Business Day relates to any Eurodollar Rate Advances, on which dealings are carried on in the London interbank market.

"Closing Date" shall mean the date on which all conditions precedent to the initial Credit Extension have been satisfied.

"Code" means the Internal Revenue Code of 1986, and the regulations promulgated thereunder, in each case as amended, reformed or otherwise modified from time to time.

"Co-Documentation Agent" means each of ABN AMRO Bank, N.V. and Barclays Bank plc in its capacity as a co-documentation agent hereunder.

"Commitment" means, for any Lender, such Lender's commitment to make Advances and participate in Facility LCs for the account of each Borrower hereunder.

"Commitment Amount" means, for any Lender at any time, the amount set forth opposite such Lender's name on the signature pages hereof or, if such Lender has entered into any Assignment and Acceptance, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 8.07(c), as such amount may be reduced pursuant to Section 2.04.

"Commitment Termination Date" means, with respect to any Borrower, the earlier of (i) December 11, 2002 or such later date to which the scheduled Commitment Termination Date may be extended pursuant to Section 2.17 (or, if any such date is not a Business Day, the next preceding Business Day) or (ii) the date of termination in whole of the Commitments to such Borrower pursuant to Section 2.04 or 6.01.

"ComEd" means Commonwealth Edison Company, an Illinois corporation, or any Eligible Successor thereof.

"ComEd Sublimit" means $300,000,000, subject to adjustment as provided in Section 2.04(c).

"ComEd Mortgage" means the Mortgage, dated July 1, 1923, as amended and supplemented by supplemental indentures, including the Supplemental Indenture, dated August 1, 1944, from ComEd to Harris Trust and Savings Bank and D.G. Donovan, as trustees; provided that no effect shall be given to any amendment, supplement or refinancing after the date of this Agreement that would broaden the definition of "permitted liens" as defined in the ComEd Mortgage as constituted on the date of this Agreement.

"Consolidated Adjusted Total Capitalization" means, for any Borrower, the sum, without duplication, of the following with respect to such Borrower and its consolidated Subsidiaries determined on a consolidated basis (exclusive, in each case, to the extent otherwise included in such item, of (i) Nonrecourse Indebtedness of any Subsidiary of such Borrower and (ii) the aggregate principal amount of Transitional Funding Instruments of such Borrower and its consolidated Subsidiaries): (a) total capitalization as of such date, as determined in accordance with GAAP without, in the case of PECO, giving effect to the "Receivable from Parent" recorded as a debit to shareholders' equity on PECO's books in connection with the corporate restructuring described in Exelon's Form 10-Q filed with the Securities and Exchange Commission on May 15, 2001, (b) the current portion of liabilities which as of such date would be classified in whole or part as long-term debt in accordance with GAAP (it being understood that the noncurrent portion of such liabilities is included in the total capitalization referred to in clause (a)), (c) all obligations as lessee which, in accordance with GAAP, are capitalized as liabilities (including the current portion thereof), and (d) all other liabilities which would be classified as short-term debt in accordance with GAAP (including, without limitation, all liabilities of the types classified as "Notes Payable, Bank" on the audited balance sheets of PECO and Exelon for December 31, 2000).

"Consolidated Adjusted Total Debt" means, for any Borrower, the sum, without duplication, of the following with respect to such Borrower and its consolidated Subsidiaries determined on a consolidated basis (exclusive, in each case, to the extent otherwise included in such item, of (i) Nonrecourse Indebtedness of any Subsidiary of such Borrower, (ii) the aggregate principal amount of Subordinated Deferrable Interest Securities of such Borrower and its Subsidiaries and (iii) the aggregate principal amount of Transitional Funding Instruments of such Borrower and its Subsidiaries): (a) all liabilities which as of such date would be classified in whole or in part as long-term debt in accordance with GAAP (including the current portion thereof), (b) all obligations as lessee which, in accordance with GAAP, are capitalized as liabilities (including the current portion thereof), and (c) all other liabilities which would be classified as short-term debt in accordance with GAAP (including, without limitation, all liabilities of the types classified as "Notes Payable, Bank" on the audited balance sheets of PECO and Exelon for December 31, 2000).

"Controlled Group" means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control that, together with Exelon or any Subsidiary, are treated as a single employer under Section 414(b) or 414(c) of the Code.

"Co-Syndication Agent" means each of Citibank, N.A. and First Union National Bank in its capacity as co-syndication agent hereunder.

"Credit Extension" means the making of an Advance or the issuance or modification of a Facility LC hereunder.

"Debt" means (i) indebtedness for borrowed money, (ii) obligations evidenced by bonds, debentures, notes or other similar instruments (iii) obligations to pay the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of business), (iv) obligations as lessee under leases that shall have been or are required to be, in accordance with GAAP, recorded as capital leases, (v) obligations (contingent or otherwise) under reimbursement or similar agreements with respect to the issuance of letters of credit (other than obligations in respect of documentary letters of credit opened to provide for the payment of goods or services purchased in the ordinary course of business) and (vi) obligations under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (i) through (v) above.

"Domestic Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Domestic Lending Office" opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify to the Borrowers and the Administrative Agent.

"Eligible Assignee" means (i) a commercial bank organized under the laws of the United States, or any State thereof; (ii) a commercial bank organized under the laws of any other country that is a member of the OECD or has concluded special lending arrangements with the International Monetary Fund associated with its General Arrangements to Borrow, or a political subdivision of any such country, provided that such bank is acting through a branch or agency located in the United States; (iii) a finance company, insurance company or other financial institution or fund (whether a corporation, partnership or other entity) engaged generally in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business; or (iv) the central bank of any country that is a member of the OECD; provided, however, that, unless otherwise agreed by Exelon and the Administrative Agent in their sole discretion, (A) any such Person described in clause (i), (ii) or (iii) above shall also (x) have outstanding unsecured long-term debt that is rated BBB- or better by S&P and Baa3 or better by Moody's (or an equivalent rating by another nationally recognized credit rating agency of similar standing if either such corporation is no longer in the business of rating unsecured indebtedness of entities engaged in such businesses) and (y) have combined capital and surplus (as established in its most recent report of condition to its primary regulator) of not less than $100,000,000 (or its equivalent in foreign currency), and (B) any Person described in clause (ii), (iii) or (iv) above shall, on the date on which it is to become a Lender hereunder, be entitled to receive payments hereunder without deduction or withholding of any United States Federal income taxes (as contemplated by Section 2.14(e)).

"Eligible Successor" means a Person which (i) is a corporation, limited liability company or business trust duly incorporated or organized, validly existing and in good standing under the

laws of one of the states of the United States or the District of Columbia, (ii) as a result of a contemplated acquisition, consolidation or merger, will succeed to all or substantially all of the consolidated business and assets of a Borrower and its Subsidiaries, (iii) upon giving effect to such contemplated acquisition, consolidation or merger, will have all or substantially all of its consolidated business and assets conducted and located in the United States and (iv) is acceptable to the Majority Lenders as a credit matter.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder, each as amended and modified from time to time.

"Eurocurrency Liabilities" has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurodollar Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Eurodollar Lending Office" opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify to the Borrowers and the Administrative Agent.

"Eurodollar Rate" means, for each Interest Period for each Eurodollar Rate Advance made as part of a Borrowing, an interest rate per annum equal to the average (rounded upward to the nearest whole multiple of 1/16 of 1% per annum, if such average is not such a multiple) of the rates per annum at which deposits in U.S. dollars are offered by the principal office of each of the Reference Banks in London, England, to prime banks in the London interbank market at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to such Reference Bank's Eurodollar Rate Advance made as part of such Borrowing and for a period equal to such Interest Period. The Eurodollar Rate for each Interest Period for each Eurodollar Rate Advance made as part of a Borrowing shall be determined by the Administrative Agent on the basis of applicable rates furnished to and received by the Administrative Agent from the Reference Banks two Business Days before the first day of such Interest Period, subject, however, to the provisions of Section 2.08.

"Eurodollar Rate Advance" means any Advance that bears interest as provided in Section 2.06(b).

"Eurodollar Rate Reserve Percentage" of any Lender for any Interest Period means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for such Lender with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"Event of Default" - see Section 6.01.

"Exchange Act" means the Securities Exchange Act of 1934, as amended and modified from time to time.

"Exelon" means Exelon Corporation, a Pennsylvania corporation, or any Eligible Successor thereof.

"Exelon Sublimit" means $900,000,000, subject to adjustment as provided in Section 2.04(c).

"Existing Agreement" means the 364-Day Credit Agreement dated as of December 19, 2000 among Exelon, PECO, ComEd, various financial institutions and Bank One, as Administrative Agent, as amended prior to the Closing Date.

"Facility Fee Rate" - see Schedule II.

"Facility LC" is defined in Section 2.16.1. "Facility LC Application" is defined in Section 2.16.3.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Final Termination Date" means, with respect to any Borrower, the earlier of (i) the date on or after the Commitment Termination Date for such Borrower on which all of such Borrower's obligations hereunder have been paid in full and all Facility LC's issued for the account of such Borrower have expired or been terminated and (ii) the date on which all of such Borrower's obligations hereunder have become due and payable (pursuant to Section 6.01 or otherwise).

"GAAP" - see Section 1.03.

"Genco" means Exelon Generation Company, LLC, a Pennsylvania limited liability company, or any Eligible Successor thereof.

"Genco Sublimit" means zero, subject to adjustment as provided in Section 2.04(c); provided that the Genco Sublimit may not be increased prior to the date on which the conditions precedent to the initial Advance to Genco set forth in Section 3.03 have been satisfied.

"Granting Bank" - see Section 8.07(h).

"Interest Period" means, for each Eurodollar Rate Advance, the period commencing on the date of such Eurodollar Rate Advance is made or is converted from a Base Rate Advance and

ending on the last day of the period selected by the applicable Borrower pursuant to the provisions below and, thereafter, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period selected by such Borrower pursuant to the provisions below. The duration of each such Interest Period shall be 1, 2, 3 or 6 months, as the applicable Borrower may select in accordance with Section 2.02 or 2.09; provided that:

(i) no Borrower may select any Interest Period that ends after the scheduled Commitment Termination Date;

(ii) Interest Periods commencing on the same date for Advances made as part of the same Borrowing shall be of the same duration;

(iii) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, unless such extension would cause the last day of such Interest Period to occur in the next following calendar month, in which case the last day of such Interest Period shall occur on the next preceding Business Day; and

(iv) if there is no day in the appropriate calendar month at the end of such Interest Period numerically corresponding to the first day of such Interest Period, then such Interest Period shall end on the last Business Day of such appropriate calendar month.

"LC Fee Rate" - see Schedule II.

"LC Issuer" means Bank One in its capacity as issuer of Facility LCs hereunder.

"LC Obligations" means, with respect to any Borrower at any time, the sum, without duplication, of (i) the aggregate undrawn stated amount under all Facility LCs issued for the account of such Borrower outstanding at such time plus (ii) the aggregate unpaid amount at such time of all Reimbursement Obligations of such Borrower.

"LC Payment Date" is defined in Section 2.16.5.

"Lead Arranger" means Banc One Capital Markets in its capacity as Lead Arranger and Sole Book Runner.

"Lenders" means each of the financial institutions listed on the signature pages hereof and each Eligible Assignee that shall become a party hereto pursuant to Section 8.07.

"Letter of Credit Sublimit" means $100,000,000.

"Lien" means any lien (statutory or other), mortgage, pledge, security interest or other charge or encumbrance, or any other type of preferential arrangement (including, without limitation, the interest of a vendor or lessor under any conditional sale, capitalized lease or other title retention agreement).

"Leverage Ratio" means, for any Borrower, the ratio of such Borrower's Consolidated Adjusted Total Debt to such Borrower's Consolidated Adjusted Total Capitalization.

"Majority Lenders" means Lenders having Pro Rata Shares of more than 50% (provided that, for purposes of this definition, no Borrower nor any Affiliate of a Borrower, if a Lender, shall be included in calculating the amount of any Lender's Pro Rata Share or the amount of the Commitment Amounts or Outstanding Credit Extensions, as applicable, required to constitute more than 50% of the Pro Rata Shares).

"Material Adverse Change" and "Material Adverse Effect" each means, relative to any occurrence, fact or circumstances of whatsoever nature (including, without limitation, any determination in any litigation, arbitration or governmental investigation or proceeding) with respect to any Borrower, (i) any materially adverse change in, or materially adverse effect on, the financial condition, operations, assets or business of such Borrower and its consolidated Subsidiaries, taken as a whole, or (ii) any materially adverse effect on the validity or enforceability against such Borrower of this Agreement or any applicable Note.

"Material Subsidiary" means, with respect to Exelon, each of ComEd, PECO and Genco and any holding company for any of the foregoing.

"Modify" and "Modification" are defined in Section 2.16.1.

"Moody's" means Moody's Investors Service, Inc.

"Moody's Rating" means, at any time for any Borrower, the rating issued by Moody's and then in effect with respect to such Borrower's senior unsecured long-term public debt securities without third-party credit enhancement (it being understood that if such Borrower does not have any outstanding debt securities of the type described above but has an indicative rating from Moody's for debt securities of such type, then such indicative rating shall be used for determining the "Moody's Rating").

"Multiemployer Plan" means a Plan maintained pursuant to a collective bargaining agreement or any other arrangement to which Exelon or any other member of the Controlled Group is a party to which more than one employer is obligated to make contributions.

"Nonrecourse Indebtedness" means any Debt that finances the acquisition, development, ownership or operation of an asset in respect of which the Person to which such Debt is owed has no recourse whatsoever to any Borrower or any of their respective Affiliates other than:

(i) recourse to the named obligor with respect to such Debt (the "Debtor") for amounts limited to the cash flow or net cash flow (other than historic cash flow) from the asset;

(ii) recourse to the Debtor for the purpose only of enabling amounts to be claimed in respect of such Debt in an enforcement of any security interest or lien given by the Debtor over the asset or the income, cash flow or other proceeds deriving from the asset (or given by any shareholder or the like in the Debtor over its shares or like interest in the capital of the Debtor) to secure the Debt, but only

if the extent of the recourse to the Debtor is limited solely to the amount of any recoveries made on any such enforcement; and

(iii) recourse to the Debtor generally or indirectly to any Affiliate of the Debtor, under any form of assurance, undertaking or support, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specified way) for a breach of an obligation (other than a payment obligation or an obligation to comply or to procure compliance by another with any financial ratios or other tests of financial condition) by the Person against which such recourse is available.

"Note" means a promissory note of a Borrower payable to the order of a Lender, in substantially the form of Exhibit A hereto, evidencing the aggregate indebtedness of such Borrower to such Lender resulting from the Advances made by such Lender to such Borrower.

"Notice of Borrowing" - see Section 2.02(a).

"OECD" means the Organization for Economic Cooperation and Development.

"Outstanding Credit Extensions" means, with respect to any Borrower, the sum of the aggregate principal amount of all outstanding Advances to such Borrower plus all LC Obligations of such Borrower.

"PBGC" means the Pension Benefit Guaranty Corporation and any entity succeeding to any or all of its functions under ERISA.

"PECO" means PECO Energy Company, a Pennsylvania corporation, or any Eligible Successor thereof.

"PECO Mortgage" means the First and Refunding Mortgage, dated as of May 1, 1923, between The Counties Gas & Electric Company (to which PECO is successor) and Fidelity Trust Company, Trustee (to which First Union National Bank is successor), as amended, supplemented or refinanced from time to time, provided that no effect shall be given to any amendment, supplement or refinancing after the date of this Agreement that would broaden the definition of "excepted encumbrances" as defined in the PECO Mortgage as constituted on the date of this Agreement.

"PECO Sublimit" means $300,000,000, subject to adjustment as provided in Section 2.04(c).

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

"Plan" means an employee pension benefit plan that is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code as to which Exelon or any other member of the Controlled Group may have any liability.

"Prime Rate" means a rate per annum equal to the prime rate of interest announced by Bank One or by its parent, BANK ONE CORPORATION (which is not necessarily the lowest rate charged to any customer), changing when and as said prime rate changes.

"Principal Subsidiary" means, with respect to a Borrower, (i) each Utility Subsidiary of such Borrower (other than Commonwealth Edison Company of Indiana, Inc., so long as it does not qualify as a Principal Subsidiary under the following clause (ii)) and (ii) each other Subsidiary of such Borrower the assets of which exceeded $150,000,000 in book value at any time during the preceding 24-month period.

"Pro Rata Share" means, with respect to a Lender, a portion equal to a fraction the numerator of which is such Lender's Commitment Amount (plus, after the Commitments have terminated with respect to any Borrower, the principal amount of such Lender's outstanding Advances to such Borrower plus the amount of such Lender's participation in all of such Borrower's LC Obligations) and the denominator of which is the aggregate amount of the Commitment Amounts (plus, after the Commitments have terminated with respect to any Borrower, the principal amount of all outstanding Advances to such Borrower plus all LC Obligations of such Borrower).

"Reference Banks" means Bank One, Citibank, N.A. and First Union National Bank.

"Register" - see Section 8.07(c).

"Reimbursement Obligations" means, with respect to any Borrower at any time, the aggregate of all obligations of such Borrower then outstanding under Section 2.16 to reimburse the LC Issuer for amounts paid by the LC Issuer in respect of any one or more drawings under Facility LCs.

"Reportable Event" means a reportable event as defined in Section 4043 of ERISA and regulations issued under such section with respect to a Plan, excluding, however, such events as to which the PBGC by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event, provided that a failure to meet the minimum funding standard of Section 412 of the Code and Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waivers in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"S&P Rating" means, at any time for any Borrower, the rating issued by S&P and then in effect with respect to such Borrower's senior unsecured long-term public debt securities without third-party credit enhancement (it being understood that if such Borrower does not have any outstanding debt securities of the type described above but has an indicative rating from S&P for debt securities of such type, then such indicative rating shall be used for determining the "S&P Rating").

"Single Employer Plan" means a Plan maintained by Exelon or any other member of the Controlled Group for employees of Exelon or any other member of the Controlled Group.

"SPC" - see Section 8.07(h).

"Special Purpose Subsidiary" means a direct or indirect wholly owned Subsidiary of ComEd or PECO, substantially all of the assets of which are "intangible transition property" (as defined in Section 18-102 of the Illinois Public Utilities Law, as amended, or in 66 Pa. Cons. Stat. Ann. ss.2812(g) (West Supp. 1997) or any successor provision of similar import), and proceeds thereof, formed solely for the purpose of holding such assets and issuing such Transitional Funding Instruments, and which complies with the requirements customarily imposed on bankruptcy-remote corporations in receivables securitizations.

"Sublimit" means the Exelon Sublimit, the ComEd Sublimit, the PECO Sublimit or the Genco Sublimit.

"Subordinated Deferrable Interest Securities" means, with respect to any Borrower, all obligations of such Borrower and its Subsidiaries, as set forth from time to time in the consolidated balance sheets of such Borrower and its Subsidiaries delivered pursuant to Section 5.01(b) hereof, in respect of "Company Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trusts holding solely the Company's Subordinated Debt Securities" or "Company-Obligated Mandatorily Redeemable Preferred Securities of a Partnership, which holds solely Subordinated Debentures of the Company."

"Subsidiary" means, with respect to any Person, any corporation or unincorporated entity of which more than 50% of the outstanding capital stock (or comparable interest) having ordinary voting power (irrespective of whether or not at the time capital stock, or comparable interests, of any other class or classes of such corporation or entity shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned by such Person (whether directly or through one or more other Subsidiaries).

"Taxes" - see Section 2.14.

"Transitional Funding Instrument" means any instruments, pass-through certificates, notes, debentures, certificates of participation, bonds, certificates of beneficial interest or other evidences of indebtedness or instruments evidencing a beneficial interest which (i) in the case of ComEd (A) are issued pursuant to a "transitional funding order" (as such term is defined in Section 18-102 of the Illinois Public Utilities Act, as amended) issued by the Illinois Commerce Commission at the request of an electric utility and (B) are secured by or otherwise payable from non-bypassable cent per kilowatt hour charges authorized pursuant to such order to be applied and invoiced to customers of such utility and (ii) in the case of PECO, are "transition bonds" (as defined in 66 Pa. Cons. Stat. Ann. ss.2812(g) (West Supp. 1997), or any successor provision of similar import), representing a securitization of "intangible transition property" (as defined in the foregoing statute). The instrument funding charges so applied and invoiced must be deducted and stated separately from the other charges invoiced by such utility against its customers.

"Type" - see the definition of Advance.

"Unfunded Liabilities" means, (i) in the case of any Single Employer Plan, the amount (if any) by which the present value of all vested nonforfeitable benefits under such Plan exceeds the fair market value of all Plan assets allocable to such benefits, all determined as of the then most

recent evaluation date for such Plan, and (ii) in the case of any Multiemployer Plan, the withdrawal liability that would be incurred by the Controlled Group if all members of the Controlled Group completely withdrew from such Multiemployer Plan.

"Unmatured Event of Default" means any event which (if it continues uncured) will, with lapse of time or notice or both, became an Event of Default.

"Utility Subsidiary" means, with respect to a Borrower, each Subsidiary of such Borrower that is engaged principally in the generation, transmission, or distribution of electricity or gas and is subject to rate regulation as a public utility by federal or state regulatory authorities.

"Utilization Fee Rate" - see Schedule II.

SECTION 1.02 Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

SECTION 1.03 Accounting Principles. (a) As used in this Agreement, "GAAP" shall mean generally accepted accounting principles in the United States, applied on a basis consistent with the principles used in preparing Exelon's audited consolidated financial statements as of December 31, 2000 and for the fiscal year then ended. In this Agreement, except to the extent, if any, otherwise provided herein, all accounting and financial terms shall have the meanings ascribed to such terms by GAAP, and all computations and determinations as to accounting and financial matters shall be made in accordance with GAAP. In the event that the financial statements generally prepared by any Borrower apply accounting principles other than GAAP (including as a result of any event described in Section 1.03(b)), the compliance certificate delivered pursuant to Section 5.01(b)(iv) accompanying such financial statements shall include information in reasonable detail reconciling such financial statements to GAAP to the extent relevant to the calculations set forth in such compliance certificate.

(b) If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth herein and the applicable Borrower or the Majority Lenders shall so request, the Administrative Agent, the Lenders and such Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Majority Lenders); provided that, until so amended, such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein.

SECTION 1.04 Section References. Unless indicated otherwise, any section reference herein refers to a section of this Agreement.

ARTICLE II

AMOUNTS AND TERMS OF THE COMMITMENTS

SECTION 2.01 Commitments. Each Lender severally agrees, on the terms and conditions hereinafter set forth, to (a) make Advances to any Borrower and (b) to participate in Facility LCs issued upon the request of any Borrower, in each case from time to time during the

period from the date hereof to the Commitment Termination Date for such Borrower, in an aggregate amount not to exceed such Lender's Commitment Amount as in effect from time to time; provided that (i) the aggregate principal amount of all Advances by such Lender to any Borrower shall not exceed such Lender's Pro Rata Share of the aggregate principal amount of all Advances to such Borrower; (ii) such Lender's participation in Facility LCs issued for the account of any Borrower shall not exceed such Lender's Pro Rata Share of all LC Obligations of such Borrower; (iii) the Outstanding Credit Extensions to Exelon shall not at any time exceed the Exelon Sublimit; (iv) the Outstanding Credit Extensions to ComEd shall not any time exceed the ComEd Sublimit; (v) the Outstanding Credit Extensions to PECO shall not at any time exceed the PECO Sublimit; (vi) the Outstanding Credit Extensions to Genco shall not at any time exceed the Genco Sublimit; and (vii) the LC Obligations of all Borrowers collectively shall not at any time exceed the Letter of Credit Sublimit. Within the foregoing limits, each Borrower may from time to time borrow, prepay pursuant to Section 2.10 and reborrow hereunder prior to the Commitment Termination Date for such Borrower.

SECTION 2.02 Procedures for Advances; Limitations on Borrowings.

(a) Any Borrower may request Advances hereunder by giving notice (a "Notice of Borrowing") to the Administrative Agent (which shall promptly advise each Lender of its receipt thereof) not later than 10:00 A.M. (Chicago time) on the third Business Day prior to the date of any proposed borrowing of Eurodollar Rate Advances and on the date of any proposed borrowing of Base Rate Advances. Each Notice of Borrowing shall be sent by telecopier, confirmed immediately in writing, and shall be in substantially the form of Exhibit B hereto, specifying therein the Borrower which is requesting Advances and the requested (i) date of borrowing (which shall be a Business Day), (ii) Type of Advances to be borrowed, (iii) the aggregate amount of such Advances, and (iv) in the case of a borrowing of Eurodollar Rate Advances, the initial Interest Period therefor. Each Lender shall, before 12:00 noon (Chicago time) on the date of such borrowing, make available for the account of its Applicable Lending Office to the Administrative Agent at its address referred to in Section 8.02, in same day funds, such Lender's ratable portion of the requested borrowing. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Administrative Agent will make such funds available to the applicable Borrower at the Administrative Agent's aforesaid address.

(b) Each Notice of Borrowing shall be irrevocable and binding on the applicable Borrower. If a Notice of Borrowing requests Eurodollar Rate Advances, the applicable Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the requested borrowing date the applicable conditions set forth in Article III, including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the requested Advance to be made by such Lender.

(c) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any requested borrowing that such Lender will not make available to the Administrative Agent such Lender's ratable portion of such borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the requested borrowing date in accordance with subsection (a) of this Section 2.02 and the

Administrative Agent may, in reliance upon such assumption, make available to the applicable Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Administrative Agent, such Lender and such Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to such Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of such Borrower, the interest rate applicable at the time to Advances made in connection with such borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's Advance as part of such Borrowing for purposes of this Agreement.

(d) The failure of any Lender to make the Advance to be made by it on any borrowing date shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on such date, but no Lender shall be responsible for the failure of any other Lender to make any Advance to be made by such other Lender.

(e) Each Borrowing of Base Rate Advances shall at all times be in an aggregate amount not less than $5,000,000; and each Borrowing of Eurodollar Rate Advances shall at all times be in an aggregate amount not less than $10,000,000. Notwithstanding anything to the contrary contained herein, the Borrowers collectively may not have more than 25 Borrowings of Eurodollar Rate Advances outstanding at any time.

SECTION 2.03 Facility and Utilization Fees.

(a) Each Borrower agrees to pay to the Administrative Agent, for the account of the Lenders according to their Pro Rata Shares, a facility fee for the period from the Closing Date to the Commitment Termination Date for such Borrower (or, if later, the date on which all Outstanding Credit Extensions to such Borrower have been paid in full) in an amount equal to the Facility Fee Rate for such Borrower multiplied by such Borrower's Sublimit (or, after the Commitment Termination Date, the principal amount of all Outstanding Credit Extensions to such Borrower), payable on the last day of each March, June, September and December and on the Final Termination Date for such Borrower (and, if applicable, thereafter on demand).

(b) Utilization Fee. Each Borrower agrees to pay to the Administrative Agent, for the account of the Lenders according to their Pro Rata Shares, a utilization fee for each day on which either (i) the Outstanding Credit Extensions to all Borrowers exceed 33-1/3% of the aggregate amount of the Commitment Amounts or (ii) such Borrower's Outstanding Credit Extensions exceed 33-1/3% of such Borrower's Sublimit, in each case in an amount equal to the Utilization Fee Rate for such Borrower multiplied by such Borrower's Outstanding Credit Extensions on such day, payable on the last day of each March, June, September and December and on the Commitment Termination Date for such Borrower.

SECTION 2.04 Reduction of Commitment Amounts; Adjustment of Sublimits. (a) Each Borrower shall have the right, upon at least two Business Days' notice to the Administrative Agent, to ratably reduce the respective Commitment Amounts of the Lenders in accordance with their Pro Rata Shares; provided that no Borrower may reduce the Commitment Amounts by an

amount that is greater than the remainder of the amount of such Borrower's Sublimit minus the Outstanding Credit Extensions to such Borrower; and provided, further, that each partial reduction of the Commitment Amounts shall be in the aggregate amount of $10,000,000 or an integral multiple thereof. Once reduced pursuant to this Section 2.04, the Commitment Amounts may not be increased.

(b) Any Borrower shall have the right at any time such Borrower's Sublimit has been reduced to zero, upon at least two Business Days' notice to the Administrative Agent, to terminate the Commitment of each Lender with respect to such Borrower in its entirety (but only if such Borrower concurrently pays all of its obligations hereunder). Upon any such termination, such Borrower shall cease to be a party hereto and shall no longer have any rights or obligations hereunder (except under provisions hereof which by their terms would survive any termination hereof).

(c) The Borrowers may from time to time so long as no Event of Default or Unmatured Event of Default exists with respect to any Borrower, upon not less than five Business Days' notice to the Administrative Agent (which shall promptly notify each Lender), change their respective Sublimits; provided that (i) the sum of the Sublimits shall at all times be equal to the aggregate amount of the Commitment Amounts; and (ii) after giving effect to any adjustment of the Sublimits, (A) each Sublimit shall be an integral multiple of $50,000,000 (except that one Sublimit may not be such an integral multiple if the aggregate amount of the Commitment Amounts is not an integral multiple of $50,000,000); (B) no Sublimit shall exceed $1,000,000,000; (C) the Outstanding Credit Extensions to Exelon shall not exceed the Exelon Sublimit; (D) the Outstanding Credit Extensions to ComEd shall not exceed the ComEd Sublimit; (E) the Outstanding Credit Extensions to Genco shall not exceed the Genco Sublimit and (F) the Outstanding Credit Extensions to PECO shall not exceed the PECO Sublimit.

SECTION 2.05 Repayment of Advances. Each Borrower shall repay the principal amount of all Advances made to it on or before the Commitment Termination Date for such Borrower.

SECTION 2.06 Interest on Advances. Each Borrower shall pay interest on the unpaid principal amount of each Advance made to it from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(a) At all times such Advance is a Base Rate Advance, a rate per annum equal to the Base Rate in effect from time to time, payable quarterly on the last day of each March, June, September and December and on the date such Base Rate Advance is converted to a Eurodollar Rate Advance or paid in full.

(b) Subject to Section 2.07, at all times such Advance is a Eurodollar Rate Advance, a rate per annum equal to the sum of the Eurodollar Rate for each applicable Interest Period plus the Applicable Margin in effect from time to time for such Borrower, payable on the last day of each Interest Period for such Eurodollar Rate Advance (and, if any Interest Period for such Advance is six months, on the day that is three months after the first day of such Interest Period) or, if earlier, on the date such Eurodollar Rate Advance is converted to a Base Rate Advance or paid in full.

SECTION 2.07 Additional Interest on Eurodollar Advances. Each Borrower shall pay to each Lender, so long as such Lender shall be required under regulations of the Board of Governors of the Federal Reserve System to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency Liabilities, additional interest on the unpaid principal amount of each Eurodollar Rate Advance of such Lender made to such Borrower, from the date of such Advance until such principal amount is paid in full or converted to a Base Rate Advance, at an interest rate per annum equal to the remainder obtained by subtracting (i) the Eurodollar Rate for each Interest Period for such Advance from (ii) the rate obtained by dividing such Eurodollar Rate by a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage of such Lender for such Interest Period, payable on each date on which interest is payable on such Advance; provided that no Lender shall be entitled to demand such additional interest more than 90 days following the last day of the Interest Period in respect of which such demand is made; provided further, however, that the foregoing proviso shall in no way limit the right of any Lender to demand or receive such additional interest to the extent that such additional interest relates to the retroactive application of the reserve requirements described above if such demand is made within 90 days after the implementation of such retroactive reserve requirements. Such additional interest shall be determined by the applicable Lender and notified to the applicable Borrower through the Administrative Agent, and such determination shall be conclusive and binding for all purposes, absent manifest error.

SECTION 2.08 Interest Rate Determination. (a) Each Reference Bank agrees to furnish to the Administrative Agent timely information for the purpose of determining each Eurodollar Rate. If any one of the Reference Banks shall not furnish such timely information to the Administrative Agent for the purpose of determining any such interest rate, the Administrative Agent shall determine such interest rate on the basis of timely information furnished by the remaining Reference Banks.

(b) The Administrative Agent shall give prompt notice to the applicable Borrower and the Lenders of each applicable interest rate determined by the Administrative Agent for purposes of Section 2.06(a) or (b), and the applicable rate, if any, furnished by each Reference Bank for the purpose of determining each applicable interest rate under Section 2.06(b).

(c) If all of the Reference Banks fail to furnish timely information to the Administrative Agent for determining the Eurodollar Rate for any Eurodollar Rate Advances,

(i) the Administrative Agent shall forthwith notify the applicable Borrower and the Lenders that the interest rate cannot be determined for such Eurodollar Rate Advances,

(ii) each such Advance will automatically, on the last day of the then existing Interest Period therefor, convert into a Base Rate Advance (or if such Advance is then a Base Rate Advance, will continue as a Base Rate Advance), and

(iii) the obligation of the Lenders to make, continue or convert into Eurodollar Rate Advances shall be suspended until the Administrative Agent shall

notify the applicable Borrower and the Lenders that the circumstances causing such suspension no longer exist.

(d) If, with respect to any Eurodollar Rate Advances, the Majority Lenders notify the Administrative Agent that the Eurodollar Rate for any Interest Period for such Advances will not adequately reflect the cost to such Majority Lenders of making, funding or maintaining their respective Eurodollar Rate Advances for such Interest Period, the Administrative Agent shall forthwith so notify the applicable Borrower and the Lenders, whereupon

(i) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor (unless prepaid or converted to a Base Rate Advance prior to such day), convert into a Base Rate Advance, and

(ii) the obligation of the Lenders to make, continue or convert into Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the applicable Borrower and the Lenders that the circumstances causing such suspension no longer exist.

SECTION 2.09 Continuation and Conversion of Advances. (a) Any Borrower may on any Business Day, upon notice given to the Administrative Agent not later than 10:00 A.M. (Chicago time) on the third Business Day prior to the date of any proposed continuation of or conversion into Eurodollar Rate Advances, and on the date of any proposed conversion into Base Rate Advances, and subject to the provisions of Sections 2.08 and 2.12, continue Eurodollar Rate Advances for a new Interest Period or convert a Borrowing of Advances of one Type into Advances of the other Type; provided, that any continuation of Eurodollar Rate Advances or conversion of Eurodollar Rate Advances into Base Rate Advances shall be made on, and only on, the last day of an Interest Period for such Eurodollar Rate Advances, unless, in the case of such a conversion, such Borrower shall also reimburse the Lenders pursuant to Section 8.04(b) on the date of such conversion. Each such notice of a continuation or conversion shall, within the restrictions specified above, specify (i) the date of such continuation or conversion, (ii) the Advances to be continued or converted, and (iii) in the case of continuation of or conversion into Eurodollar Rate Advances, the duration of the Interest Period for such Advances.

(b) If a Borrower shall fail to select the Type of any Advance or the duration of any Interest Period for any Borrowing of Eurodollar Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01 and Section 2.09(a), the Administrative Agent will forthwith so notify such Borrower and the Lenders and such Advances will automatically, on the last day of the then existing Interest Period therefor, convert into Base Rate Advances.

SECTION 2.10 Prepayments. Any Borrower may, upon notice to the Administrative Agent at least three Business Days prior to any prepayment of Eurodollar Rate Advances, or one Business Day's notice prior to any prepayment of Base Rate Advances, in each case stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given that Borrower shall, prepay the outstanding principal amounts of the Advances made as part of the same Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; provided that (i) each partial prepayment shall be in

an aggregate principal amount not less than $10,000,000 or a higher integral multiple of $1,000,000 in the case of any prepayment of Eurodollar Rate Advances and $5,000,000 or a higher integral multiple of $1,000,000 in the case of any prepayment of Base Rate Advances, and (ii) in the case of any such prepayment of a Eurodollar Rate Advance, such Borrower shall be obligated to reimburse the Lenders pursuant to Section 8.04(b) on the date of such prepayment.

SECTION 2.11 Increased Costs. (a) If on or after the date of this Agreement, any Lender or the LC Issuer determines that (i) the introduction of or any change (other than, in the case of Eurodollar Rate Advances, any change by way of imposition or increase of reserve requirements, included in the Eurodollar Rate Reserve Percentage) in or in the interpretation of any law or regulation or (ii) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law) shall increase the cost to such Lender or the LC Issuer, as the case may be, of agreeing to make or making, funding or maintaining Eurodollar Rate Advances or of issuing or participating in any Facility LC, then the applicable Borrower shall from time to time, upon demand by such Lender (with a copy of such demand to the Administrative Agent) or the LC Issuer, as applicable, pay to the Administrative Agent for the account of such Lender additional amounts (without duplication of any amount payable pursuant to Section 2.14) sufficient to compensate such Lender or the LC Issuer, as applicable, for such increased cost; provided that no Lender shall be entitled to demand such compensation more than 90 days following the last day of the Interest Period in respect of which such demand is made and the LC Issuer shall not be entitled to demand such compensation more than 90 days following the expiration or termination (by a drawing or otherwise) of the Facility LC in respect of which such demand is made; provided further, however, that the foregoing proviso shall in no way limit the right of any Lender or the LC Issuer to demand or receive such compensation to the extent that such compensation relates to the retroactive application of any law, regulation, guideline or request described in clause (i) or (ii) above if such demand is made within 90 days after the implementation of such retroactive law, interpretation, guideline or request. A certificate as to the amount of such increased cost, submitted to the applicable Borrower and the Administrative Agent by a Lender or the LC Issuer, shall be conclusive and binding for all purposes, absent manifest error.

(b) If any Lender or the LC Issuer determines that, after the date of this Agreement, compliance with any law or regulation or any guideline or request from any central bank or other governmental authority (whether or not having the force of law) regarding capital adequacy requirements affects or would affect the amount of capital required or expected to be maintained by such Lender or the LC Issuer or any Person controlling such Lender or the LC Issuer (including, in any event, any determination after the date of this Agreement by any such governmental authority or central bank that, for purposes of capital adequacy requirements, any Lender's Commitment to a Borrower or the LC Issuer's commitment to issue Facility LCs for the account of such Borrower as the case may be does not constitute a commitment with an original maturity of less than one year) and that the amount of such capital is increased by or based upon the existence of such Lender's Commitment to such Borrower or the LC Issuer's commitment to issue Facility LCs for the account of such Borrower, as applicable, or the Advances made by such Lender to such Borrower or Reimbursement Obligations owed to the LC Issuer by such Borrower, as the case may be, then, upon demand by such Lender (with a copy of such demand to the Administrative Agent) or the LC Issuer, as applicable, such Borrower shall immediately pay to the Administrative Agent for the account of such Lender or LC Issuer, as

applicable, from time to time as specified by such Lender or the LC Issuer, as applicable, additional amounts sufficient to compensate such Lender, the LC Issuer or such controlling Person, as applicable, in the light of such circumstances, to the extent that such Lender determines such increase in capital to be allocable to the existence of such Lender's Commitment to such Borrower or the Advances made by such Lender to such Borrower or the LC Issuer determines such increase in capital to be allocable to the LC Issuer's commitment to issue Facility LCs for the account of such Borrower or the Reimbursement Obligations owed by such Borrower to the LC Issuer; provided that no Lender or the LC Issuer shall be entitled to demand such compensation more than one year following the payment to or for the account of such Lender of all other amounts payable hereunder by such Borrower and under any Note of such Borrower held by such Lender and the termination of such Lender's Commitment to such Borrower and the LC Issuer shall not be entitled to demand such compensation more than one year after the expiration or termination (by drawing or otherwise) of all Facility LCs issued for the account of such Borrower and the termination of the LC Issuer's commitment to issue Facility LCs for the account of such Borrower; provided further, however, that the foregoing proviso shall in no way limit the right of any Lender or the LC Issuer to demand or receive such compensation to the extent that such compensation relates to the retroactive application of any law, regulation, guideline or request described above if such demand is made within one year after the implementation of such retroactive law, interpretation, guideline or request. A certificate as to such amounts submitted to the applicable Borrower and the Administrative Agent by the applicable Lender or the LC Issuer shall be conclusive and binding, for all purposes, absent manifest error.

(c) Any Lender claiming compensation pursuant to this Section 2.11 shall use its best efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its Applicable Lending Office if the making of such a change would avoid the need for, or reduce the amount of, any such compensation that may thereafter accrue and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

SECTION 2.12 Illegality. Notwithstanding any other provision of this Agreement, if any Lender shall notify the Administrative Agent that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or any central bank or other governmental authority asserts that it is unlawful, for such Lender or its Eurodollar Lending Office to perform its obligations hereunder to make Eurodollar Rate Advances or to fund or maintain Eurodollar Rate Advances hereunder, (i) the obligation of such Lender to make, continue or convert Advances into Eurodollar Rate Advances shall be suspended (subject to the following paragraph of this Section 2.12) until the Administrative Agent shall notify the applicable Borrower and the Lenders that the circumstances causing such suspension no longer exist and (ii) all Eurodollar Rate Advances of such Lender then outstanding shall, on the last day of the then applicable Interest Period (or such earlier date as such Lender shall designate upon not less than five Business Days' prior written notice to the Administrative Agent), be automatically converted into Base Rate Advances.

If the obligation of any Lender to make, continue or convert into Eurodollar Rate Advances has been suspended pursuant to the preceding paragraph, then, unless and until the Administrative Agent shall notify the applicable Borrower and the Lenders that the circumstances causing such suspension no longer exist, (i) all Advances that would otherwise be

made by such Lender as Eurodollar Rate Advances shall instead be made as Base Rate Advances and (ii) to the extent that Eurodollar Rate Advances of such Lender have been converted into Base Rate Advances pursuant to the preceding paragraph or made instead as Base Rate Advances pursuant to the preceding clause (i), all payments and prepayments of principal that would have otherwise been applied to such Eurodollar Rate Advances of such Lender shall be applied instead to such Base Rate Advances of such Lender.

SECTION 2.13 Payments and Computations. (a) Each Borrower shall make each payment hereunder and under any Note issued by such Borrower not later than 10:00 A.M. (Chicago time) on the day when due in U.S. dollars to the Administrative Agent at its address referred to in Section 8.02 in same day funds without setoff, counterclaim or other deduction. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal, interest, facility fees, utilization fees and letter of credit fees ratably (other than amounts payable pursuant to Section 2.02(b), 2.07, 2.11, 2.14 or 8.04(b)) to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 8.07(d), from and after the effective date specified in such Assignment and Acceptance, the Administrative Agent shall make all payments hereunder and under the Notes in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) Each Borrower hereby authorizes each Lender, if and to the extent any payment owed to such Lender by such Borrower is not made when due hereunder, to charge from time to time against any or all of such Borrower's accounts with such Lender any amount so due.

(c) All computations of interest based on the Prime Rate shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the Eurodollar Rate or the Federal Funds Rate and of fees shall be made by the Administrative Agent, and all computations of interest pursuant to Section 2.07 shall be made by a Lender, on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable. Each determination by the Administrative Agent (or, in the case of Section 2.07, by a Lender) of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment hereunder or under the Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of any interest or fees, as the case may be; provided that if such extension would cause payment of interest on or principal of a Eurodollar Rate Advance to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(e) Unless the Administrative Agent shall have received notice from a Borrower prior to the date on which any payment is due by such Borrower to the Lenders hereunder that such Borrower will not make such payment in full, the Administrative Agent may assume that such Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that such Borrower shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

(f) Notwithstanding anything to the contrary contained herein, any amount payable by a Borrower hereunder that is not paid when due (whether at stated maturity, by acceleration or otherwise) shall (to the fullest extent permitted by law) bear interest from the date when due until paid in full at a rate per annum equal at all times to the Base Rate plus 2%, payable upon demand.

SECTION 2.14 Taxes. (a) Any and all payments by any Borrower hereunder or under any Note issued by such Borrower shall be made, in accordance with Section 2.13, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender, the LC Issuer and the Administrative Agent, taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction under the laws of which such Lender, the LC Issuer or the Administrative Agent (as the case may be) is organized or any political subdivision thereof and, in the case of each Lender, taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction of such Lender's Applicable Lending Office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If a Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under any Note issued by such Borrower to any Lender, the LC Issuer or the Administrative Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.14) such Lender, the LC Issuer or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, each Borrower severally agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies to the extent arising from the execution, delivery or registration of this Agreement or the Notes (hereinafter referred to as "Other Taxes"), in each case to the extent attributable to such Borrower; it being understood that to the extent any Other Taxes so payable are not attributable to any particular Borrower, each Borrower shall pay its proportionate share thereof according to the amounts of the Borrowers' respective Sublimits at the time such Other Taxes arose.

(c) No Lender may claim or demand payment or reimbursement in respect of any Taxes or Other Taxes pursuant to this Section 2.14 if such Taxes or Other Taxes, as the case may be, were imposed solely as the result of a voluntary change in the location of the jurisdiction of such Lender's Applicable Lending Office.

(d) Each Borrower will indemnify each Lender, the LC Issuer and the Administrative Agent for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.14) paid by such Lender, the LC Issuer or the Administrative Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted, in each case to the extent attributable to such Borrower; it being understood that to the extent any Taxes, Other Taxes or other liabilities described above are not attributable to a particular Borrower, each Borrower shall pay its proportionate share thereof according to the amounts of the Borrowers' respective Sublimits at the time such Taxes, Other Taxes or other liability arose. This indemnification shall be made within 30 days from the date such Lender, the LC Issuer or the Administrative Agent (as the case may be) makes written demand therefor.

(e) Prior to the date of an initial borrowing hereunder in the case of each Lender listed on the signature pages hereof, and on the date of the Assignment and Acceptance pursuant to which it became a Lender in the case of each other Lender, and from time to time thereafter within 30 days from the date of request if requested by any Borrower or the Administrative Agent, each Lender organized under the laws of a jurisdiction outside the United States shall provide the Administrative Agent and each Borrower with the forms prescribed by the Internal Revenue Service of the United States certifying that such Lender is exempt from United States withholding taxes with respect to all payments to be made to such Lender hereunder and under the Notes. If for any reason during the term of this Agreement, any Lender becomes unable to submit the forms referred to above or the information or representations contained therein are no longer accurate in any material respect, such Lender shall notify the Administrative Agent and the Borrowers in writing to that effect. Unless the Borrowers and the Administrative Agent have received forms or other documents satisfactory to them indicating that payments hereunder or under any Note are not subject to United States withholding tax, the Borrowers or the Administrative Agent shall withhold taxes from such payments at the applicable statutory rate in the case of payments to or for any Lender organized under the laws of a jurisdiction outside the United States and no Lender may claim or demand payment or reimbursement for such withheld taxes pursuant to this Section 2.14.

(f) Any Lender claiming any additional amounts payable pursuant to this Section 2.14 shall use its best efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its Applicable Lending Office if the making of such a change would avoid the need for, or reduce the amount of, any such additional amounts which may thereafter accrue and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

(g) If a Borrower makes any additional payment to any Lender pursuant to this Section 2.14 in respect of any Taxes or Other Taxes, and such Lender determines that it has received (i) a refund of such Taxes or Other Taxes or (ii) a credit against or relief or remission

for, or a reduction in the amount of, any tax or other governmental charge attributable solely to any deduction or credit for any Taxes or Other Taxes with respect to which it has received payments under this Section 2.14, such Lender shall, to the extent that it can do so without prejudice to the retention of such refund, credit, relief, remission or reduction, pay to such Borrower such amount as such Lender shall have determined to be attributable to the deduction or withholding of such Taxes or Other Taxes. If, within one year after the payment of any such amount to such Borrower, such Lender determines that it was not entitled to such refund, credit, relief, remission or reduction to the full extent of any payment made pursuant to the first sentence of this Section 2.14(g), such Borrower shall upon notice and demand of such Lender promptly repay the amount of such overpayment. Any determination made by a Lender pursuant to this Section 2.14(g) shall in the absence of bad faith or manifest error be conclusive, and nothing in this Section 2.14(g) shall be construed as requiring any Lender to conduct its business or to arrange or alter in any respect its tax or financial affairs (except as required by Section 2.14(f)) so that it is entitled to receive such a refund, credit or reduction or as allowing any Person to inspect any records, including tax returns, of such Lender.

(h) Without prejudice to the survival of any other agreement of any Borrower or any Lender hereunder, the agreements and obligations of the Borrowers and the Lenders contained in this Section 2.14 shall survive the payment in full of principal and interest hereunder and under the Notes; provided that no Lender shall be entitled to demand any payment from a Borrower under this Section 2.14 more than one year following the payment to or for the account of such Lender of all other amounts payable by such Borrower hereunder and under any Note issued by such Borrower to such Lender and the termination of such Lender's Commitment to such Borrower; provided further, however, that the foregoing proviso shall in no way limit the right of any Lender to demand or receive any payment under this Section 2.14 to the extent that such payment relates to the retroactive application of any Taxes or Other Taxes if such demand is made within one year after the implementation of such Taxes or Other Taxes.

SECTION 2.15 Sharing of Payments, Etc. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Advances made by it to any Borrower or its participation interest in any Facility LC issued for the account of any Borrower (other than pursuant to Section 2.02(b), 2.07, 2.11, 2.14 or 8.04(b)) in excess of its ratable share of payments on account of the Advances to such Borrower and Facility LCs issued for the account of such Borrower obtained by all Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the Advances made by them to such Borrower and/or LC Obligations of such Borrower as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them, provided, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrowers agree that any Lender so purchasing a participation from another Lender pursuant to this Section 2.15 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully

as if such Lender were the direct creditor of the applicable Borrower in the amount of such participation.

SECTION 2.16 Facility LCs.

SECTION 2.16.1 Issuance. The LC Issuer hereby agrees, on the terms and conditions set forth in this Agreement (including the limitations set forth in Section 2.01), upon the request of any Borrower, to issue standby letters of credit (each a "Facility LC") and to renew, extend, increase, decrease or otherwise modify Facility LCs ("Modify," and each such action a "Modification") for such Borrower, from time to time from and including the date of this Agreement and prior to the Commitment Termination Date for such Borrower. No Facility LC shall have an expiry date later than the earlier of (a) 364 days after the date of issuance, or of extension or renewal, thereof or (b) 360 days after the scheduled Commitment Termination Date. No Facility LC may be renewed or extended, or increased in amount, after the Commitment Termination Date.

SECTION 2.16.2 Participations. Upon the issuance or Modification by the LC Issuer of a Facility LC in accordance with this Section 2.16, the LC Issuer shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably sold to each Lender, and each Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the LC Issuer, a participation in such Facility LC (and each Modification thereof) and the related LC Obligations in proportion to its Pro Rata Share.

SECTION 2.16.3 Notice. Subject to Section 2.16.1, the applicable Borrower shall give the LC Issuer notice prior to 10:00 A.M. (Chicago time) at least five Business Days prior to the proposed date of issuance or Modification of each Facility LC, specifying the beneficiary, the proposed date of issuance (or Modification) and the expiry date of such Facility LC, and describing the proposed terms of such Facility LC and the nature of the transactions proposed to be supported thereby. Upon receipt of such notice, the LC Issuer shall promptly notify the Administrative Agent, and the Administrative Agent shall promptly notify each Lender, of the contents thereof and of the amount of such Lender's participation in such proposed Facility LC. The issuance or Modification by the LC Issuer of any Facility LC shall, in addition to the applicable conditions precedent set forth in Article III (the satisfaction of which the LC Issuer shall have no duty to ascertain), be subject to the conditions precedent that such Facility LC shall be satisfactory to the LC Issuer and that the applicable Borrower shall have executed and delivered such application agreement and/or such other instruments and agreements relating to such Facility LC as the LC Issuer shall have reasonably requested (each a "Facility LC Application"). In the event of any conflict between the terms of this Agreement and the terms of any Facility LC Application, the terms of this Agreement shall control.

SECTION 2.16.4 LC Fees. Each Borrower shall pay to the Agent, for the account of the Lenders ratably in accordance with their respective Pro Rata Shares, with respect to each Facility LC issued for the account of such Borrower, a letter of credit fee at a per annum rate equal to the LC Fee Rate to such Borrower in effect from time to time on the average daily undrawn stated amount under such Facility LC, such fee to be payable in

arrears on the last day of each March, June, September and December and on the Final Termination Date for such Borrower (and thereafter on demand). Each Borrower shall also pay to the LC Issuer for its own account (x) a fronting fee in an amount and at the times agreed upon between the LC Issuer and such Borrower and (y) documentary and processing charges in connection with the issuance or Modification of and draws under Facility LCs in accordance with the LC Issuer's standard schedule for such charges as in effect from time to time.

SECTION 2.16.5 Administration; Reimbursement by Lenders. Upon receipt from the beneficiary of any Facility LC of any demand for payment under such Facility LC, the LC Issuer shall notify the Administrative Agent and the Administrative Agent shall promptly notify the applicable Borrower and each Lender as to the amount to be paid by the LC Issuer as a result of such demand and the proposed payment date (the "LC Payment Date"). The responsibility of the LC Issuer to the applicable Borrower and each Lender shall be only to determine that the documents (including each demand for payment) delivered under each Facility LC in connection with such presentment shall be in conformity in all material respects with such Facility LC. The LC Issuer shall endeavor to exercise the same care in the issuance and administration of the Facility LCs as it does with respect to letters of credit in which no participations are granted, it being understood that in the absence of any gross negligence or willful misconduct by the LC Issuer, each Lender shall be unconditionally and irrevocably liable, without regard to the occurrence of the Commitment Termination Date or the Final Termination Date for the applicable Borrower, the occurrence of any Event of Default or Unmatured Event of Default or any condition precedent whatsoever, to reimburse the LC Issuer on demand for (i) such Lender's Pro Rata Share of the amount of each payment made by the LC Issuer under each Facility LC to the extent such amount is not reimbursed by the applicable Borrower pursuant to Section 2.16.6 below, plus (ii) interest on the foregoing amount to be reimbursed by such Lender, for each day from the date of the LC Issuer's demand for such reimbursement (or, if such demand is made after 11:00 A.M. (Chicago time) on such day, from the next succeeding Business Day) to the date on which such Lender pays the amount to be reimbursed by it, at a rate of interest per annum equal to the Federal Funds Rate for the first three days and, thereafter, at the Base Rate.

SECTION 2.16.6 Reimbursement by Borrowers. Each Borrower shall be irrevocably and unconditionally obligated to reimburse the LC Issuer on or before the applicable LC Payment Date for any amount to be paid by the LC Issuer upon any drawing under any Facility LC issued for the account of such Borrower, without presentment, demand, protest or other formalities of any kind; provided that neither the applicable Borrower nor any Lender shall hereby be precluded from asserting any claim for direct (but not consequential) damages suffered by such Borrower or such Lender to the extent, but only to the extent, caused by (i) the willful misconduct or gross negligence of the LC Issuer in determining whether a request presented under any Facility LC complied with the terms of such Facility LC or (ii) the LC Issuer's failure to pay under any Facility LC after the presentation to it of a request strictly complying with the terms and conditions of such Facility LC. All such amounts paid by the LC Issuer and remaining unpaid by the applicable Borrower shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the Base Rate plus 2%. The LC Issuer

will pay to each Lender ratably in accordance with its Pro Rata Share all amounts received by it from any Borrower for application in payment, in whole or in part, of the Reimbursement Obligation in respect of any Facility LC issued by the LC Issuer, but only to the extent such Lender has made payment to the LC Issuer in respect of such Facility LC pursuant to Section 2.16.5. So long as the Commitment Termination Date has not occurred with respect to a Borrower, but subject to the terms and conditions of this Agreement (including the submission of a Notice of Borrowing in compliance with Section 2.02 and the satisfaction of the applicable conditions precedent set forth in Article III), such Borrower may request Advances hereunder for the purpose of satisfying any Reimbursement Obligation.

SECTION 2.16.7 Obligations Absolute. Each Borrower's obligations under this Section 2.16 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which such Borrower may have against the LC Issuer, any Lender or any beneficiary of a Facility LC. Each Borrower agrees with the LC Issuer and the Lenders that the LC Issuer and the Lenders shall not be responsible for, and such Borrower's Reimbursement Obligation in respect of any Facility LC issued for its account shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even if such documents should in fact prove to be in any or all respects invalid, fraudulent or forged, or any dispute between or among such Borrower, any of its Affiliates, the beneficiary of any Facility LC or any financing institution or other party to whom any Facility LC may be transferred or any claims or defenses whatsoever of such Borrower or of any of its Affiliates against the beneficiary of any Facility LC or any such transferee. The LC Issuer shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Facility LC. Each Borrower agrees that any action taken or omitted by the LC Issuer or any Lender under or in connection with any Facility LC issued for the account of such Borrower and the related drafts and documents, if done without gross negligence or willful misconduct, shall be binding upon such Borrower and shall not put the LC Issuer or any Lender under any liability to such Borrower. Nothing in this Section 2.16.7 is intended to limit the right of any Borrower to make a claim against the LC Issuer for damages as contemplated by the proviso to the first sentence of Section 2.16.6.

SECTION 2.16.8 Actions of LC Issuer. The LC Issuer shall be entitled to rely, and shall be fully protected in relying, upon any Facility LC, draft, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by the LC Issuer. The LC Issuer shall be fully justified in failing or refusing to take any action under this Agreement unless it shall first have received such advice or concurrence of the Majority Lenders as it reasonably deems appropriate or it shall first be indemnified to its reasonable satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Notwithstanding any other provision of this Section 2.16, the LC Issuer shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement

in accordance with a request of the Majority Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon the Lenders and any future holder of a participation in any Facility LC.

SECTION 2.16.9 Indemnification. Each Borrower hereby agrees to indemnify and hold harmless each Lender, the LC Issuer and the Agent, and their respective directors, officers, agents and employees, from and against any and all claims and damages, losses, liabilities, costs or expenses which such Lender, the LC Issuer or the Agent may incur (or which may be claimed against such Lender, the LC Issuer or the Agent by any Person whatsoever) by reason of or in connection with the issuance, execution and delivery or transfer of or payment or failure to pay under any Facility LC issued for the account of such Borrower or any actual or proposed use of any such Facility LC, including, without limitation, any claims, damages, losses, liabilities, costs or expenses which the LC Issuer may incur by reason of or in connection with (i) the failure of any other Lender to fulfill or comply with its obligations to the LC Issuer hereunder (but nothing herein contained shall affect any right such Borrower may have against any defaulting Lender) or (ii) by reason of or on account of the LC Issuer issuing any such Facility LC which specifies that the term "Beneficiary" included therein includes any successor by operation of law of the named Beneficiary, but which Facility LC does not require that any drawing by any such successor Beneficiary be accompanied by a copy of a legal document, satisfactory to the LC Issuer, evidencing the appointment of such successor Beneficiary; provided that no Borrower shall be required to indemnify any Lender, the LC Issuer or the Agent for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by (x) the willful misconduct or gross negligence of the LC Issuer in determining whether a request presented under any Facility LC complied with the terms of such Facility LC or (y) the LC Issuer's failure to pay under any Facility LC after the presentation to it of a request strictly complying with the terms and conditions of such Facility LC. Nothing in this Section 2.16.9 is intended to limit the obligations of any Borrower under any other provision of this Agreement.

SECTION 2.16.10 Lenders' Indemnification. Each Lender shall, ratably in accordance with its Pro Rata Share, indemnify the LC Issuer, its affiliates and their respective directors, officers, agents and employees (to the extent not reimbursed by the Borrower) against any cost, expense (including reasonable counsel fees and disbursements), claim, demand, action, loss or liability (except such as result from such indemnitees' gross negligence or willful misconduct or the LC Issuer's failure to pay under any Facility LC after the presentation to it of a request strictly complying with the terms and conditions of the Facility LC) that such indemnitees may suffer or incur in connection with this Section 2.16 or any action taken or omitted by such indemnitees hereunder.

SECTION 2.16.11 Rights as a Lender. In its capacity as a Lender, the LC Issuer shall have the same rights and obligations as any other Lender.

SECTION 2.17 Extension of Commitment Termination Date. Exelon may request an extension of the scheduled Commitment Termination Date for all Borrowers by submitting a request for an extension to the Administrative Agent (an "Extension Request") no more than 60

days prior to the scheduled Commitment Termination Date then in effect. The Extension Request must specify the new scheduled Commitment Termination Date requested by Exelon and the date (which must be at least 30 days after the Extension Request is delivered to the Administrative Agent) as of which the Lenders must respond to the Extension Request (the "Response Date"). The new scheduled Commitment Termination Date shall be 364 days after the scheduled Commitment Termination Date in effect at the time an Extension Request is received, including the scheduled Commitment Termination Date as one of the days in the calculation of the days elapsed. Promptly upon receipt of an Extension Request, the Administrative Agent shall notify each Lender of the contents thereof and shall request each Lender to approve such Extension Request, which approval shall be at the sole discretion of each Lender. Each Lender approving such Extension Request shall deliver its written consent no later than the Response Date. If the written consent of each of the Lenders (excluding any Person which ceases to be a Lender pursuant to Section 8.07(g)(iii)) is received by the Administrative Agent, the new scheduled Commitment Termination Date specified in the Extension Request shall become effective on the existing scheduled Commitment Termination Date and the Administrative Agent shall promptly notify each Borrower and each Lender of the new scheduled Commitment Termination Date. If all Lenders (including any Person which becomes a Lender pursuant to Section 8.07(g)) do not consent to an Extension Request, the scheduled Commitment Termination Date shall not be extended pursuant to such Extension Request.

ARTICLE III

CONDITIONS TO CREDIT EXTENSIONS

SECTION 3.01 Conditions Precedent to Initial Credit Extensions. No Lender shall be obligated to make any Advance, and the LC Issuer shall not be obligated to issue any Facility LC, unless the Administrative Agent shall have received (a) evidence, satisfactory to the Administrative Agent, that the Borrowers have paid (or will pay with the proceeds of the initial Credit Extensions) all amounts then payable under the Existing Agreement and (b) each of the following documents, each dated the date of the initial Credit Extension (or an earlier date satisfactory to the Administrative Agent), in form and substance satisfactory to the Administrative Agent and each (except for the Notes) in sufficient copies to provide one for each Lender:

(i) The Notes payable to the order of each of the Lenders, respectively;

(ii) Certified copies of resolutions of the Board of Directors or equivalent managing body of each Borrower approving the transactions contemplated by this Agreement and the Notes and of all documents evidencing other necessary organizational action of such Borrower with respect to this Agreement and the documents contemplated hereby;

(iii) A certificate of the Secretary or an Assistant Secretary of each Borrower certifying (A) the names and true signatures of the officers of such Borrower authorized to sign this Agreement and the other documents to be delivered hereunder; (B) that attached thereto are true and correct copies of the

articles or certificate of incorporation and by-laws, or equivalent organizational documents, of such Borrower, in each case in effect on such date; and (C) that attached thereto are true and correct copies of all governmental and regulatory authorizations and approvals required for the due execution, delivery and performance by such Borrower of this Agreement and the documents contemplated hereby;

(iv) A certificate signed by either the chief financial officer, principal accounting officer or treasurer of each Borrower stating that (A) the representations and warranties contained in Section 4.01 are correct on and as of the date of such certificate as though made on and as of such date and (B) no Event of Default or Unmatured Event of Default has occurred and is continuing on the date of such certificate; and

(v) A favorable opinion of Ballard Spahr Andrews & Ingersoll LLC, special counsel for the Borrowers, substantially in the form of Exhibit D-1 hereto.

SECTION 3.02 Conditions Precedent to All Credit Extensions. The obligation of each Lender to make any Advance to any Borrower and of the LC Issuer to issue or modify any Facility LC for the account of any Borrower shall be subject to the further conditions precedent that on the date of such Credit Extension the following statements shall be true, and (a) the giving of the applicable Notice of Borrowing and the acceptance by the applicable Borrower of the proceeds of Advances pursuant thereto and (b) the request by a Borrower for the issuance or Modification of a Facility LC shall, in each case, constitute a representation and warranty by such Borrower that on the date of the making of such Advances or the issuance or Modification of such Facility LC such statements are true:

(A) The representations and warranties of such Borrower contained in Section 4.01 are correct on and as of the date of such Credit Extension, before and after giving effect to such Credit Extension and, in the case of the making of Advances, the application of the proceeds therefrom, as though made on and as of such date; and

(B) No event has occurred and is continuing, or would result from such Credit Extension or, in the case of the making of Advances, from the application of the proceeds therefrom, that constitutes an Event of Default or Unmatured Event of Default with respect to such Borrower.

SECTION 3.03 Additional Conditions Precedent to Initial Credit Extension to Genco. The obligation of each Lender to make its initial Advance to Genco and of the LC Issuer to issue any Facility LC for the account of Genco shall be subject to the further conditions precedent that (a) Genco shall have delivered audited financial statements to the Administrative Agent and the Lenders and (b) 100% of the Lenders shall have notified the Administrative Agent that such audited financial statements are satisfactory in form and substance to such Lenders.

SECTION 3.04 Additional Condition Precedent to Initial Credit Extension to ComEd. The obligation of each Lender to make its initial Advance to ComEd and of the LC Issuer to issue any Facility LC for the account of ComEd shall be subject to the further condition

precedent that the Administrative Agent shall have received, in form and substance satisfactory to the Administrative Agent and in sufficient copies to provide one for each Lender, a favorable opinion of Sidley Austin Brown & Wood, special counsel for ComEd, substantially in the form of Exhibit D-2 hereto.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01 Representations and Warranties of the Borrowers. Each Borrower represents and warrants as follows:

(a) Such Borrower is a corporation, limited liability company or business trust duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization.

(b) The execution, delivery and performance by such Borrower of this Agreement and the Notes issued by such Borrower are within such Borrower's powers, have been duly authorized by all necessary organizational action on the part of such Borrower, and do not and will not contravene (i) the articles or certificate of incorporation, by-laws or the organizational documents of such Borrower, (ii) applicable law or (iii) any contractual or legal restriction binding on or affecting the properties of such Borrower or any of its Subsidiaries.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by such Borrower of this Agreement or the applicable Notes, except an appropriate order or orders of (i) the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935 and (ii) in the case of ComEd, the Illinois Commerce Commission under the Illinois Public Utilities Act, which order or orders have been duly obtained (or, in the case of the order or orders referred to in clause (ii), will have been obtained prior to any Credit Extension to ComEd) and are (or, in the case of the order or orders referred to in clause (ii), will be at the time of any Credit Extension to ComEd) (x) in full force and effect and (y) sufficient for the purposes hereof.

(d) This Agreement is, and the applicable Notes when delivered hereunder will be, legal, valid and binding obligations of such Borrowers, enforceable against such Borrower in accordance with their respective terms, except as the enforceability thereof may be limited by equitable principles or bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally.

(e) (i) In the case of PECO, the consolidated balance sheet of PECO and its Subsidiaries as at December 31, 2000, and the related statements of income and retained earnings and of cash flows of PECO and its Subsidiaries for the fiscal year then ended, certified by Pricewaterhouse Coopers LLP, and the unaudited consolidated balance sheet of PECO and its Subsidiaries as at September 30, 2001, and the related unaudited statement of income for the nine-month period then ended, copies of which have been furnished to each Lender,

fairly present in all material respects (subject, in the case of such balance sheet and statement of income for the period ended September 30, 2001, to year-end adjustments) the consolidated financial condition of PECO and its Subsidiaries as at such dates and the consolidated results of the operations of PECO and its Subsidiaries for the periods ended on such dates, all in accordance with GAAP; and since September 30, 2001 there has been no Material Adverse Change with respect to PECO.

(ii) In the case of ComEd, the consolidated balance sheet of ComEd and its Subsidiaries as at December 31, 2000 and the related consolidated statements of income, retained earnings and cash flows of ComEd and its Subsidiaries for the fiscal year then ended, certified by Pricewaterhouse Coopers LLP, and the unaudited consolidated balance sheet of ComEd and its Subsidiaries as of September 30, 2001 and the related unaudited statement of income for the nine-month period then ended, copies of which have been furnished to each Lender, fairly present in all material respects (subject in the case of such balance sheet and statement of income for the period ended September 30, 2001, to year-end adjustments) the consolidated financial condition of ComEd and its Subsidiaries as at such dates and the consolidated results of the operations of ComEd and its Subsidiaries for the periods ended on such dates in accordance with GAAP; and since December 31, 2000 there has been no Material Adverse Change with respect to ComEd.

(iii) In the case of Exelon, the consolidated balance sheet of Exelon and its Subsidiaries as at December 31, 2000 and the related consolidated statements of income, retained earnings and cash flows of Exelon for the fiscal year then ended, certified by Pricewaterhouse Coopers LLP, and the unaudited consolidated balance sheet of Exelon and its Subsidiaries as of September 30, 2001 and the related unaudited statement of income for the nine-month period then ended, copies of which have been furnished to each Lender, fairly present in all material respects (subject, in the case of such balance sheet and statement of income for the period ended September 30, 2001, to year-end adjustments) the consolidated financial condition of Exelon and its Subsidiaries as at such dates and the consolidated results of the operations of Exelon and its Subsidiaries for the periods ended on such dates in accordance with GAAP; and since December 31, 2000 there has been no Material Adverse Change with respect to Exelon.

(f) Except as disclosed in such Borrower's (and, in the case of Genco, Exelon's) Annual, Quarterly or Current Reports, each as filed with the Securities and Exchange Commission and delivered to the Lenders prior to the later of the date of execution and delivery of this Agreement or the date of the most recent extension of the Commitment Termination Date pursuant to Section 2.17, there is no pending or threatened action, investigation or proceeding affecting such Borrower or any of its Subsidiaries before any court, governmental agency or arbitrator that may reasonably be anticipated to have a Material Adverse Effect with respect to such Borrower. There is no pending or threatened action or proceeding against such Borrower or any of its Subsidiaries that purports to affect the legality, validity, binding effect or enforceability against such Borrower of this Agreement or any Note issued by such Borrower.

(g) No proceeds of any Loan to such Borrower have been or will be used directly or indirectly in connection with the acquisition of in excess of 5% of any class of equity securities that is registered pursuant to Section 12 of the Exchange Act or any transaction subject to the requirements of Section 13 or 14 of the Exchange Act.

(h) Such Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of any Advance to such Borrower will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock. Not more than 25% of the value of the assets of such Borrower and its Subsidiaries is represented by margin stock.

(i) Such Borrower is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(j) During the twelve consecutive month period prior to the date of the execution and delivery of this Agreement and prior to the date of any borrowing of Advances by such Borrower or the issuance or modification of any Facility LC for the account of such Borrower, no steps have been taken to terminate any Plan, and no contribution failure by such Borrower or any other member of the Controlled Group has occurred with respect to any Plan. No condition exists or event or transaction has occurred with respect to any Plan (including any Multiemployer Plan) which might result in the incurrence by such Borrower or any other member of the Controlled Group of any material liability, fine or penalty.

ARTICLE V

COVENANTS OF THE BORROWERS

SECTION 5.01 Affirmative Covenants. Each Borrower agrees that so long as any amount payable by such Borrower hereunder remains unpaid, any Facility LC issued for the account of such Borrower remains outstanding or any Lender has any Commitment to such Borrower hereunder, such Borrower will, and, in the case of Section 5.01(a), will cause its Principal Subsidiaries to, unless the Majority Lenders shall otherwise consent in writing:

(a) Keep Books; Existence; Maintenance of Properties; Compliance with Laws; Insurance; Taxes.

(i) keep proper books of record and account, all in accordance with generally accepted accounting principles in the United States, consistently applied;

(ii) subject to Section 5.02(b), preserve and keep in full force and effect its existence;

(iii) maintain and preserve all of its properties (except such properties the failure of which to maintain or preserve would not have, individually or in the aggregate, a Material Adverse Effect on such Borrower) which are used or useful

in the conduct of its business in good working order and condition, ordinary wear and tear excepted;

(iv) comply in all material respects with the requirements of all applicable laws, rules, regulations and orders (including those of any governmental authority and including with respect to environmental matters) to the extent the failure to so comply, individually or in the aggregate, would have a Material Adverse Effect on such Borrower;

(v) maintain insurance with responsible and reputable insurance companies or associations, or self-insure, as the case may be, in each case in such amounts and covering such contingencies, casualties and risks as is customarily carried by or self-insured against by companies engaged in similar businesses and owning similar properties in the same general areas in which such Borrower and its Principal Subsidiaries operate;

(vi) at any reasonable time and from time to time, pursuant to prior notice delivered to such Borrower, permit any Lender, or any agent or representative of any thereof, to examine and, at such Lender's expense, make copies of, and abstracts from the records and books of account of, and visit the properties of, such Borrower and any of its Principal Subsidiaries and to discuss the affairs, finances and accounts of such Borrower and any of its Principal Subsidiaries with any of their respective officers; provided that any non-public information (which has been identified as such by such Borrower or the applicable Principal Subsidiary) obtained by any Lender or any of its agents or representatives pursuant to this subsection (vi) shall be treated confidentially by such Person; provided, further, that such Person may disclose such information to any other party to this Agreement, its examiners, affiliates, outside auditors, counsel or other professional advisors in connection with the Agreement or if otherwise required to do so by law or regulatory process; and

(vii) use the proceeds of the Advances to it for general purposes of such corporation, limited liability company or business trust, as the case may be (including, without limitation, the refinancing of its commercial paper and the making of acquisitions), but in no event for any purpose which would be contrary to clause (g) or clause (h) of Section 4.01.

(b) Reporting Requirements. Furnish to the Lenders:

(i) as soon as possible, and in any event within five Business Days after the occurrence of any Event of Default or Unmatured Event of Default with respect to such Borrower continuing on the date of such statement, a statement of an authorized officer of such Borrower setting forth details of such Event of Default or Unmatured Event of Default and the action which such Borrower proposes to take with respect thereto;

(ii) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of such Borrower (commencing with the quarter ending March 31, 2002), a copy of such Borrower's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission with respect to such quarter (or, if such Borrower is not required to file a Quarterly Report on Form 10-Q, copies of an unaudited consolidated balance sheet of such Borrower as of the end of such quarter and the related consolidated statement of income of such Borrower for the portion of such Borrower's fiscal year ending on the last day of such quarter, in each case prepared in accordance with GAAP, subject to the absence of footnotes and to year-end adjustments), together with a certificate of an authorized officer of such Borrower stating that no Event of Default or Unmatured Event of Default with respect to such Borrower has occurred and is continuing or, if any such Event of Default or Unmatured Event of Default has occurred and is continuing, a statement as to the nature thereof and the action which such Borrower proposes to take with respect thereto;

(iii) as soon as available and in any event within 105 days after the end of each fiscal year of such Borrower, a copy of such Borrower's Annual Report on Form 10-K filed with the Securities and Exchange Commission with respect to such fiscal year (or, if such Borrower is not required to file an Annual Report on Form 10-K, the consolidated balance sheet of such Borrower and its subsidiaries as of the last day of such fiscal year and the related consolidated statements of income, retained earnings (if applicable) and cashflows of such Borrower for such fiscal year, certified by Pricewaterhouse Coopers LLP or other certified public accountants of recognized national standing), together with a certificate of an authorized officer of such Borrower stating that no Event of Default or Unmatured Event of Default with respect to such Borrower has occurred and is continuing or, if any such Event of Default or Unmatured Event of Default has occurred and is continuing, a statement as to the nature thereof and the action which such Borrower proposes to take with respect thereto;

(iv) concurrently with the delivery of the annual and quarterly reports referred to in Sections 5.01(b)(ii) and 5.01(b)(iii), a compliance certificate in substantially the form set forth in Exhibit E, duly completed and signed by the Chief Financial Officer, Treasurer or an Assistant Treasurer of such Borrower;

(v) except as otherwise provided in subsections (ii) and (iii) above, promptly after the sending or filing thereof, copies of all reports that such Borrower sends to any of its security holders, and copies of all Reports on Form 10-K, 10-Q or 8-K, and registration statements and prospectuses that such Borrower or any of its Subsidiaries files with the Securities and Exchange Commission or any national securities exchange (except to the extent that any such registration statement or prospectus relates solely to the issuance of securities pursuant to employee or dividend reinvestment plans of such Borrower or such Subsidiary);

(vi) promptly upon becoming aware of the institution of any steps by such Borrower or any other Person to terminate any Plan, or the failure to make a required contribution to any Plan if such failure is sufficient to give rise to a lien under section 302(f) of ERISA, or the taking of any action with respect to a Plan which could result in the requirement that such Borrower furnish a bond or other security to the PBGC or such Plan, or the occurrence of any event with respect to any Plan, which could result in the incurrence by such Borrower or any other member of the Controlled Group of any material liability, fine or penalty, notice thereof and a statement as to the action such Borrower proposes to take with respect thereto;

(vii) promptly upon becoming aware thereof, notice of any change in the Moody's Rating or the S&P Rating for such Borrower; and

(viii) such other information respecting the condition, operations, business or prospects, financial or otherwise, of such Borrower or any of its Subsidiaries as any Lender, through the Administrative Agent, may from time to time reasonably request.

SECTION 5.02 Negative Covenants. Each Borrower agrees that so long as any amount payable by such Borrower hereunder remains unpaid, any Facility LC issued for the account of such Borrower remains outstanding or any Lender has any Commitment to such Borrower hereunder (except with respect to subsection (a), which shall be applicable only as of the date hereof and at any time any Advance to such Borrower or Facility LC issued for the account of such Borrower is outstanding or is to be made or issued, as applicable), such Borrower will not, without the written consent of the Majority Lenders:

(a) Limitation on Liens. Create, incur, assume or suffer to exist, or, in the case of Exelon, permit any of its Material Subsidiaries to create, incur, assume or suffer to exist, any Lien on its respective property, revenues or assets, whether now owned or hereafter acquired except (i) Liens imposed by law, such as carriers', warehousemen's and mechanics' Liens and other similar Liens arising in the ordinary course of business; (ii) Liens on the capital stock of or any other equity interest in any of its Subsidiaries (excluding, in the case of Exelon, the stock of ComEd, PECO, Genco and any holding company for any of the foregoing) or any such Subsidiary's assets to secure Nonrecourse Indebtedness; (iii) Liens upon or in any property acquired in the ordinary course of business to secure the purchase price of such property or to secure any obligation incurred solely for the purpose of financing the acquisition of such property; (iv) Liens existing on such property at the time of its acquisition (other than any such Lien created in contemplation of such acquisition unless permitted by the preceding clause (iii)); (v) Liens on the property, revenues and/or assets of any Person that exist at the time such Person becomes a Subsidiary and the continuation of such Liens in connection with any refinancing or restructuring of the obligations secured by such Liens; (vi) Liens granted in connection with any financing arrangement for the purchase of nuclear fuel or the financing of pollution control facilities, limited to the fuel or facilities so purchased or acquired; (vii) Liens arising in connection with sales or transfers of, or financing secured by, accounts receivable or related contracts; provided that any such sale, transfer or financing shall be on arms' length terms; (viii) Liens granted by a Special Purpose Subsidiary to secure Transitional Funding Instruments of

such Special Purpose Subsidiary; (ix) in the case of ComEd, Liens arising under the ComEd Mortgage and "permitted liens" as defined in the ComEd Mortgage; (x) in the case of PECO, (A) Liens granted under the PECO Mortgage and "excepted encumbrances" as defined in the PECO Mortgage and (B) Liens securing PECO's notes collateralized solely by mortgage bonds of PECO issued under the terms of the PECO Mortgage; (xi) in the case of PECO, ComEd and Genco, Liens arising in connection with sale and leaseback transactions entered into by such Borrower or a Subsidiary thereof, but only to the extent (I) in the case of PECO or ComEd or any Subsidiary thereof, the proceeds received from such sale shall immediately be applied to retire mortgage bonds of PECO or ComED issued under the terms of the PECO Mortgage or the ComEd Mortgage, as the case may be, or (II) the aggregate purchase price of assets sold pursuant to such sale and leaseback transactions where such proceeds are not applied as provided in clause (I) shall not exceed, in the aggregate for PECO, ComEd, Genco and their Subsidiaries, $1,000,000,000; and (xii) Liens, other than those described in clauses (i) through (xi) of this subsection, granted by such Borrower or, in the case of Exelon, any of its Material Subsidiaries in the ordinary course of business securing Debt of such Borrower and, if applicable, such Material Subsidiaries; provided that the aggregate amount of all Debt secured by such Liens shall not exceed in the aggregate at any one time outstanding (I) in the case of Exelon and its Material Subsidiaries, $100,000,000, (II) in the case of ComEd, $50,000,000, (III) in the case of Genco, $50,000,000, and (IV) in the case of PECO, $50,000,000.

(b) Mergers and Consolidations; Disposition of Assets. Merge with or into or consolidate with or into, or sell, assign, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to any Person or permit any Principal Subsidiary to do so, except that (i) any of its Principal Subsidiaries may merge with or into or consolidate with or transfer assets to any other Principal Subsidiary of such Borrower, (ii) any of its Principal Subsidiaries may merge with or into or consolidate with or transfer assets to such Borrower and (iii) such Borrower or any of its Principal Subsidiaries may merge with or into or consolidate with or transfer assets to any other Person; provided that, in each case, immediately thereafter in giving effect thereto, no Event of Default or Unmatured Event of Default with respect to such Borrower shall have occurred and be continuing and (A) in the case of any such merger, consolidation or transfer of assets to which a Borrower is a party, either (x) such Borrower shall be the surviving entity or (y) the surviving entity shall be an Eligible Successor and shall have assumed all of the obligations of such Borrower under this Agreement and the Notes issued by such Borrower and the Facility LCs issued for the account of such Borrower pursuant to a written instrument in form and substance satisfactory to the Administrative Agent, (B) subject to clause (A) above, in the case of any such merger, consolidation or transfer of assets to which any of its Principal Subsidiaries is a party, a Principal Subsidiary of such Borrower shall be the surviving entity and (C) subject to clause (A) above, in the case of any such merger, consolidation or transfer of assets to which a Material Subsidiary of Exelon is a party, a Material Subsidiary of Exelon shall be the surviving entity.

(c) Leverage Ratios. Permit its Leverage Ratio to exceed 65% at any time.

(d) Continuation of Businesses. Engage in, or permit any of its Subsidiaries to engage in, any line of business which is material to Exelon and its Subsidiaries, taken as a whole, other than businesses engaged in by such Borrower and its Subsidiaries as of the date hereof and reasonable extensions thereof.

(e) Capital Structure. In the case of Exelon, fail at any time to own, free and clear of all Liens, at least 95% of the issued and outstanding common shares or other common ownership interests of ComEd, 100% of the issued and outstanding common shares or other common ownership interests of PECO and 100% of the issued and outstanding membership interests of Genco (or, in any such case, of a holding company which owns, free and clear of all Liens, at least 95% of the issued and outstanding shares of common stock of ComEd, 100% of the issued and outstanding common shares or other common ownership interests of PECO or 100% of the issued and outstanding membership interests of Genco).

(f) Restrictive Agreements. In the case of Exelon, permit ComEd, Genco or PECO (or any holding company for any of the foregoing described in the parenthetical clause at the end of 5.02(e)) to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon the ability of such entity to declare or pay dividends to Exelon (or, if applicable, to its holding company), except for existing restrictions on (i) PECO relating to (A) the priority of payments on its subordinated debentures contained in the Indenture dated as of July 1, 1994 between PECO and First Union National Bank, as trustee, as amended and supplemented to the date hereof, and (B) the priority payment of quarterly dividends on its preferred stock contained in its Amended and Restated Articles of Incorporation as in effect on the date hereof.; and (ii) ComEd in connection with its existing Subordinated Deferrable Interest Securities.

ARTICLE VI

EVENTS OF DEFAULT

SECTION 6.01 Events of Default. If any of the following events shall occur and be continuing with respect to a Borrower (any such event an "Event of Default" with respect to such Borrower):

(a) Such Borrower shall fail to pay (i) any principal of any Advance to such Borrower when the same becomes due and payable, (ii) any Reimbursement Obligation of such Borrower within one Business Day after the same becomes due and payable or (iii) any interest on any Advance to such Borrower or any other amount payable by such Borrower under this Agreement or any Note issued by such Borrower within three Business Days after the same becomes due and payable; or

(b) Any representation or warranty made by such Borrower herein or by such Borrower (or any of its officers) pursuant to the terms of this Agreement shall prove to have been incorrect or misleading in any material respect when made; or

(c) Such Borrower shall fail to perform or observe (i) any term, covenant or agreement contained in Section 5.02, Section 5.01(a)(vii) or Section 5.01(b)(i), in each case to the extent applicable to such Borrower, or (ii) any other term, covenant or agreement contained in this Agreement on its part to be performed or observed if the failure to perform or observe such other term, covenant or agreement shall remain unremedied for 30 days after written notice thereof shall have been given to such Borrower by the Administrative Agent (which notice shall be given by the Administrative Agent at the written request of any Lender); or

(d) Such Borrower or any Principal Subsidiary thereof shall fail to pay any principal of or premium or interest on any Debt that is outstanding in a principal amount in excess of $50,000,000 in the aggregate (but excluding Debt evidenced by the Notes, Nonrecourse Indebtedness and Transitional Funding Instruments) of such Borrower or such Principal Subsidiary (as the case may be) when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof, other than any acceleration of any Debt secured by equipment leases or fuel leases of such Borrower or a Principal Subsidiary thereof as a result of the occurrence of any event requiring a prepayment (whether or not characterized as such) thereunder, which prepayment will not result in a Material Adverse Change with respect to such Borrower; or

(e) Such Borrower or any Principal Subsidiary thereof (other than a Special Purpose Subsidiary) shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against such Borrower or any Principal Subsidiary thereof (other than a Special Purpose Subsidiary) seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property,) shall occur; or such Borrower or any Principal Subsidiary thereof (other than a Special Purpose Subsidiary) shall take any action to authorize or to consent to any of the actions set forth above in this subsection (e); or

(f) One or more judgments or orders for the payment of money in an aggregate amount exceeding $50,000,000 (excluding any such judgments or orders which are fully covered by insurance, subject to any customary deductible, and under which the applicable insurance carrier has acknowledged such full coverage in writing) shall be rendered against such Borrower or any Principal Subsidiary thereof and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(g) (i) Any Reportable Event that the Majority Lenders determine in good faith might constitute grounds for the termination of any Plan or for the appointment by the appropriate United States District Court of a trustee to administer a Plan shall have occurred and

be continuing 30 days after written notice to such effect shall have been given to such Borrower by the Administrative Agent or (ii) any Plan shall be terminated, or (iii) a Trustee shall be appointed by an appropriate United States District Court to administer any Plan or (iv) the PBGC shall institute proceedings to terminate any Plan or to appoint a trustee to administer any Plan; provided, however, that on the date of any event described in clauses (i) through (iv) above, the Unfunded Liabilities of such Plan exceed $20,000,000; or

(h) In the case of ComEd, Exelon (or a wholly owned Subsidiary of Exelon) shall fail to own, free and clear of all Liens, at least 95% of its issued and outstanding common shares or other common ownership interests;

(i) In the case of PECO, Exelon (or a wholly owned Subsidiary of Exelon) shall fail to own, free and clear of all Liens, 100% of its issued and outstanding common shares or other common ownership interests; or

(j) In the case of Genco, Exelon (or a wholly owned Subsidiary of Exelon) shall fail to own, free and clear of all Liens, 100% of the membership interests of Genco;

then, and in any such event, the Administrative Agent shall at the request, or may with the consent, of the Majority Lenders, by notice to such Borrower, (i) declare the respective Commitments of the Lenders to such Borrower and the commitment of the LC Issuer to issue Facility LCs for the account of such Borrower to be terminated, whereupon the same shall forthwith terminate, and/or (ii) declare the principal amount outstanding under the Notes issued by such Borrower, all interest thereon and all other amounts payable under this Agreement by such Borrower (including all contingent LC Obligations) to be forthwith due and payable, whereupon the principal amount outstanding under such Notes, all such interest and all such other amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by such Borrower; provided, however, that in the event of an Event of Default under Section 6.01(e), (A) the obligation of each Lender to make any Advance to such Borrower and the obligation of the LC Issuer to issue Facility LCs for the account of such Borrower shall automatically be terminated and (B) the principal amount outstanding under the Notes issued by such Borrower, all interest thereon and all other amounts payable by such Borrower hereunder (including all contingent LC Obligations of such Borrower) shall automatically and immediately become due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by such Borrower.

ARTICLE VII

THE AGENTS

SECTION 7.01 Authorization and Action. Each Lender hereby appoints and authorizes the Administrative Agent to take such action as administrative agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement (including, without limitation, enforcement or collection of the Notes), the Administrative Agent shall not be required to exercise any discretion

or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such instructions shall be binding upon all Lenders and all holders of Notes; provided, however, that the Administrative Agent shall not be required to take any action which exposes the Administrative Agent to personal liability or which is contrary to this Agreement or applicable law. The Administrative Agent agrees to give to each Lender prompt notice of each notice given to it by a Borrower pursuant to the terms of this Agreement.

SECTION 7.02 Agents' Reliance, Etc. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement, except for its or their respective own gross negligence or willful misconduct. Without limitation of the generality of the foregoing: (i) the Administrative Agent may treat the payee of any Note as the holder thereof until the Administrative Agent receives and accepts an Assignment and Acceptance entered into by the Lender which is the payee of such Note, as assignor, and an Eligible Assignee, as assignee, as provided in Section 8.07; (ii) the Administrative Agent may consult with legal counsel (including counsel for a Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (iii) the Administrative Agent makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement; (iv) the Administrative Agent shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement on the part of any Borrower or to inspect the property (including the books and records) of any Borrower; (v) the Administrative Agent shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; and (vi) the Administrative Agent shall not incur any liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by telecopier, telegram, cable or telex) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 7.03 Agents and Affiliates. With respect to its Commitment, Advances and Notes, Bank One shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not an Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include Bank One in its individual capacity. Bank One and its affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, any Borrower, any subsidiary of any Borrower and any Person who may do business with or own securities of any Borrower or any such subsidiary, all as if it were not an Agent and without any duty to account therefor to the Lenders.

SECTION 7.04 Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on the financial statements referred to in Section 4.01(e) and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance

upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 7.05 Indemnification. The Lenders agree to indemnify each Agent (to the extent not reimbursed by a Borrower), ratably according to their respective Pro Rata Shares, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against any such Agent in any way relating to or arising out of this Agreement or any action taken or omitted by any such Agent under this Agreement, provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender agrees to reimburse each such Agent promptly upon demand for its Pro Rata Share of any out-of-pocket expenses (including reasonable counsel fees) incurred by such Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that such expenses are reimbursable by a Borrower but for which such Agent is not reimbursed by such Borrower.

SECTION 7.06 Successor Administrative Agent. The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrowers and may be removed at any time with or without cause by the Majority Lenders. Upon any such resignation or removal, the Majority Lenders shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Majority Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation or the Majority Lenders' removal of the retiring Administrative Agent, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be a commercial bank described in clause (i) or (ii) of the definition of "Eligible Assignee" and having a combined capital and surplus of at least $150,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article VII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement. Notwithstanding the foregoing, if no Event of Default or Unmatured Event of Default shall have occurred and be continuing, then no successor Administrative Agent shall be appointed under this Section 7.06 without the prior written consent of the Borrowers, which consent shall not be unreasonably withheld or delayed.

SECTION 7.07 Co-Documentation Agents, Co-Syndication Agents and Lead Arranger. The titles "Co-Documentation Agent," "Co-Syndication Agent" and "Lead Arranger and Sole Book Runner" are purely honorific, and no Person designated as a "Co-Documentation Agent," a "Co-Syndication Agent" or the "Lead Arranger and Sole Book Runner" shall have any duties or responsibilities in such capacity.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01 Amendments, Etc. No amendment or waiver of any provision of this Agreement or the Notes, nor consent to any departure by any Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Lenders (other than any Lender that is a Borrower or an Affiliate of a Borrower), do any of the following: (a) waive any of the conditions specified in Section 3.01, 3.02 or 3.03, (b) increase or extend the Commitments of the Lenders, increase any Borrower's Sublimit to an amount greater than the amount specified in Section 2.04(c)(ii)(B) or subject the Lenders to any additional obligations, (c) reduce the principal of, or interest on, the Notes or any fees or other amounts payable hereunder, (d) postpone any date fixed for any payment of principal of, or interest on, the Notes or any fees or other amounts payable hereunder, (e) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Notes, or the number of Lenders, that shall be required for the Lenders or any of them to take any action hereunder, or (f) amend this Section 8.01; provided, further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent, in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement or any Note; and (ii) no amendment, waiver or consent shall, unless in writing and signed by the LC Issuer, in addition to the Lenders required above to take such action, affect the rights or duties of the LC Issuer under this Agreement.

SECTION 8.02 Notices, Etc. All notices and other communications provided for hereunder shall be in writing (including telecopier, telegraphic, telex or cable communication) and mailed, telecopied, telegraphed, telexed, cabled or delivered, if to any Borrower, at 10 S. Dearborn, 37th Floor, Chicago, IL 60603, Attention: J. Barry Mitchell, Telecopy: (312) 394-5440; if to any Lender listed on the signature pages hereof, at its Domestic Lending Office specified opposite its name on Schedule I hereto; if to any other Lender, at its Domestic Lending Office specified in the Assignment and Acceptance pursuant to which it became a Lender; and if to the Administrative Agent, at its address at 1 Bank One Plaza, Mail Suite 0634, 1FPN-10, Chicago, Illinois 60670, Attention: Mr. Ron Cromey, Telecopy: (312) 732-4840 or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties. All such notices and communications shall, when mailed, telecopied, telegraphed, telexed or cabled, be effective when deposited in the mails, telecopied, delivered to the telegraph company, confirmed by telex answerback or delivered to the cable company, respectively, except that notices and communications to the Administrative Agent pursuant to Article II or VII shall not be effective until received by the Administrative Agent.

SECTION 8.03 No Waiver; Remedies. No failure on the part of any Lender, the LC Issuer or the Administrative Agent to exercise, and no delay in exercising, any right hereunder or under any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04 Costs and Expenses; Indemnification. (a) Each Borrower severally agrees to pay on demand all costs and expenses incurred by the Administrative Agent, the LC Issuer and the Lead Arranger in connection with the preparation, execution, delivery, administration, syndication, modification and amendment of this Agreement, the Notes and the other documents to be delivered hereunder, including, without limitation, the reasonable fees, internal charges and out-of-pocket expenses of counsel (including, without limitation, in-house counsel) for the Administrative Agent, the LC issuer and the Lead Arranger with respect thereto and with respect to advising the Administrative Agent, the LC Issuer and the Lead Arranger as to their respective rights and responsibilities under this Agreement, in each case to the extent attributable to such Borrower; it being understood that to the extent any such costs and expenses are not attributable to a particular Borrower, each Borrower shall pay its proportionate share thereof according to the Borrowers' respective Sublimits at the time such costs and expenses were incurred. Each Borrower further severally agrees to pay on demand all costs and expenses, if any (including, without limitation, counsel fees and expenses of outside counsel and of internal counsel), incurred by the Agent, the LC Issuer or any Lender in connection with the collection and enforcement (whether through negotiations, legal proceedings or otherwise) of such Borrower's obligations this Agreement, the Notes issued by such Borrower and the other documents to be delivered by such Borrower hereunder, including, without limitation, reasonable counsel fees and expenses in connection with the enforcement of rights under this Section 8.04(a), in each case to the extent attributable to such Borrower; it being understood that to the extent any such costs and expenses are not attributable to a particular Borrower, each Borrower shall pay its proportionate share thereof according to the Borrowers' respective Sublimits at the time such costs and expenses were incurred.

(b) If any payment of principal of, or any conversion of, any Eurodollar Rate Advance is made other than on the last day of the Interest Period for such Advance, as a result of a payment or conversion pursuant to Section 2.09 or 2.12 or acceleration of the maturity of the Notes pursuant to Section 6.01 or for any other reason, the applicable Borrower shall, upon demand by any Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender any amount required to compensate such Lender for any additional losses, costs or expenses which it may reasonably incur as a result of such payment or conversion, including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance.

(c) Each Borrower hereby severally agrees to indemnify and hold each Lender, the LC Issuer, each Agent and each of their respective Affiliates, officers, directors and employees (each, an "Indemnified Person") harmless from and against any and all claims, damages, losses, liabilities, costs or expenses (including reasonable attorney's fees and expenses, whether or not such Indemnified Person is named as a party to any proceeding or is otherwise subjected to judicial or legal process arising from any such proceeding) that any of them may pay or incur arising out of or relating to this Agreement, the Notes or the transactions contemplated thereby, or the use by such Borrowers or any of its Subsidiaries of the proceeds of any Advance to such Borrower, in each case to the extent such claims damages, losses, liabilities, costs or expenses are attributable to such Borrower, it being understood that to the extent any such claims, damages, losses, liabilities, costs or expenses are not attributable to a particular Borrower, each Borrower shall pay its proportionate share thereof according to the Borrowers'

respective Sublimits at the time such claims, damages, losses, liabilities, costs or expenses arose; provided, however, that no Borrower shall be liable for any portion of such claims, damages, losses, liabilities, costs or expenses resulting from such Indemnified Person's gross negligence or willful misconduct. Each Borrower's obligations under this Section 8.04(c) shall survive the repayment of all amounts owing by such Borrower to the Lenders and the Administrative Agent under this Agreement and the Notes issued by such Borrower and the termination of the Commitments to such Borrower. If and to the extent that the obligations of a Borrower under this Section 8.04(c) are unenforceable for any reason, such Borrower agrees to make the maximum contribution to the payment and satisfaction thereof which is permissible under applicable law.

SECTION 8.05 Right of Set-off. Upon (i) the occurrence and during the continuance of any Event of Default with respect to a Borrower and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Administrative Agent to declare the Notes issued by such Borrower due and payable pursuant to the provisions of Section 6.01, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of such Borrower against any and all of the obligations of such Borrower now or hereafter existing under this Agreement and any Note of such Borrower held by such Lender, whether or not such Lender shall have made any demand under this Agreement or such Note and although such obligations may be unmatured. Each Lender agrees promptly to notify the applicable Borrower after any such set-off and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender under this Section 8.05 are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Lender may have.

SECTION 8.06 Binding Effect. This Agreement shall become effective when counterparts hereof shall have been executed by the Borrowers and the Agents and when the Administrative Agent shall have been notified by each Lender that such Lender has executed a counterpart hereof and thereafter shall be binding upon and inure to the benefit of the Borrowers, the Agents and each Lender and their respective successors and assigns, provided that (except as permitted by Section 5.02(b)(iii)) no Borrower shall have the right to assign rights hereunder or any interest herein without the prior written consent of all Lenders.

SECTION 8.07 Assignments and Participations. (a) Each Lender may, with the prior written consent of Exelon, the LC Issuer and the Administrative Agent (which consents shall not be unreasonably withheld or delayed), and if demanded by a Borrower pursuant to subsection (g) hereof shall to the extent required by such subsection (g), assign to one or more banks or other entities all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Advances owing to it, its participation in Facility LCs and the Note or Notes held by it); provided, however, that (i) each such assignment shall be of a constant, and not a varying, percentage of all of the assigning Lender's rights and obligations under this Agreement, (ii) the Commitment Amount of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than $10,000,000 or, if less, the entire amount of such Lender's Commitment, and shall be an integral multiple of

$1,000,000 or such Lender's entire Commitment, (iii) each such assignment shall be to an Eligible Assignee, (iv) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with any Note or Notes subject to such assignment and a processing and recordation fee of $4,000 (which shall be payable by one or more of the parties to the Assignment and Acceptance, and not by any Borrower, and shall not be payable if the assignee is a Federal Reserve Bank), and (v) the consent of Exelon shall not be required after the occurrence and during the continuance of any Event of Default. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto (although an assigning Lender shall continue to be entitled to indemnification pursuant to Section 8.04(c)). Notwithstanding anything contained in this Section 8.07(a) to the contrary, (A) the consent of Exelon, the LC Issuer and the Administrative Agent shall not be required with respect to any assignment by any Lender to an Affiliate of such Lender or to another Lender and (B) any Lender may at any time, without the consent of Exelon, the LC Issuer or the Administrative Agent, and without any requirement to have an Assignment and Acceptance executed, assign all or any part of its rights under this Agreement and its Notes to a Federal Reserve Bank, provided that any such assignment does not release the transferor Lender from any of its obligations hereunder.

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Borrower or the performance or observance by any Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.01(e) and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Administrative Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee

agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(c) The Administrative Agent shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Commitment Amount of, and principal amount of the Advances owing by each Borrower to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and each Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by any Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee representing that it is an Eligible Assignee, together with all Notes subject to such assignment, the Administrative Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit C hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrowers. Within five Business Days after its receipt of such notice, each Borrower, at its own expense, shall execute and deliver to the Administrative Agent, in exchange for the surrendered Note issued by such Borrower a new Note to the order of such Eligible Assignee in an amount equal to the product of the Commitment Amount assumed by such Eligible Assignee pursuant to such Assignment and Acceptance multiplied by the percentage which such Borrower's Sublimit is of the aggregate amount of the Commitment Amounts (the "Sublimit Percentage") and, if the assigning Lender has retained a Commitment hereunder, a new Note to the order of the assigning Lender in an amount equal to the product of the Commitment Amount of such assigning Lender after giving effect to such assignment multiplied by the Sublimit Percentage. Each such new Note or Notes shall be dated the effective date of such Assignment and Acceptance and shall otherwise be in substantially the form of Exhibit A hereto.

(e) Each Lender may sell participations to one or more banks or other entities (each, a "Participant") in or to all or a portion of its rights and/or obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Advances owing to it, its participation in Facility LCs and the Note or Notes held by it); provided, however, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of any such Note for all purposes of this Agreement, (iv) the Borrowers, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (v) such Lender shall retain the sole right to approve, without the consent of any Participant, any amendment, modification or waiver of any provision of this Agreement or the Note or Notes held by such Lender, other than any such amendment, modification or waiver with respect to any Advance or Commitment in which such Participant has an interest that forgives principal, interest or fees or reduces the interest rate or fees payable with respect to any such Advance or Commitment, postpones any date fixed for any regularly scheduled payment of principal of, or interest or fees on, any such Advance or Commitment,

extends any Commitment, releases any guarantor of any such Advance or releases any substantial portion of collateral, if any, securing any such Advance.

(f) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 8.07, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrowers furnished to such Lender by or on behalf of the Borrowers; provided that, prior to any such disclosure, the assignee or participant or proposed assignee or participant shall agree to preserve the confidentiality of any confidential information relating to the Borrowers received by it from such Lender (subject to customary exceptions regarding regulatory requirements, compliance with legal process and other requirements of law).

(g) If (i) any Lender shall make demand for payment under Section 2.11(a), 2.11(b) or 2.14, or (ii) shall deliver any notice to the Administrative Agent pursuant to Section 2.12 resulting in the suspension of certain obligations of the Lenders with respect to Eurodollar Rate Advances or (iii) shall fail to consent to, or shall revoke its consent to, an extension of the scheduled Commitment Termination Date pursuant to Section 2.17, then (in the case of clause (i)) within 60 days after such demand (if, but only if, such payment demanded under Section 2.11(a), 2.11(b) or 2.14 has been made by the applicable Borrower), or (in the case of clause (ii)) within 60 days after such notice (if such suspension is still in effect), or (in the case of clause (iii)) no later than five days prior to the then effective scheduled Commitment Termination Date, as the case may be, the Borrowers may demand that such Lender assign in accordance with this Section 8.07 to one or more Eligible Assignees designated by the Borrowers and reasonably acceptable to the Administrative Agent all (but not less than all) of such Lender's Commitment, the Advances owing to it and its participation in the Facility LCs within the next succeeding 30 days (in the case of clause (i) or clause (ii)), or within the next succeeding five days (in the case of clauses (iii)). If any such Eligible Assignee designated by the Borrowers shall fail to consummate such assignment on terms acceptable to such Lender, or if the Borrowers shall fail to designate any such Eligible Assignee for all of such Lender's Commitment, Advances and participation in Facility LCs, then such Lender may (but shall not be required to) assign such Commitment and Advances to any other Eligible Assignee in accordance with this Section 8.07 during such period.

(h) Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Bank") may grant to a special purpose funding vehicle (an "SPC"), identified as such in writing from time to time by the Granting Bank to the Administrative Agent and the Borrowers, the option to provide to any Borrower all or any part of any Advance that such Granting Bank would otherwise be obligated to make to such Borrower pursuant to this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPC to make any Advance, (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Advance, the Granting Bank shall be obligated to make such Advance pursuant to the terms hereof. The making of an Advance by an SPC hereunder shall utilize the Commitment of the Granting Bank to the same extent, and as if, such Advance were made by such Granting Bank. Each party hereto hereby agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Bank). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date

that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section 8.07, any SPC may (i) with notice to, but without the prior written consent of, the Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Advances to the Granting Bank or to any financial institutions (consented to by such Borrower and Administrative Agent, neither of which consents shall be unreasonably withheld or delayed) providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Advances and (ii) disclose on a confidential basis any non-public information relating to its Advances to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC. This Section 8.07(g) may not be amended in any manner which adversely affects a Granting Bank or an SPC without the written consent of such Granting Bank or SPC.

SECTION 8.08 Governing Law. THIS AGREEMENT AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA.

SECTION 8.09 Consent to Jurisdiction; Certain Waivers. (a) THE BORROWERS HEREBY IRREVOCABLY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE COMMONWEALTH OF PENNSYLVANIA AND ANY UNITED STATES DISTRICT COURT SITTING IN THE COMMONWEALTH OF PENNSYLVANIA IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE NOTES AND THE BORROWERS HEREBY IRREVOCABLY AGREE THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVE ANY OBJECTION THEY MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE ADMINISTRATIVE AGENT OR ANY LENDER TO BRING PROCEEDINGS AGAINST ANY BORROWER IN THE COURTS OF ANY OTHER JURISDICTION.

(b) EXCEPT AS PROHIBITED BY LAW, EACH PARTY HERETO HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE NOTES ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES.

SECTION 8.10 Execution in Counterparts; Integration. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes all prior and contemporaneous agreements and understandings, oral or written, relating to the subject matter hereof.

SECTION 8.11 Liability Several. No Borrower shall be liable for the obligations of any other Borrower hereunder.

SECTION 8.12 Termination of Existing Agreement; Existing Letters of Credit. Exelon, ComEd, PECO, the Lenders which are parties to the Existing Agreement (which Lenders constitute the "Majority Lenders" as defined in the Existing Agreement) and Bank One, as Administrative Agent under the Existing Agreement, agree that, concurrently with the making of the initial Loans hereunder, (a) the commitments under the Existing Agreement shall terminate and be of no further force or effect (without regard to any requirement in Section 2.04 of the Existing Agreement for prior notice of termination of the commitments thereunder), (b) the "Facility LCs" issued under the Existing Agreement for the account of Exelon and PECO (the "Existing Letters of Credit") shall be deemed to be Facility LCs hereunder and (c) the "Facility LCs" issued under the Existing Agreement for the account of ComEd (the "ComEd Letters of Credit") shall be deemed to have been issued by Bank One for its own account. The parties hereto agree that (i) concurrently with the making of the initial Loans hereunder, the Existing Letters of Credit shall be deemed to be Facility LCs hereunder as if the Existing Letters of Credit were issued hereunder on the Closing Date and (ii) on the first date on which all conditions precedent to the initial Credit Extension to ComEd (including the condition precedent set forth in Section 3.04) have been satisfied and no Event of Default or Unmatured Event of Default exists (and subject to availability under the ComEd Sublimit), the ComEd Letters of Credit shall be deemed to be Facility LCs hereunder as if the ComEd Letters of Credit had been issued hereunder on such date.

[Remainder of the page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

EXELON CORPORATION

By: ___________________________________
J. Barry Mitchell
Vice President & Treasurer

COMMONWEALTH EDISON COMPANY

By: ___________________________________
J. Barry Mitchell
Vice President & Treasurer

PECO ENERGY COMPANY

By: ___________________________________
J. Barry Mitchell
Vice President & Treasurer

EXELON GENERATION COMPANY LLC

By: ___________________________________
J. Barry Mitchell
Vice President & Treasurer

This is a signature page to the 364-Day Credit Agreement dated as of December 12, 2001 among Exelon Corporation, Commonwealth Edison Company, Exelon Generation LLC and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, ABN AMRO Bank, N.V. and Barclays Bank plc, as Co-Documentation Agents, and Citibank, N.A. and First Union National Bank, as Co-Syndication Agents.

THE LENDERS

COMMITMENT AMOUNT

$113,500,000	BANK ONE, NA (Main Office Chicago), as Administrative Agent, as LC Issuer and as a Lender

By: ______________________________
Name: Madeline Pember
Title: Authorized Agent

This is a signature page to the 364-Day Credit Agreement dated as of December 12, 2001 among Exelon Corporation, Commonwealth Edison Company, Exelon Generation LLC and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, ABN AMRO Bank, N.V. and Barclays Bank plc, as Co-Documentation Agents, and Citibank, N.A. and First Union National Bank, as Co-Syndication Agents.

COMMITMENT AMOUNT

$113,500,000 BARCLAYS BANK PLC,
as Co-Documentation Agent and as a Lender

By: ______________________________________
Name: ________________________________
Title: _______________________________

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COMMITMENT AMOUNT

$113,500,000

FIRST UNION NATIONAL BANK,
as Co-Syndication Agent and as a Lender

By: ______________________________________
Name: ________________________________
Title: _______________________________

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COMMITMENT AMOUNT

$113,500,000 CITIBANK, N.A., as Co-Syndication Agent and as a Lender

By: ______________________________________
Name: ________________________________
Title: _______________________________

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COMMITMENT AMOUNT

$113,500,000

ABN AMRO BANK N.V., as Co-Documentation Agent and as a Lender

By: ______________________________________
Name: ________________________________
Title: _______________________________

By: ______________________________________
Name: ________________________________
Title: _______________________________

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COMMITMENT AMOUNT

$113,500,000 THE BANK OF NOVA SCOTIA, as a Lender

By: ______________________________________
Name: ________________________________
Title: _______________________________

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COMMITMENT AMOUNT

$57,000,000 THE BANK OF NEW YORK, as a Lender

By: ______________________________________
Name: ________________________________
Title: _______________________________

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COMMITMENT AMOUNT

$57,000,000 MELLON BANK, N.A., as a Lender

By: ______________________________________
Name: ________________________________
Title: _______________________________

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COMMITMENT AMOUNT

$75,000,000

BAYERISCHE LANDESBANK
GIROZENTRALE, CAYMAN ISLANDS
BRANCH, as a Lender

By: ______________________________________
Name: ________________________________
Title: _______________________________

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COMMITMENT AMOUNT

$113,500,000 JPMORGAN CHASE BANK, as a Lender

By: ______________________________________
Name: ________________________________
Title: _______________________________

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COMMITMENT AMOUNT

$113,500,000 BNP PARIBAS, as a Lender

By: ______________________________________
Name: ________________________________
Title: _______________________________

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COMMITMENT AMOUNT

$57,000,000

THE NORTHERN TRUST COMPANY, as a Lender

By: ____________________________________
Name: ______________________________
Title: _____________________________

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COMMITMENT AMOUNT

$112,500,000

BAYERISCHE HYPO- UND VEREINSBANK AG,
NEW YORK BRANCH, as a Lender

By: ______________________________________
Name: ________________________________
Title: _______________________________

By: ______________________________________
Name: ________________________________
Title: _______________________________

By: ______________________________________
Name: ________________________________
Title: _______________________________

This is a signature page to the 364-Day Credit Agreement dated as of December 12, 2001 among Exelon Corporation, Commonwealth Edison Company, Exelon Generation LLC and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, ABN AMRO Bank, N.V. and Barclays Bank plc, as Co-Documentation Agents, and Citibank, N.A. and First Union National Bank, as Co-Syndication Agents.

COMMITMENT AMOUNT

$114,000,000

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED, as a Lender

By: ____________________________________
Name: ______________________________
Title: _____________________________

This is a signature page to the 364-Day Credit Agreement dated as of December 12, 2001 among Exelon Corporation, Commonwealth Edison Company, Exelon Generation LLC and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, ABN AMRO Bank, N.V. and Barclays Bank plc, as Co-Documentation Agents, and Citibank, N.A. and First Union National Bank, as Co-Syndication Agents.

COMMITMENT AMOUNT

$62,500,000	SUMITOMO MITSUI BANKING CORPORATION, as a Lender

By: ____________________________________
Name: ______________________________
Title: _____________________________

This is a signature page to the 364-Day Credit Agreement dated as of December 12, 2001 among Exelon Corporation, Commonwealth Edison Company, Exelon Generation LLC and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, ABN AMRO Bank, N.V. and Barclays Bank plc, as Co-Documentation Agents, and Citibank, N.A. and First Union National Bank, as Co-Syndication Agents.

COMMITMENT AMOUNT

$57,000,000

DRESDNER BANK AG, NEW YORK AND
GRAND CAYMAN BRANCHES, as a Lender

By: ______________________________________
Name: ________________________________
Title: _______________________________

This is a signature page to the 364-Day Credit Agreement dated as of December 12, 2001 among Exelon Corporation, Commonwealth Edison Company, Exelon Generation LLC and PECO Energy Company as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, ABN AMRO Bank, N.V. and Barclays Bank plc, as Co-Documentation Agents, and Citibank, N.A. and First Union National Bank, as Co-Syndication Agents.

SCHEDULE I

364-Day Credit Agreement dated as of December 12, 2001, among Exelon Corporation, Commonwealth Edison Company, Exelon Generation Company, LLC and PECO Energy Company, as Borrowers, various financial institutions, as Lenders, Bank One, NA, as Administrative Agent, ABN AMRO Bank, N.V. and Barclays Bank plc, as Co-Documentation Agents, and Citibank, N.A. and First Union National Bank, as Co-Syndication Agents.

Name of Lender	Domestic Lending Office	Eurodollar Lending Office
Bank One, NA	1 Bank One Plaza Mail Suite 0634, 1FNP-10 Chicago, IL 60670 Attn: Gwendolyn Watson Phone: (312) 732-4509 Fax: (312) 732-4840	Same
Citibank, N.A.	399 Park Avenue New York, NY 10043 Attn: Robert J. Harrity, Jr. Phone: (212) 816-8554 Fax: (212) 816-8098	Same
First Union National Bank	1 First Union Center 301 S. College St. Charlotte, NC 28288 Attn: Robert Wetteroff Phone: (704) 374-6221 Fax: (704) 374-6249	Same
ABN AMRO Bank N.V.	208 South LaSalle Street Suite 1500 Chicago, IL 60604-1003 Attn: Ken Keck Phone: (312) 992-5110 Fax: (312) 992-5111	Same
Barclays Bank plc	222 Broadway, 8th Floor New York, NY 10038 Attn: Sydney Dennis Phone: (212) 412-2470 Fax: (212) 412-7511	Same
The Bank of New York	One Wall St., 19th Floor New York, NY 10286 Attn: John Watt Phone: (212) 635-7533 Fax: (212) 635-7923	Same

Name of Lender	Domestic Lending Office	Eurodollar Lending Office
Mellon Bank, N.A.	One Mellon Bank Center Room 4530 Pittsburgh, PA 15258-0001 Attn: Richard A. Matthews Phone: (412) 234-9759 Fax: (412) 236-1840	Same
Bayerische Landesbank Girozentrale, Cayman Islands Branch	560 Lexington Ave, 17th Floor New York, NY 10022 Attn: Sean O'Sullivan Phone: (212) 310-9913 Fax: (212) 310-9868	Same
JPMorgan Chase Bank	270 Park Avenue New York, NY 10017 Attn: Peter Ling Phone: (212) 270-4676 Fax: (212) 270-3089	Same
Australia and New Zealand Banking Group Limited	1177 Avenue of the Americas 6th Floor New York, NY 10036 Attn: Arlene Esin Phone: (212) 801-9827 Fax: (212) 536-9278	Same
The Northern Trust Company	50 S. LaSalle St. Chicago, IL 60675 Attn: Nicole Boehm Phone: (312) 444-3640 Fax: (312) 630-6062	Same
The Bank of Nova Scotia	600 Peachtree Street, Suite 2700 Atlanta, GA 30308 Attn: John Malloy Phone: (312) 201-4111 Fax: (312) 201-4108	Same
BNP Paribas	787 Seventh Avenue, 31st Floor New York, NY 10019 Attn: Sean Finnegan Phone: (212) 841-2310 Fax: (212) 841-2203	Same

Name of Lender	Domestic Lending Office	Eurodollar Lending Office
Bayerische Hypo- und Vereinsbank AG, New York Branch	150 East 42nd Street New York, NY 10017 Attn: William Hunter Phone: (212) 672-5340 Fax: (212) 672-5530	Same
Sumitomo Mitsui Banking Corporation	277 Park Ave. New York, NY 10172 Attn: David Buck Phone: (212) 224-4168 Fax: (212) 224-4042	Same
Dresdner Bank AG	75 Wall St., 25th Floor New York, NY 10005-2889 Attn: Fred C. Thurston Phone: (212) 429-2029 Fax: (212) 429-2192	Same

SCHEDULE II
PRICING SCHEDULE

The "Applicable Margin," the "Facility Fee Rate" the "Utilization Fee Rate" and the "LC Fee Rate" for any day are the respective percentages set forth below in the applicable row under the column corresponding to the Status that exists on such day:

Status	Applicable Margin and LC Fee Rate	Facility Fee Rate	Utilization Fee Rate
Level I	0.400%	0.100%	0.100%
Level II	0.500%	0.125%	0.125%
Level III	0.600%	0.150%	0.125%
Level IV	0.825%	0.175%	0.125%
Level V	0.925%	0.200%	0.250%

The Applicable Margin, the Facility Fee Rate, the Utilization Fee Rate and the LC Fee Rate shall be determined separately for each Borrower in accordance with the foregoing table based on the Status for such Borrower. The Status in effect for any Borrower on any date for the purposes of this Pricing Schedule is based on the Moody's Rating and the S&P Rating in effect at the close of business on such date.

For the purposes of the foregoing (but subject to the final paragraph of this Pricing Schedule):

"Level I Status" exists at any date for a Borrower if, on such date, such Borrower's Moody's Rating is A3 or better or such Borrower's S&P Rating is A- or better.

"Level II Status" exists at any date for a Borrower if, on such date, (i) Level I Status does not exist for such Borrower and (ii) such Borrower's Moody's Rating is Baa1 or better or such Borrower's S&P Rating is BBB+ or better.

"Level III Status" exists at any date for a Borrower if, on such date, (i) neither Level I Status nor Level II Status exists for such Borrower and (ii) such Borrower's Moody's Rating is Baa2 or better or such Borrower's S&P Rating is BBB or better.

"Level IV Status" exists at any date if, on such date, (i) none of Level I Status, Level II Status or Level III Status exists for such Borrower and (ii) such Borrower's Moody's Rating is Baa3 or better or such Borrower's S&P Rating is BBB- or better.

"Level V Status" exists at any date for a Borrower if, on such date, none of Level I Status, Level II Status, Level III Status or Level IV Status exists for such Borrower.

"Status" means Level I Status, Level II Status, Level III Status, Level IV Status or Level V Status.

If the S&P Rating and the Moody's Rating for a Borrower create a split-rated situation and the ratings differential is one level, the higher rating will apply. If the differential is two levels or more, the intermediate rating at the midpoint will apply. If there is no midpoint, the higher of the two intermediate ratings will apply. If a Borrower has no Moody's Rating or no S&P Rating, Level V Status shall exist for such Borrower.

ARTICLE I DEFINITIONS AND ACCOUNTING TERMS.................................. 1

Section 1.01 Certain Defined Terms.............................. 1

Section 1.02 Computation of Time Periods........................ 12

Section 1.03 Accounting Principles.............................. 12

Section 1.04 Section References................................. 12

ARTICLE II AMOUNTS AND TERMS OF THE COMMITMENTS............................. 12

Section 2.01 Commitments.. 12

Section 2.02 Procedures for Advances; Limitations on Borrowings. 13

Section 2.03 Facility and Utilization Fees...................... 14

Section 2.04 Reduction of Commitment Amounts; Adjustment of Sublimits... 14

Section 2.05 Repayment of Advances.............................. 15

Section 2.06 Interest on Advances............................... 15

Section 2.07 Additional Interest on Eurodollar Advances......... 16

Section 2.08 Interest Rate Determination........................ 16

Section 2.09 Continuation and Conversion of Advances............ 17

Section 2.10 Prepayments.. 17

Section 2.11 Increased Costs.................................... 18

Section 2.12 Illegality... 19

Section 2.13 Payments and Computations.......................... 20

Section 2.14 Taxes.. 21

Section 2.15 Sharing of Payments, Etc........................... 23

Section 2.16 Facility LCs....................................... 24

Section 2.17 Extension of Commitment Termination Date........... 27

ARTICLE III CONDITIONS TO CREDIT EXTENSIONS................................ 28

Section 3.01 Conditions Precedent to Initial Credit Extensions.. 28

Section 3.02 Conditions Precedent to All Credit Extensions...... 29

Section 3.03 Additional Conditions Precedent to Initial Credit Extension to Genco................................. 29

Section 3.04 Additional Condition Precedent to Initial Credit Extension to ComEd................................. 29

ARTICLE IV REPRESENTATIONS AND WARRANTIES.................................. 30

Section 4.01 Representations and Warranties of the Borrowers.... 30

ARTICLE V COVENANTS OF THE BORROWERS.. 32

Section 5.01 Affirmative Covenants.............................. 32

Section 5.02 Negative Covenants................................. 35

ARTICLE VI EVENTS OF DEFAULT.. 37

Section 6.01 Events of Default.................................. 37

ARTICLE VII THE AGENTS.. 39

Section 7.01 Authorization and Action........................... 39

Section 7.02 Agents' Reliance, Etc.............................. 40

Section 7.03 Agents and Affiliates.............................. 40

Section 7.04 Lender Credit Decision............................. 40

Section 7.05 Indemnification.................................... 41

Section 7.06 Successor Administrative Agent..................... 41

Section 7.07 Co-Documentation Agents, Co-Syndication Agents and Lead Arranger.................................. 41

ARTICLE VIII MISCELLANEOUS.. 42

Section 8.01 Amendments, Etc.................................... 42

Section 8.02 Notices, Etc....................................... 42

Section 8.03 No Waiver; Remedies................................ 42

Section 8.04 Costs and Expenses; Indemnification................ 43

Section 8.05 Right of Set-off.................................. 44

Section 8.06 Binding Effect..................................... 44

Section 8.07 Assignments and Participations..................... 44

Section 8.08 Governing Law...................................... 48

Section 8.09 Consent to Jurisdiction; Certain Waivers........... 48

Section 8.10 Execution in Counterparts; Integration............. 48

Section 8.11 Liability Several.................................. 49

Section 8.12 Termination of Existing Agreement.................. 49

Schedule I	List of Applicable Lending Offices
Schedule II	Pricing Schedule
Exhibit A	Form of Note
Exhibit B	Form of Notice of Borrowing
Exhibit C	Form of Assignment and Acceptance
Exhibit D-1	Form of Opinion of Special Counsel for the Borrowers
Exhibit D-2	Form of Opinion of Special Counsel for ComEd
Exhibit E	Form of Annual and Quarterly Compliance Certificate

Exhibit 4-2-1

PECO ENERGY COMPANY

TO

FIRST UNION NATIONAL BANK, TRUSTEE

NINETY-SEVENTH SUPPLEMENTAL
INDENTURE DATED AS OF
OCTOBER 15, 2001

TO

FIRST AND REFUNDING MORTGAGE

OF

THE COUNTIES GAS AND ELECTRIC
COMPANY

TO

FIDELITY TRUST COMPANY, TRUSTEE
DATED MAY 1, 1923

5.95% SERIES DUE 2011

THIS SUPPLEMENTAL INDENTURE dated as of October 15, 2001, 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 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*

and Date	Supplemental Indenture 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*

*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
5-5/8% Series due 2001	$250,000,000
8% Series due 2002	41,636,000
7-1/8% Series due 2002	175,000,000
7-1/2% Series due 2002	5,280,000
6-5/8% Series due 2003	250,000,000
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
6-5/8% Pollution Control Series I due 2022	29,530,000
Total	$1,180,646,000

and

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, 5.95% Series Due 2011, (hereinafter sometimes called the "bonds of the New Series" or the "bonds of the 5.95% Series due 2011"); 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,
5.95% SERIES DUE 2011,
DUE NOVEMBER 1, 2011

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

Dollars on November 1, 2011, 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 5.95 percent per annum in like coin or currency, payable at either of the offices aforesaid on May 1 and November 1 in each year until the Company's obligation with respect to the payment of such principal shall have been discharged; provided, however, that if (i) on or prior to the 360th day following the original issue date of the bonds of this series, neither (x) an exchange offer (the "Exchange Offer") registered pursuant to the Company's registration statement (the "Exchange Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), registering a security substantially identical to this bond (except that such security will not contain terms with respect to the Special Interest payments described below or transfer restrictions) has been consummated nor (y) if applicable, in lieu thereof, a registration statement registering this bond for resale (a "Resale Registration Statement") has become or declared effective; or (ii) either the Exchange Registration Statement or, if applicable, the Resale Registration Statement is filed and declared effective (except as specifically permitted therein), but shall thereafter cease to be effective without being succeeded promptly by an additional registration statement filed and declared effective, in each case (i) and (ii) upon the terms and conditions set forth in the Registration Rights Agreement (each such event referred to in clauses (i) and (ii), a "Special Interest Payment Event"), then additional interest will accrue (in addition to the interest stated above) (the "Step-Up") from the date of such Special Interest Payment Event at a rate of 0.50% per annum, determined daily, on the principal amount hereof, and such additional interest shall be payable until such time (the "Step Down Date") as no Special Interest Payment Event is in effect or the first date the bonds of this series become freely tradable under rule 144(k) of the Securities Act. Interest accruing as a result of the Step-Up (which shall be computed on the basis of a 365-day year and the actual number of days elapsed) is referred to herein as "Special Interest." Accrued Special Interest, if any, shall be paid semi-annually on May 1 and November 1 in each year. Any accrued and unpaid interest (including Special Interest) on this bond upon the issuance of an Exchange Security (as defined in the Registration Rights Agreement) in

exchange for this bond shall cease to be payable to the holder hereof but such accrued and unpaid interest (including Special Interest) shall be payable on the next interest payment date for such Exchange Security to the holder thereof on the related record date. Both such principal and interest are payable less deduction for any taxes, assessments or governmental charges assessed against this bond or the interest hereon or any owner or holder hereof which the Company, the Trustee under the Mortgage referred to on the reverse hereof or any paying agent is or may be required to collect or withhold under any present or future law of the United States of America, or any state and/or of any county, municipality, taxing authority or political subdivision thereof.

"Registration Rights Agreement" means an agreement by and among the Company and the initial purchasers of the bonds of this series regarding the Company's obligation to (1) complete the Exchange Offer and (2) register the resale of the bonds of this series with the Securities and Exchange Commission.

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 Bond)

PECO ENERGY COMPANY
First and Refunding Mortgage Bond,
5.95% Series Due 2011, Due November 1, 2011

(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, 5.95% Series due 2011. 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 First Union National Bank, 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 ninety-seven 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 November 1, 2011, 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 30 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 Merrill Lynch, Pierce, Fenner & Smith Incorporated and First Union Securities, 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.

(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 Ninety-Seventh Supplemental Indenture dated as of October 15, 2001.

FIRST UNION NATIONAL BANK

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 First Union National Bank, 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.:

The real property set forth in Schedule A, attached hereto and hereby made a part hereof, with any improvements thereon erected now owned by the Company but not specifically described in the Mortgage or in any indenture supplemental thereto heretofore executed, in the places set forth in Schedule A.

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 deleting from paragraph (d) of Section 5 and from the first clause of Section 9, the following:

"or Medium Term Note Series B"

and by inserting in lieu thereof, in both instances, the following:

", Medium Term Note Series B or 5.95% Series due 2011"

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 $250,000,000 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 has been paid, in which event such bonds shall be dated October 30, 2001. The bonds of the New Series shall mature on November 1, 2011.

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 May 1, 2002 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 bond 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. The bonds of the New Series are initially being issued in reliance on Rule 144A of the Securities Act of 1933, as amended. Accordingly, the bonds of the New Series shall bear the following legend:

THIS BOND (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (SECURITIES ACT), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM AND IN ANY EVENT MAY BE SOLD OR OTHERWISE TRANSFERRED ONLY IN ACCORDANCE WITH THE MORTGAGE COPIES OF WHICH ARE AVAILABLE FOR INSPECTION AT THE OFFICE OF THE TRUSTEE IN THE CITY OF PHILADELPHIA, PENNSYLVANIA.

EACH PURCHASER OF THIS BOND IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. EACH HOLDER OF THIS BOND REPRESENTS TO PECO ENERGY COMPANY THAT (A) SUCH HOLDER WILL NOT SELL, PLEDGE OR OTHERWISE TRANSFER THIS BOND (WITHOUT THE CONSENT OF PECO ENERGY COMPANY) OTHER THAN (1) TO A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION COMPLYING WITH RULE 144A UNDER THE SECURITIES ACT, (2) IN ACCORDANCE WITH RULE 144

UNDER THE SECURITIES ACT, (3) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, SUBJECT, IN THE CASE OF CLAUSES (2) OR (3), TO THE RECEIPT BY PECO ENERGY COMPANY OF AN OPINION OF COUNSEL OR SUCH OTHER EVIDENCE ACCEPTABLE TO PECO ENERGY COMPANY THAT SUCH RESALE, PLEDGE OR TRANSFER IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND THAT (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS BOND OF THE RESALE RESTRICTIONS REFERRED TO HEREIN AND DELIVER TO THE TRANSFEREE (OTHER THAN A QUALIFIED INSTITUTIONAL BUYER) PRIOR TO THE SALE OF A COPY OF THE TRANSFER RESTRICTIONS APPLICABLE HERETO (COPIES OF WHICH MAY BE OBTAINED FROM THE TRUSTEE).

Section 5. 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 6. 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 7. 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 8. 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 $250,000,000 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 (d) 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 30 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.

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

"Reference Treasury Dealer" means (1) each of Merrill Lynch, Pierce, Fenner & Smith Incorporated and First Union Securities, 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 1. 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 2. 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 3. 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 4. This Supplemental Indenture may be executed in several counterparts, each of which shall be an original and all collectively but one instrument.

Section 5. This Supplemental Indenture is dated and shall be effective as of October 15, 2001, but was actually executed and delivered on October 25, 2001.

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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 25th day of October, 2001.

PECO ENERGY COMPANY

By

J. B. Mitchell
Vice President

[SEAL]

Attest

T. D. Cutler
Assistant Secretary

FIRST UNION NATIONAL BANK

By

G. J. Rayzis
Vice President

[SEAL]

Attest

James M. Matthews
Assistant Secretary

COMMONWEALTH OF PENNSYLVANIA

ss.

COUNTY OF PHILADELPHIA

BE IT REMEMBERED, that on the 25th day of October, 2001, 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 J. B. Mitchell 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 25th day of October, 2001, before me, the subscriber, a Notary Public in and for said County and Commonwealth, residing in Philadelphia, personally came James 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 First Union National Bank affixed to the foregoing Supplemental Indenture, that the seal so affixed is the common or corporate seal of the said First Union National Bank and was so affixed by the authority of the said corporation as the act and deed thereof, that the above named G. J. Rzyzis 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 First Union National Bank.

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

[SEAL]

CERTIFICATE OF RESIDENCE

First Union National Bank, 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.

FIRST UNION NATIONAL BANK

By

G. J. Rayzis
Vice President

SCHEDULE A

COMMONWEALTH OF PENNSYLVANIA

CHESTER COUNTY

DOWNINGTOWN BOROUGH (PE 10,548)

(1) ALL THAT CERTAIN lot or piece of land with the buildings and improvements thereon erected SITUATE in the Borough of Downingtown, County of Chester and Commonwealth of Pennsylvania, BEGINNING at a stake in the middle of Williams Street in the old line dividing the properties now or late of Morgan L. Rees & Joshua and Joseph Hunt, CONTAINING 25,160 square feet.

BEING the same premises which Robert T. Murphy a/k/a Robert J. Murphy and Patricia A. Carter Murphy by Indenture bearing date the 6th day of August A.D. 1999 and recorded in the office for the Recording of Deeds in and for the County of Chester in Deed Book 4617 page 103 granted and conveyed unto PECO Energy Company, in fee.

DOWNINGTOWN BOROUGH (PE 10,554)

(2) ALL THAT CERTAIN lot or piece of land SITUATE on the North side of Williams Street in the West Ward of the Borough of Downingtown, County of Chester and Commonwealth of Pennsylvania, BEGINNING at a point in the middle of Williams Street at a corner of other land now or late of Creston I. Shoemaker, CONTAINING 3,700 square feet. Also ALL THAT CERTAIN lot or piece of land SITUATE on the North side of Williams Street in the Borough of Downingtown, County of Chester and Commonwealth of Pennsylvania, BEGINNING at a point in the middle of Williams Street, at a corner of land now or late of Herbert Pritchard, CONTAINING 8,140 square feet.

BEING the same premises which Kenneth J. Leslie and Lori A. Leslie by Indenture bearing date the 29th day of June A.D. 2000 and recorded in the Office for the Recording of Deeds in and for the County of Chester in Deed Book 4789 page 1007 granted and conveyed unto PECO Energy Company, in fee.

WEST BRADFORD TOWNSHIP (PE 4434)

(3) ALL THAT CERTAIN tract or parcel of land situate in the Township of West Bradford, County of Chester, Commonwealth of Pennsylvania, BEGINNING at a point on the title line within the bed of Downingtown Road, CONTAINING 1.708 acres.

BEING the same premises which Gloria O. Hamilton by Deed dated June 16, 1995 and recorded in the Office for Recording of Deeds &c., in and for the County of Chester, in Deed Book 3704, page 1223 &c., granted and conveyed unto PECO Energy Company, in fee.

DELAWARE COUNTY

EDDYSTONE BOROUGH (PE 9207)

(4) ALL THAT CERTAIN strip or parcel of land situate in the Borough of Eddystone, County of Delaware, Commonwealth of Pennsylvania, BEGINNING at a point, located on the easterly right-of-way line of Simpson Avenue, CONTAINING 1.18 Acres, more or less.

BEING the same premises which Adwin Realty Company by deed dated June 11, 1996 and recorded in the Office for the Recording of Deeds, in and for the said County of Delaware in Deed Book No. 1498, Page 1844 &c., granted and conveyed unto PECO Energy Company, in fee.

HAVERFORD TOWNSHIP (PE 10,555)

(5) ALL THAT CERTAIN tract or piece of land with the buildings and improvements thereon erected SITUATE in said Township of Haverford, County of Delaware, Commonwealth of Pennsylvania.

BEGINNING at a spike in the bed of West Chester Pike said spike being in the middle line of a certain Twenty feet wide right of way produced, thence extending in the bed of West Chester Pike.

BEING the same premises which Elizabeth E. Beadle, Widow of William F. Beadle, deceased and Catherine Ferry, Marie D'Ambrosia, Joanne Taylor, William Beadle, James Beadle, Margaret Hamill, Anne Moore, Robert Beadle and Richard Beadle, Children of William F. Beadle, deceased; Mary Kissinger; John Beadle and Jean M. Kissinger, by Indenture bearing date the 19th day of October A.D. 2000 and recorded in the Office for the Recording of Deeds in and for the County of Delaware in Deed Book 2104 page 600 granted and conveyed unto PECO Energy Company, in fee.

MONTGOMERY COUNTY

UPPER PROVIDENCE TOWNSHIP (PE 6299)

(6) ALL THAT CERTAIN tract or parcel of land situate in the Township of Upper Providence, County of Montgomery, Commonwealth of Pennsylvania, BEGINNING at a point on the northwesterly right-of-way line of PECO Energy Company's existing 200 foot wide electric transmission line right-of-way also being the line dividing lands of Joseph U. and Beatrice G. Bean and lands of PECO Energy Company, CONTAINING 8.896 Acres.

BEING the same premises which Joseph U. Bean and Beatrice G. Bean by Indenture bearing date November 8th, 1995 and recorded in the Office for the Recording of Deeds in and for the County of Montgomery, conveyed unto PECO Energy Company, in fee.

CITY OF PHILADELPHIA,
UPPER DARBY TOWNSHIP AND
EAST LANSDOWNE BOROUGH (PE 3988)

(7) ALL THAT CERTAIN property, together with the railroad bridges thereon, being a portion of the line of railroad known as the Oxford Road Branch, identified as Line Code 1181 in the Recorder's Office of Philadelphia County, Pennsylvania in Deed Book D.C.C. No. 1962 at page 463, situate in the City and County of Philadelphia and Commonwealth of Pennsylvania, BEGINNING at approximately railroad Mile Post 0.0, being the westerly line of Front Street, as indicated on sheet 1 of 4 of aforesaid Case Plan; thence extending in a general northeasterly direction to approximately railroad Mile Post 2.18, CONTAINING 28.95 Acres.

Also, ALL THAT CERTAIN property of the Grantor, together with the railroad bridge thereon, being a portion of the line of railroad known as the Penn Central Newtown Square Branch, identified as Line Code 1186 in the Recorder's Office of Delaware County, Pennsylvania in Deed Book 2668 at page 901, situate partly in the Borough of East Landsdowne and partly in the Township of Upper Darby, County of Delaware and Commonwealth of Pennsylvania, BEGINNING at approximately railroad Mile Post 5.84, being the southerly line of Baltimore Pike; thence extending in a general northerly direction to approximately railroad Mile Post 6.7, CONTAINING 6.72 Acres.

BEING the same premises which Consolidated Rail Corporation by Indenture bearing date the 30th day of May A.D. 1995 and recorded in the Office for the Recording of Deeds in and for the County of Philadelphia and County of Delaware, granted and conveyed unto PECO Energy Company, in fee.

EXHIBIT 4-4-1

SUPPLEMENTAL INDENTURE

Dated as of March 1, 2002

COMMONWEALTH EDISON COMPANY

to

BNY MIDWEST TRUST COMPANY

and

D. G. DONOVAN

Trustees under Mortgage Dated July 1, 1923, and Certain Indentures Supplemental Thereto

Providing for Issuance of

FIRST MORTGAGE 6.15% BONDS, SERIES 98
DUE MARCH 15, 2012

THIS SUPPLEMENTAL INDENTURE, dated as of March 1, 2002, between COMMONWEALTH EDISON COMPANY, a corporation organized and existing under the laws of the State of Illinois (hereinafter called the "Company") having an address at 10 South Dearborn Street, 37th floor, Chicago, Illinois 60603, party of the first part, and BNY MIDWEST TRUST COMPANY, a trust company organized and existing under the laws of the State of Illinois having an address at 2 North LaSalle Street, Suite 1020, Chicago, Illinois 60602, and D.G. DONOVAN, an individual having an address at 2 North LaSalle Street, Suite 1020, Chicago, Illinois 60602, as Trustee and Co-Trustee, respectively, under the Mortgage of the Company dated July 1, 1923, as amended and supplemented by Supplemental Indenture dated August 1, 1944 and the subsequent supplemental indentures hereinafter mentioned, parties of the second part (said Trustee being hereinafter called the "Trustee", the Trustee and said Co-Trustee being hereinafter together called the "Trustees", and said Mortgage dated July 1, 1923, as amended and supplemented by said Supplemental Indenture dated August 1, 1944 and subsequent supplemental indentures, being hereinafter called the "Mortgage"),

W I T N E S S E T H:

WHEREAS, the Company duly executed and delivered the Mortgage to provide for the issue of, and to secure, its bonds, issuable in series and without limit as to principal amount except as provided in the Mortgage; and

WHEREAS, the Company from time to time has executed and delivered supplemental indentures to the Mortgage to provide for (i) the creation of additional series of bonds secured by the Mortgage, (ii) the amendment of certain of the terms and provisions of the Mortgage and (iii) the confirmation of the lien of the Mortgage upon property of the Company, such supplemental indentures that are currently effective and the respective dates, parties thereto and purposes thereof, being as follows:

SUPPLEMENTAL INDENTURE DATE	PARTIES	PROVIDING FOR
August 1, 1944	Company to Continental Illinois National Bank and Trust Company of Chicago and Edmond B. Stofft, as Trustee and Co-Trustee	Amendment and restatement of Mortgage dated July 1, 1923
August 1, 1946	Company to Continental Illinois National Bank and Trust Company of Chicago and Edmond B. Stofft, as Trustee and Co-Trustee	Confirmation of mortgage lien
April 1, 1953	Company to Continental Illinois National Bank and Trust Company of Chicago and Edmond B. Stofft, as Trustee and Co-Trustee	Confirmation of mortgage lien
March 31, 1967	Company to Continental Illinois National Bank and Trust Company of Chicago and Edward J. Friedrich, as Trustee and Co-Trustee	Confirmation of mortgage lien
April 1, 1967	Company to Continental Illinois National Bank and Trust Company of Chicago and	Amendment of Sections 3.01, 3.02, 3.05 and 3.14 of the

SUPPLEMENTAL INDENTURE DATE	PARTIES	PROVIDING FOR
	Edward J. Friedrich, as Trustee and Co-Trustee	Mortgage and issuance of First Mortgage 5-3/8% Bonds, Series Y
February 28, 1969	Company to Continental Illinois National Bank and Trust Company of Chicago and Donald W. Alfvin, as Trustee and Co-Trustee	Confirmation of mortgage lien
May 29, 1970	Company to Continental Illinois National Bank and Trust Company of Chicago and Donald W. Alfvin, as Trustee and Co-Trustee	Confirmation of mortgage lien
June 1, 1971	Company to Continental Illinois National Bank and Trust Company of Chicago and Donald W. Alfvin, as Trustee and Co-Trustee	Confirmation of mortgage lien
April 1, 1972	Company to Continental Illinois National Bank and Trust Company of Chicago and Donald W. Alfvin, as Trustee and Co-Trustee	Confirmation of mortgage lien
May 31, 1972	Company to Continental Illinois National Bank and Trust Company of Chicago and Donald W. Alfvin, as Trustee and Co-Trustee	Confirmation of mortgage lien
June 15, 1973	Company to Continental Illinois National Bank and Trust Company of Chicago and Donald W. Alfvin, as Trustee and Co-Trustee	Confirmation of mortgage lien
May 31, 1974	Company to Continental Illinois National Bank and Trust Company of Chicago and Donald W. Alfvin, as Trustee and Co-Trustee	Confirmation of mortgage lien
June 13, 1975	Company to Continental Illinois National Bank and Trust Company of Chicago and Donald W. Alfvin, as Trustee and Co-Trustee	Confirmation of mortgage lien
May 28, 1976	Company to Continental Illinois National Bank and Trust Company of Chicago and Donald W. Alfvin, as Trustee and Co-Trustee	Confirmation of mortgage lien
June 3, 1977	Company to Continental Illinois National Bank and Trust Company of Chicago and Donald W. Alfvin, as Trustee and Co-Trustee	Confirmation of mortgage lien
May 17, 1978	Company to Continental Illinois National Bank and Trust Company of Chicago and Donald W. Alfvin, as Trustee and Co-Trustee	Confirmation of mortgage lien
August 31, 1978	Company to Continental Illinois National Bank and Trust Company of Chicago and Donald W. Alfvin, as Trustee and Co-Trustee	Confirmation of mortgage lien
June 18, 1979	Company to Continental Illinois National Bank and Trust Company of Chicago and Donald W. Alfvin, as Trustee and Co-Trustee	Confirmation of mortgage lien

SUPPLEMENTAL INDENTURE DATE	PARTIES	PROVIDING FOR
June 20, 1980	Company to Continental Illinois National Bank and Trust Company of Chicago and Donald W. Alfvin, as Trustee and Co-Trustee	Confirmation of mortgage lien
April 16, 1981	Company to Continental Illinois National Bank and Trust Company of Chicago and Donald W. Alfvin, as Trustee and Co-Trustee	Confirmation of mortgage lien
April 30, 1982	Company to Continental Illinois National Bank and Trust Company of Chicago and Donald W. Alfvin, as Trustee and Co-Trustee	Confirmation of mortgage lien
April 15, 1983	Company to Continental Illinois National Bank and Trust Company of Chicago and Donald W. Alfvin, as Trustee and Co-Trustee	Confirmation of mortgage lien
April 13, 1984	Company to Continental Illinois National Bank and Trust Company of Chicago and Donald W. Alfvin, as Trustee and Co-Trustee	Confirmation of mortgage lien
April 15, 1985	Company to Continental Illinois National Bank and Trust Company of Chicago and Donald W. Alfvin, as Trustee and Co-Trustee	Confirmation of mortgage lien
April 15, 1986	Company to Continental Illinois National Bank and Trust Company of Chicago and M.J. Kruger, as Trustee and Co-Trustee	Confirmation of mortgage lien
June 15, 1990	Company to Continental Bank, National Association and M.J. Kruger, as Trustee and Co-Trustee	Issuance of First Mortgage 9-7/8% Bonds, Series 75
June 1, 1991	Company to Continental Bank, National Association and M.J. Kruger, as Trustee and Co-Trustee	Issuance of First Mortgage Bonds, Pollution Control Series 1991
October 1, 1991	Company to Continental Bank, National Association and M.J. Kruger, as Trustee and Co-Trustee	Issuance of First Mortgage 8-1/4% Bonds, Series 76 and First Mortgage 8-7/8% Bonds, Series 77
October 15, 1991	Company to Continental Bank, National Association and M.J. Kruger, as Trustee and Co-Trustee	Issuance of First Mortgage 8-3/8% Bonds, Series 78 and First Mortgage 9-1/8% Bonds, Series 79
February 1, 1992	Company to Continental Bank, National Association and M.J. Kruger, as Trustee and Co-Trustee	Issuance of First Mortgage 7% Bonds, Series 80 and First Mortgage 8-5/8% Bonds, Series 81
May 15, 1992	Company to Continental Bank, National Association and M.J. Kruger, as Trustee and Co-Trustee	Issuance of First Mortgage 6-1/8% Bonds, Series 82 and First Mortgage 8% Bonds, Series 83

SUPPLEMENTAL INDENTURE DATE	PARTIES	PROVIDING FOR
July 15, 1992	Company to Continental Bank, National Association and M.J. Kruger, as Trustee and Co-Trustee	Issuance of First Mortgage 8-1/2% Bonds, Series 84
September 15, 1992	Company to Continental Bank, National Association and M.J. Kruger, as Trustee and Co-Trustee	Issuance of First Mortgage 7-3/8% Bonds, Series 85 and First Mortgage 8-3/8% Bonds, Series 86
February 1, 1993	Company to Continental Bank, National Association and M.J. Kruger, as Trustee and Co-Trustee	Issuance of First Mortgage 8-3/8% Bonds, Series 88
April 1, 1993	Company to Continental Bank, National Association and M.J. Kruger, as Trustee and Co-Trustee	Issuance of First Mortgage 6-1/2% Bonds, Series 90 and First Mortgage 8% Bonds, Series 91
April 15, 1993	Company to Continental Bank, National Association and M.J. Kruger, as Trustee and Co-Trustee	Issuance of First Mortgage 7-5/8% Bonds, Series 92
June 15, 1993	Company to Continental Bank, National Association and M.J. Kruger, as Trustee and Co-Trustee	Issuance of First Mortgage 7% Bonds, Series 93 and First Mortgage 7-1/2% Bonds, Series 94
July 15, 1993	Company to Continental Bank, National Association and M.J. Kruger, as Trustee and Co-Trustee	Issuance of First Mortgage 6-5/8% Bonds, Series 96 and First Mortgage 7-3/4% Bonds, Series 97
January 15, 1994	Company to Continental Bank, National Association and M.J. Kruger, as Trustee and Co-Trustee	Issuance of First Mortgage Bonds, Pollution Control Series 1994A, 1994B and 1994C
December 1, 1994	Company to Bank of America Illinois and Robert J. Donahue, as Trustee and Co-Trustee	Issuance of First Mortgage Bonds, Pollution Control Series 1994D
June 1, 1996	Company to Harris Trust and Savings Bank and D.G. Donovan, as Trustee and Co-Trustee	Issuance of First Mortgage Bonds, Pollution Control Series 1996A and 1996B

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

DESIGNATION	MATURITY DATE	PRINCIPAL AMOUNT
First Mortgage 9-7/8% Bonds, Series 75	June 15, 2020	$ 54,171,000
First Mortgage 8-1/4% Bonds, Series 76	October 1, 2006	100,000,000

DESIGNATION	MATURITY DATE	PRINCIPAL AMOUNT
First Mortgage 8-3/8% Bonds, Series 78	October 15, 2006	125,000,000
First Mortgage 8-5/8% Bonds, Series 81	February 1, 2022	200,000,000
First Mortgage 8% Bonds, Series 83	May 15, 2008	140,000,000
First Mortgage 8-1/2% Bonds, Series 84	July 15, 2022	200,000,000
First Mortgage 7-3/8% Bonds, Series 85	September 15, 2002	200,000,000
First Mortgage 8-3/8% Bonds, Series 86	September 15, 2022	200,000,000
First Mortgage 8-3/8% Bonds, Series 88	February 15, 2023	235,950,000
First Mortgage 8% Bonds, Series 91	April 15, 2023	160,000,000
First Mortgage 7-5/8% Bonds, Series 92	April 15, 2013	220,000,000
First Mortgage 7% Bonds, Series 93	July 1, 2005	225,000,000
First Mortgage 7-1/2% Bonds, Series 94	July 1, 2013	150,000,000
First Mortgage 6-5/8% Bonds, Series 96	July 15, 2003	100,000,000
First Mortgage 7-3/4% Bonds, Series 97	July 15, 2023	150,000,000
First Mortgage 5.3% Bonds, Pollution Control Series 1991	June 1, 2011	100,000,000
First Mortgage 5.3% Bonds, Pollution Control Series 1994A	January 15, 2004	26,000,000
First Mortgage 5.7% Bonds, Pollution Control Series 1994B	January 15, 2009	20,000,000
First Mortgage 5.85% Bonds, Pollution Control Series 1994C	January 15, 2014	20,000,000
First Mortgage 5.3% Bonds, Pollution Control Series 1994D	March 1, 2015	91,000,000
First Mortgage 4.4% Bonds, Pollution Control Series 1996A	December 1, 2006	110,000,000
First Mortgage 4.4% Bonds, Pollution Control Series Control Series 1996B	December 1, 2006	89,400,000
	Total	$2,916,521,000

WHEREAS, the Mortgage provides for the issuance from time to time thereunder, in series, of bonds of the Company for the purposes and subject to the limitations therein specified; and

WHEREAS, the Company desires, by this Supplemental Indenture, to create an additional series of bonds to be issuable under the Mortgage, such bonds to be designated "First Mortgage

6.15% Bonds, Series 98" (hereinafter called the "bonds of Series 98") and the terms and provisions to be contained in the bonds of Series 98 or to be otherwise applicable thereto to be as set forth in this Supplemental Indenture; and

WHEREAS, the bonds of Series 98 and the Trustee's certificate to be endorsed thereon shall be substantially in the form of the General Form of Registered Bond Without Coupons and the form of the General Form of Trustee's Certificate set forth in Section 3.05 of the Supplemental Indenture dated August 1, 1944 to the Mortgage with such appropriate insertions, omissions and variations in order to express the designation, date, maturity date, annual interest rate, record dates for, and dates of, payment of interest, denominations, terms of redemption and redemption prices, and other terms and characteristics authorized or permitted by the Mortgage or not inconsistent therewith; and

WHEREAS, the Company is legally empowered and has been duly authorized by the necessary corporate action and by order of the Illinois Commerce Commission to make, execute and deliver this Supplemental Indenture, and to create, as an additional series of bonds of the Company, the bonds of Series 98, and all acts and things whatsoever necessary to make this Supplemental Indenture, when executed and delivered by the Company and the Trustees, a valid, binding and legal instrument, and to make the bonds of Series 98, when authenticated by the Trustee and issued as in the Mortgage and in this Supplemental Indenture provided, the valid, binding and legal obligations of the Company, entitled in all respects to the security of the Mortgage, as amended and supplemented, have been done and performed;

NOW, THEREFORE, in consideration of the premises and of the sum of one dollar duly paid by the Trustees to the Company, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

SECTION 1. DESIGNATION AND ISSUANCE OF BONDS OF SERIES 98. The bonds of Series 98 shall, as hereinbefore recited, be designated as the Company's "First Mortgage 6.15% Bonds, Series 98." Subject to the provisions of the Mortgage, the bonds of Series 98 shall be issuable without limitation as to the aggregate principal amount thereof.

SECTION 2. FORM, DATE, MATURITY DATE, INTEREST RATE AND INTEREST PAYMENT DATES OF BONDS OF SERIES 98. (a) The definitive bonds of Series 98 shall be in engraved, lithographed, printed or typewritten form and shall be registered bonds without coupons; and such bonds and the Trustee's certificate to be endorsed thereon shall be substantially in the forms hereinbefore recited, respectively. The bonds of Series 98 shall be dated as provided in Section 3.01 of the Mortgage, as amended by Supplemental Indenture dated April 1, 1967.

(b) The bonds of Series 98 shall mature on March 15, 2012.

(c) The bonds of Series 98 shall bear interest at the rate of 6.15% per annum until the principal thereof shall be paid; provided, however, that if

(i) on or prior to the 270th day following the original issue date of the bonds of Series 98, neither (x) an exchange offer (the "Exchange Offer") registered pursuant to the Company's registration statement (the "Exchange Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), registering a security substantially identical to the bonds of Series 98 (except that such security will not contain terms with respect to the Special Interest payments described below or the transfer restrictions described in Section 9(b) below) has been consummated nor (y) if applicable, in lieu thereof, a registration statement registering the bonds of Series 98 for resale (a "Resale Registration Statement") has become or been declared effective; or

(ii) either the Exchange Registration Statement or, if applicable, the Resale Registration Statement is filed and declared effective, but shall thereafter cease to be effective or usable in accordance with and during the periods specified in the Registration Rights Agreement without being succeeded promptly by an additional registration statement filed and declared effective (subject to particular exceptions set forth in the Registration Rights Agreement),

in each case (i) and (ii) upon the terms and conditions set forth in the Registration Rights Agreement (each such event referred to in clauses (i) and (ii), a "Special Interest Payment Event"), then additional interest will accrue (in addition to the interest stated above) (the "Step-Up") from the date of such Special Interest Payment Event at a rate of 0.50% per annum, determined daily, on the outstanding principal amount of the bonds of Series 98, and such additional interest shall be payable until such time (the "Step Down Date") as no Special Interest Payment Event is in effect or the first date the bonds of Series 98 become freely tradable under Rule 144(k) of the Securities Act. Interest accruing as a result of the Step-Up (which shall be computed on the basis of a 365-day year and the actual number of days elapsed) is referred to herein as "Special Interest." Any accrued and unpaid interest (including Special Interest) on the bonds of Series 98 upon the issuance of New Securities (as defined in the Registration Rights Agreement) in exchange for the bonds of Series 98 subject to the provisions of this Section 2(c) shall cease to be payable to the holders thereof but such accrued and unpaid interest (including Special Interest) shall be payable on the next interest payment date for such New Securities to the holders thereof on the related record date.

"Registration Rights Agreement" means the Registration Rights Agreement by and among the Company and the initial purchasers of the bonds of Series 98 regarding the Company's obligation to (1) complete the Exchange Offer and (2) register the resale of the bonds of Series 98 with the United States Securities and Exchange Commission.

(d) Interest on the bonds of Series 98 shall be payable semi-annually on the fifteenth day of March and the fifteenth day of September in each year, commencing September 15, 2002. March 1 and September 1 in each year are hereby established as record dates for the payment of interest payable on the next succeeding interest payment dates, respectively. The interest on each bond of Series 98 so payable on any interest payment date shall, subject to the exceptions provided in Section 3.01 of the Mortgage, as amended by said Supplemental Indenture dated

April 1, 1967, be paid to the person in whose name such bond is registered at the close of business on the March 1 or September 1, as the case may be, next preceding such interest payment date.

SECTION 3. EXECUTION OF BONDS OF SERIES 98. The bonds of Series 98 shall be executed on behalf of the Company by its President or one of its Vice Presidents, manually or by facsimile signature, and shall have its corporate seal affixed thereto or a facsimile of such seal imprinted thereon, attested by its Secretary or one of its Assistant Secretaries, manually or by facsimile signature, all as may be provided by resolution of the Board of Directors of the Company. In case any officer or officers whose signature or signatures, manual or facsimile, shall appear upon any bond of Series 98 shall cease to be such officer or officers before such bond shall have been actually authenticated and delivered, such bond nevertheless may be issued, authenticated and delivered with the same force and effect as though the person or persons whose signature or signatures, manual or facsimile, appear thereon had not ceased to be such officer or officers of the Company.

SECTION 4. MEDIUM AND PLACES OF PAYMENT OF PRINCIPAL OF AND INTEREST ON BONDS OF SERIES 98; TRANSFERABILITY AND EXCHANGEABILITY. Both the principal of and interest on the bonds of Series 98 shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and both such principal and interest shall be payable at the office or agency of the Company in the City of Chicago, State of Illinois, or, at the option of the registered owner, at the office or agency of the Company in the Borough of Manhattan, The City of New York, State of New York, and such bonds shall be transferable and exchangeable, in the manner provided in Sections 3.09 and 3.10 of the Mortgage, at said office or agency. No charge shall be made by the Company to the registered owner of any bond of Series 98 for the transfer of such bond or for the exchange thereof for bonds of other authorized denominations, except, in the case of transfer, a charge sufficient to reimburse the Company for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee.

SECTION 5. DENOMINATIONS AND NUMBERING OF BONDS OF SERIES 98. The bonds of Series 98 shall be issued in the denomination of $1,000 and in such multiples of $1,000 as shall from time to time hereafter be determined and authorized by the Board of Directors of the Company or by any officer or officers of the Company authorized to make such determination, the authorization of the denomination of any bond of Series 98 to be conclusively evidenced by the execution thereof on behalf of the Company. Bonds of Series 98 shall be numbered R-1 and consecutively upwards.

SECTION 6. TEMPORARY BONDS OF SERIES 98. Until definitive bonds of Series 98 are ready for delivery, there may be authenticated and issued in lieu of any thereof and subject to all of the provisions, limitations and conditions set forth in Section 3.11 of the Mortgage, temporary registered bonds without coupons of Series 98.

SECTION 7. REDEMPTION OF BONDS OF SERIES 98. (a) The bonds of Series 98 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 of Series 98 to be redeemed, plus accrued interest to the redemption date, or

(2) as determined by the Quotation Agent (as hereinafter defined), the sum of the present values of the remaining scheduled payments of principal and interest on the bonds of Series 98 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 (as hereinafter defined) plus twenty-five (25) 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 Series 98 or portions of the bonds of Series 98 called for redemption.

For purposes of the foregoing, the following terms shall have the respective meanings set forth below:

"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 Series 98 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 Series 98.

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

(i) 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

(ii) 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 J.P. Morgan Securities Inc. and Salomon Smith Barney 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.

(b) In case the Company shall desire to exercise such right to redeem and pay off all or any part of such bonds of Series 98 as hereinbefore provided, it shall comply with all the terms and provisions of Article V of the Mortgage applicable thereto, and such redemption shall be made under and subject to the terms and provisions of Article V 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 this Section 7. No publication of notice of any redemption of any bonds of Series 98 shall be required under Section 5.03(a) of the Mortgage.

SECTION 8. BOOK-ENTRY ONLY SYSTEM. It is intended that the bonds of Series 98 be registered so as to participate in the securities depository system (the "DTC System") with The Depository Trust Company ("DTC"), as set forth herein. The bonds of Series 98 shall be initially issued in the form of a fully registered bond or bonds in the name of Cede & Co., or any successor thereto, as nominee for DTC. The Company and the Trustees are authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations from the Company and the Trustees to DTC relating to the bonds of Series 98 (the "Representation Letter"). In the event of any conflict between the terms of the Representation Letter and the Mortgage, the terms of the Mortgage shall control. DTC may exercise the rights of a bondholder only in accordance with the terms hereof applicable to the exercise of such rights.

With respect to bonds of Series 98 registered in the name of DTC or its nominee, the Company and the Trustees shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds such bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "Depository Participant") or to any person on behalf of whom such a Depository Participant

holds an interest in such bonds (each such person being herein referred to as an "Indirect Participant"). Without limiting the immediately preceding sentence, the Company and the Trustees shall have no responsibility or obligation with respect to:

(i) the accuracy of the records of DTC, its nominee or any Depository Participant with respect to any ownership interest in the bonds of Series 98,

(ii) the delivery to any Depository Participant or any Indirect Participant or any other person, other than a registered owner of a bond of Series 98, of any notice with respect to the bonds of Series 98, including any notice of redemption,

(iii) the payment to any Depository Participant or Indirect Participant or any other person, other than a registered owner of a bond of Series 98, of any amount with respect to principal of, redemption premium, if any, on, or interest on, the bonds of Series 98, or

(iv) any consent given by DTC as registered owner.

So long as certificates for the bonds of Series 98 are not issued as hereinafter provided, the Company and the Trustees may treat DTC or any successor securities depository as, and deem DTC or any successor securities depository to be, the absolute owner of such bonds for all purposes whatsoever, including, without limitation, (1) the payment of principal and interest on such bonds, (2) giving notice of matters (including redemption) with respect to such bonds and (3) registering transfers with respect to such bonds. While a bond of Series 98 is in the DTC System, no person other than DTC or its nominee shall receive a certificate with respect to such bond.

In the event that:

(a) DTC notifies the Company that it is unwilling or unable to continue as depositary or if DTC ceases to be a clearing agency registered under applicable law and a successor depositary is not appointed by the Company within 90 days,

(b) the Company determines that the beneficial owners of the bonds of Series 98 should be able to obtain certificated bonds and so notifies the Trustees in writing or

(c) there shall have occurred and be continuing a completed default or any event which after notice or lapse of time or both would be a completed default with respect to the bonds of Series 98,

the bonds of Series 98 shall no longer be restricted to being registered in the name of DTC or its nominee. In the case of clause (a) of the preceding sentence, the Company may determine that the bonds of Series 98 shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the Company and the Trustees, or such depository's agent or designee, and if the Company does not appoint a

successor securities depository system within 90 days, then the bonds may be registered in whatever name or names registered owners of bonds transferring or exchanging such bonds shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of the Mortgage to the contrary, so long as any bond of Series 98 is registered in the name of DTC or its nominee, all payments with respect to principal of and interest on such bond and all notices with respect to such bond shall be made and given, respectively, in the manner provided in the Representation Letter.

SECTION 9. LEGENDS. (a) So long as the bonds of Series 98 are held by the Depository Trust Company, such bonds of Series 98 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.

(b) The bonds of Series 98 are initially being issued without registration under the Securities Act in reliance on Rule 144A under the Securities Act. Accordingly, until such time as the bonds of Series 98 are registered under the Securities Act, or are exchanged for securities substantially identical to the bonds of Series 98 (except that such securities will not contain terms with respect to the Special Interest payments described in Section 2(c) above or the transfer restrictions described herein) that are so registered, the bonds of Series 98 shall bear the following legend:

> This bond (or its predecessor) was originally issued in a transaction exempt from registration under the United States Securities Act of 1933, as amended ("Securities Act"), and may not be offered, sold, pledged or otherwise transferred in the absence of such registration or an applicable exemption therefrom and in any event may be sold or otherwise transferred only in accordance with the Mortgage, copies of which are available for inspection at the office of the Mortgage Trustee in the City of Chicago, Illinois.
>
> Each purchaser of this bond is hereby notified that the seller may be relying on the exemption from the provisions of section 5 of the Securities Act provided by Rule 144A thereunder. Each holder of this bond represents to Commonwealth Edison Company that (a) such holder will not sell, pledge or otherwise transfer this bond (without the consent of Commonwealth Edison Company) other than (1) to a qualified institutional buyer in a transaction complying with Rule 144A under the Securities Act, (2) in accordance with Rule 144 under the Securities Act, (3) outside the United States in a transaction meeting the requirements of Regulation S under the Securities Act, (4) pursuant to another

available exemption from registration under the Securities Act, subject, in the case of clauses (2), (3) or (4), to the receipt by Commonwealth Edison Company of an opinion of counsel or such other evidence acceptable to Commonwealth Edison Company that such resale, pledge or transfer is exempt from the registration requirements of the Securities Act or (5) pursuant to an effective registration statement and that (b) the holder will, and each subsequent holder is required to, notify any purchaser of this bond of the resale restrictions referred to herein and deliver to the transferee (other than a qualified institutional buyer) prior to the sale a copy of the transfer restrictions applicable hereto (copies of which may be obtained from the Mortgage Trustee).

SECTION 10. CONFIRMATION OF LIEN. The Company, for the equal and proportionate benefit and security of the holders of all bonds at any time issued under the Mortgage, hereby confirms the lien of the Mortgage upon, and hereby grants, bargains, sells, transfers, assigns, pledges, mortgages, warrants and conveys unto the Trustees, all property of the Company and all property hereafter acquired by the Company, other than (in each case) property which, by virtue of any of the provisions of the Mortgage, is excluded from such lien, and hereby confirms the title of the Trustees (as set forth in the Mortgage) in and to all such property. Without in any way limiting or restricting the generality of the foregoing, there is specifically included within the confirmation of lien and title hereinabove expressed the property of the Company legally described on Exhibit A attached hereto and made a part hereof.

SECTION 11. MISCELLANEOUS. The terms and conditions of this Supplemental Indenture shall be deemed to be a part of the terms and conditions of the Mortgage for any and all purposes. The Mortgage, as supplemented by said indentures supplemental thereto dated subsequent to August 1, 1944 and referred to in the recitals of this Supplemental Indenture, and as further supplemented by this Supplemental Indenture, is in all respects hereby ratified and confirmed.

This Supplemental Indenture shall bind and, subject to the provisions of Article XIV of the Mortgage, inure to the benefit of the respective successors and assigns of the parties hereto.

Although this Supplemental Indenture is dated as of March 1, 2002, it shall be effective only from and after the actual time of its execution and delivery by the Company and the Trustees on the date indicated by their respective acknowledgments hereto annexed.

This Supplemental Indenture may be simultaneously executed in any number of counterparts, and all such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, Commonwealth Edison Company has caused this Supplemental Indenture to be executed in its name by its Vice President and Treasurer, and its seal to be hereunto affixed and attested by one of its Assistant Secretaries, and BNY Midwest Trust Company, as Trustee under the Mortgage, has caused this Supplemental Indenture to be executed in its name by one of its Vice Presidents, and its seal to be hereunto affixed and attested by one of its Assistant Secretaries, and D. G. Donovan, as Co-Trustee under the Mortgage, has hereunto affixed his signature, all as of the day and year first above written.

COMMONWEALTH EDISON COMPANY

By
J. Barry Mitchell
Vice President and Treasurer

(SEAL)

ATTEST:

Scott N. Peters
Assistant Secretary

BNY MIDWEST TRUST COMPANY

By
J. Bartolini
Vice President

(SEAL)

ATTEST:

C. Potter
Assistant Secretary

D. G. DONOVAN

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, MARY L. KWILOS, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that J. BARRY MITCHELL, Vice President and Treasurer of Commonwealth Edison Company, an Illinois corporation, one of the parties described in and which executed the foregoing instrument, and SCOTT N. PETERS, an Assistant Secretary of said corporation, who are both personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice President and Treasurer and Assistant Secretary, respectively, and who are both personally known to me to be Vice President and Treasurer and an Assistant Secretary, respectively, of said corporation, appeared before me this day in person and severally acknowledged that they signed, sealed, executed and delivered said instrument as their free and voluntary act as such Vice President and Treasurer and Assistant Secretary, respectively, of said corporation, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 6th day of March, A.D. 2002.

Mary L. Kwilos
Notary Public

(NOTARIAL SEAL)

My Commission expires October 26, 2005.

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, LINDA ELLEN GARCIA, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that J. BARTOLINI, a Vice President of BNY Midwest Trust Company, an Illinois trust company, one of the parties described in and which executed the foregoing instrument, and C. POTTER, an Assistant Secretary of said trust company, who are both personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice President and Assistant Secretary, respectively, and who are both personally known to me to be a Vice President and an Assistant Secretary, respectively, of said trust company, appeared before me this day in person and severally acknowledged that they signed, sealed, executed and delivered said instrument as their free and voluntary act as such Vice President and Assistant Secretary, respectively, of said trust company, and as the free and voluntary act of said trust company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 6th day of March, A.D. 2002.

Linda Ellen Garcia
Notary Public

(NOTARIAL SEAL)

My Commission expires September 23, 2002.

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, LINDA ELLEN GARCIA, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that D. G. DONOVAN, one of the parties described in and which executed the foregoing instrument, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, executed and delivered said instrument as his free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 6th day of March, A.D. 2002.

Linda Ellen Garcia
Notary Public

(NOTARIAL SEAL)

My Commission expires September 23, 2002.

EXHIBIT A

LEGAL DESCRIPTIONS

[omitted]

Exhibit 4-4-2

==

INSTRUMENT

OF

RESIGNATION, APPOINTMENT AND ACCEPTANCE

DATED AS OF FEBRUARY 20, 2002

EXECUTED BY

HARRIS TRUST AND SAVINGS BANK

COMMONWEALTH EDISON COMPANY

AND

BNY MIDWEST TRUST COMPANY

UNDER THE PROVISIONS OF THE
MORTGAGE OF COMMONWEALTH EDISON COMPANY,
DATED JULY 1, 1923, AND INDENTURES
SUPPLEMENTAL THERETO

REFLECTING
THE RESIGNATION OF HARRIS TRUST AND SAVINGS BANK AS TRUSTEE
AND THE APPOINTMENT OF BNY MIDWEST TRUST COMPANY
AS SUCCESSOR TRUSTEE

==

THIS INSTRUMENT OF RESIGNATION, APPOINTMENT AND ACCEPTANCE (this "Instrument"), dated as of the 20th day of February, 2002, among HARRIS TRUST AND SAVINGS BANK, a state banking corporation organized and existing under the laws of the State of Illinois (the "Resigning Trustee") having an address at 111 West Monroe Street, Chicago, Illinois 60603, COMMONWEALTH EDISON COMPANY, a corporation organized and existing under the laws of the State of Illinois (the "Company") having an address at 10 South Dearborn Street, 37th floor, Chicago, Illinois 60603, and BNY MIDWEST TRUST COMPANY, a trust company organized and existing under the laws of the State of Illinois (the "Successor Trustee") having an address at 2 North LaSalle Street, Suite 1020, Chicago, Illinois 60602.

W I T N E S S E T H:

WHEREAS, the Resigning Trustee has previously indicated its intent to resign as trustee under the Mortgage dated July 1, 1923, as amended and supplemented by Supplemental Indenture dated August 1, 1944 and by subsequent supplemental indentures (the "Mortgage"); and the Company has caused notice thereof to be published as required by the provision of Section 15.06 of the Mortgage and to be given to the holders of bonds outstanding under the Mortgage as required by the provisions of Section 15.10(c) of the Mortgage; and

WHEREAS, pursuant to an order of its Board of Directors, the Company has determined to appoint the Successor Trustee to serve as successor trustee to the Resigning Trustee under the provisions of the Mortgage; and

WHEREAS, by this Instrument, the Resigning Trustee desires to confirm its resignation as trustee, the Company desires to confirm its appointment of the Successor Trustee as trustee, and the Successor Trustee desires to confirm its acceptance of its appointment as trustee under the provision of the Mortgage;

NOW, THEREFORE, in consideration of the foregoing, the parties hereby agree and confirm as follows:

1. The Resigning Trustee hereby confirms its resignation as Trustee (as such term is used in the Mortgage) under the Mortgage. Such resignation shall be effective as provided in Section 4 of this Instrument.

2. The Company hereby confirms its appointment of the Successor Trustee to serve as Trustee under the Mortgage as successor to the Resigning Trustee. Such appointment shall be effective as provided in Section 4 of this Instrument.

3. The Successor Trustee hereby confirms its acceptance of its appointment as Trustee under the Mortgage and its acceptance of the estates, authority, rights, trusts, powers, duties and obligations of the Resigning Trustee, as Trustee, under the Mortgage. Such acceptance shall be effective as provided in Section 4 of this Instrument.

4. The resignation referred to in Section 1, the appointment referred to in Section 2 and the acceptance referred to in Section 3 shall be effective as of the opening of business in Chicago, Illinois on the date hereof.

5. The Company, for the equal and proportionate benefit and security of the holders of all bonds at any time issued under the Mortgage, hereby confirms the lien of the Mortgage upon, and hereby grants, bargains, sells, transfers, assigns, pledges, mortgages, warrants and conveys unto the Trustees, all property of the Company and all property hereafter acquired by the Company, other than (in each case) property which, by virtue of any of the provisions of the Mortgage, is excluded from such lien, and hereby confirms the title of the Trustees (as set forth in the Mortgage) in and to all such property. Without in any way limiting or restricting the generality of the foregoing, there is specifically included within the confirmation of lien and title hereinabove expressed the property of the Company legally described on Exhibit A attached hereto and made a part hereof.

IN WITNESS WHEREOF, each of said parties has caused this Instrument to be executed in its name by as duly authorized representative, and its corporate seal to be hereunto affixed and attested by a duly authorized representative, as of the 20th day of February, 2002.

HARRIS TRUST AND SAVINGS BANK

By:

J. Bartolini
Vice President

(CORPORATE SEAL)

ATTEST:

C. Potter
Assistant Secretary

COMMONWEALTH EDISON COMPANY

By:

J. Barry Mitchell
Vice President and
Treasurer

(CORPORATE SEAL)

ATTEST:

Scott N. Peters
Assistant Secretary

BNY MIDWEST TRUST COMPANY

By:

J. Bartolini
Vice President

(CORPORATE SEAL)

ATTEST:

C. Potter
Assistant Secretary

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, LINDA ELLEN GARCIA, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that J. BARTOLINI, a Vice President of Harris Trust and Savings Bank, an Illinois state banking corporation, one of the parties described in and which executed the foregoing instrument, and C. POTTER, an Assistant Secretary of said bank, who are both personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice President and Assistant Secretary, respectively, and who are both personally known to me to be a Vice President and Assistant Secretary, respectively, of said bank, appeared before me this day in person and severally acknowledged that they signed, sealed, executed and delivered said instrument as their free and voluntary act as such Vice President and Assistant Secretary, respectively, of said bank, and as the free and voluntary act of said bank, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 20th day of February, A.D. 2002.

Linda Ellen Garcia
Notary Public

(NOTARIAL SEAL)

My Commission expires September 23, 2002.

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, MARY L. KWILOS, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that J. BARRY MITCHELL, Vice President and Treasurer of Commonwealth Edison Company, a corporation organized and existing under the laws of the State of Illinois, one of the parties described in and which executed the foregoing instrument, and SCOTT N. PETERS, an Assistant Secretary of said corporation, who are both personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice President and Treasurer and Assistant Secretary, respectively, and who are both personally known to me to be Vice President and Treasurer and an Assistant Secretary, respectively, of said corporation, appeared before me this day in person and severally acknowledged that they signed, sealed, executed and delivered said instrument as their free and voluntary act as such Vice President and Treasurer and Assistant Secretary, respectively, of said corporation, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 20th day of February, A.D. 2002.

Mary L. Kwilos
Notary Public

(NOTARIAL SEAL)

My Commission expires October 26, 2005

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, LINDA ELLEN GARCIA, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that J. BARTOLINI, a Vice President of BNY Midwest Trust Company, a trust company organized and existing under the laws of the State of Illinois, one of the parties described in and which executed the foregoing instrument, and C. POTTER, an Assistant Secretary of said trust company, who are both personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice President and Assistant Secretary, respectively, and who are both personally known to me to be a Vice President and Assistant Secretary, respectively, of said trust company, appeared before me this day in person and severally acknowledged that they signed, sealed, executed and delivered said instrument as their free and voluntary act as such Vice President and Assistant Secretary, respectively, of said trust company, and as the free and voluntary act of said trust company, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 20th day of February, A.D. 2002.

Linda Ellen Garcia
Notary Public

(NOTARIAL SEAL)

My Commission expires September 23, 2002.

EXHIBIT A

LEGAL DESCRIPTIONS

See attached.

NOTICE TO THE HOLDERS
OF
COMMONWEALTH EDISON COMPANY
FIRST MORTGAGE BONDS

Notice is hereby given pursuant to the Mortgage dated July 1, 1923 of Commonwealth Edison Company (the "Company") to Harris Trust and Savings Bank, as trustee (the "Trustee") and D.G. Donovan, as co-trustee, as amended and supplemented, that the Trustee is resigning as Trustee under the Mortgage and the Company has appointed BNY Midwest Trust Company as successor Trustee. The resignation of Harris Trust and Savings Bank as Trustee and the appointment of BNY Midwest Trust Company as successor Trustee, will be effective February 20, 2002.

On and after February 20, 2002, BNY Midwest Trust Company will take over the duties of Trustee, Registrar and Paying Agent. any inquires concerning these functions should be directed to BNY Midwest Trust Company as the address provided below:

BNY Midwest Trust Company
Attn: Corporate Trust Operations
2 North LaSalle Street - Suite 1020
Chicago, Illinois 60602

THIS NOTICE IS FOR INFORMATIONAL PURPOSES ONLY. NO ACTION IS REQUIRED TO BE TAKEN BY THE BONDHOLDERS.

Dated February 20, 2002.

EXHIBIT 10-2

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

by and between

EXELON CORPORATION

and

JOHN W. ROWE

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the "Agreement"), dated as of November 26, 2001 (the "Agreement Date"), by and between Exelon Corporation ("Exelon" or the "Company") and John W. Rowe ("Executive"), amends and restates, to be effective immediately upon the Agreement Date, that certain Employment Agreement dated as of March 10, 1998, as amended prior to the Agreement Date (the "Prior Agreement"), by and among Unicom Corporation, an Illinois corporation, Commonwealth Edison Company, an Illinois corporation ("ComEd") and Executive.

WHEREAS, Executive is currently serving as Chairman of the Executive Committee of the Company Board, President and Co-Chief Executive Officer of Exelon and a member of the Company Board;

WHEREAS, Peco Energy Company, a Pennsylvania corporation and Unicom Corporation merged effective October 20, 2000 (the "Merger Date") whereby the Peco Energy Company became a wholly owned subsidiary of Exelon and immediately thereafter Unicom Corporation was merged with and into Exelon (the "Merger");

WHEREAS, as contemplated by the Merger Agreement (as defined herein), the Company is the surviving corporation in the Merger and, as such, has by operation of law succeeded to the rights and obligations of Unicom Corporation under the Prior Agreement;

WHEREAS, in order to induce Executive to serve, on and after the Merger Date, as President and Co-Chief Executive Officer of the Company, and Chairman of the Executive Committee of the Company Board and other positions as provided in this Agreement, Unicom Corporation amended and restated the Prior Agreement effectively immediately prior to the Merger Date to provide Executive with compensation and other benefits on the terms and conditions set forth in the Prior Agreement as of the Merger Date;

WHEREAS, in order to provide additional protection to Executive in the event of a new Change in Control, a Significant Acquisition or an Imminent Control Change (as such terms are defined herein), Exelon intends from and after the Agreement Date to provide Executive with compensation and other benefits on the terms and conditions set forth in this Agreement; and

WHEREAS, Executive is willing to accept such employment and perform such services on the terms and conditions hereunder set forth;

NOW, THEREFORE, in consideration of the mutual undertakings of the parties hereto, Exelon and Executive agree as follows:

ARTICLE I.
DEFINITIONS

The terms set forth below have the following meanings (such meanings to be applicable to both the singular and plural forms):

1.1 "Accrued Base Salary" means that portion of Executive's Base Salary which is accrued but unpaid as of the Termination Date.

1.2 "Accrued Annual Incentive" means either:

(i) the amount of any Annual Incentive earned with respect to the calendar year ended prior to the Termination Date, but which is unpaid as of the Termination Date, if both (x) the amount of such Annual Incentive has been objectively determined solely by the application of a formula that does not provide the Company or any Company Affiliate any discretion to increase the amount of the Annual Incentive and (y) neither the Company nor any Company Affiliate has applied any discretion it may have pursuant to the Annual Incentive Award Program in which Executive participates or otherwise to reduce the amount of such Annual Incentive, or

(ii) if the conditions specified in clause (i) of this sentence have not been satisfied, the average of the Annual Incentives that were actually paid to Executive with respect to Executive's last three full calendar years of employment by the Company or any Company Affiliate.

For purposes of clause (ii) of the preceding sentence, if Annual Incentives have been paid to Executive in respect of fewer than three years, such average shall be computed by reference to the Annual Incentives that were actually paid to Executive.

1.3 "Affiliate" means, when used with reference to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, the referent Person or such other Person, as the case may be. For the purposes of this definition, the term "control" when used with respect to any Person means the power to direct or cause the direction of management or policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

1.4 "Agreement Date" -- see the recitals to this Agreement.

1.5 "Annual Incentive" -- see Section 4.2.

1.6 "Base Salary" -- see Section 4.1.

1.7 "Beneficiary" -- see Section 10.4.

1.8 "Cause" means any of the following:

(a) Executive's conviction of a felony or of a misdemeanor involving moral turpitude, fraud or dishonesty,

(b) willful misconduct by Executive in the performance of his duties under this Agreement that was intended to personally benefit Executive, or

(c) material breach of this Agreement by Executive (other than as a result of incapacity due to physical or mental illness);

provided that, if a material breach of this Agreement involved an act, or a failure to act, which was done, or omitted to be done, by Executive in good faith and with a reasonable belief that

Executive's act, or failure to act, was in the best interest of the Company or was required by applicable law or administrative regulation, such breach shall not constitute Cause if, within 30 days (10 days in the event of a breach of covenants contained in Article IX) after Executive is given written notice of such breach that specifically refers to this Section, Executive cures such breach to the fullest extent that it is curable.

1.9 "Change Date" means the date on which a Change in Control first occurs during the Contract Term and after the Agreement Date.

1.10 "Change in Control" means any one or more of the following to occur after the Agreement Date:

(a) the acquisition by any Person (including for purposes of this definition any "person" within the meaning of Section 13(d) (3) or 14(d) (2) of the Exchange Act) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding shares of Common Stock (the "Outstanding Common Stock") or (ii) the combined voting power of the then-outstanding Voting Securities of the Company (the "Outstanding Voting Securities"), but excluding (A) any acquisition directly from the Company (excluding any acquisition resulting from the exercise of an exercise, conversion or exchange privilege unless the security being so exercised, converted or exchanged was acquired directly from the Company), (B) any acquisition by the Company, (C) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company (a "Company Plan") or (D) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this definition; provided further, that for purposes of clause (B), if any Person (other than the Company or any Company Plan) shall become the beneficial owner of 20% or more of the Outstanding Common Stock or 20% or more of the Outstanding Voting Securities by reason of an acquisition by the Company, and such Person shall, after such acquisition by the Company, become the beneficial owner of any additional shares of the Outstanding Common Stock or any additional Outstanding Voting Securities (other than pursuant to any dividend reinvestment plan or arrangement maintained by the Company) and such beneficial ownership is publicly announced, such additional beneficial ownership shall constitute a Change in Control;

(b) individuals who, as of the Agreement Date, constitute the Company Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Incumbent Board; provided that any individual who becomes a director of the Company subsequent to the Agreement Date whose election, or nomination for election by the Company's stockholders, was approved by the vote of at least a majority of the directors then comprising the Incumbent Board shall be deemed a member of the Incumbent Board; and provided further, that any individual who was initially elected as a director of the Company as a result of an actual or threatened election contest (as such terms are used in Rule 14a-11 promulgated under the Exchange Act) or any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Company Board shall not be deemed a member of the Incumbent Board;

(c) consummation of a reorganization, merger or consolidation or sale or other disposition of more than 50% of the operating assets of the Company (determined on a consolidated basis) other than in connection with a sale-leaseback or other arrangement resulting in the continued utilization of such assets (or the operating products of such assets) by the Company (such reorganization, merger, consolidation, sale or other disposition, a "Corporate Transaction"); excluding, however, a Corporate Transaction pursuant to which:

(i) all or substantially all of the individuals or entities who are the beneficial owners, respectively, of the Outstanding Common Stock and the Outstanding Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than 60% of, respectively, the outstanding shares of common stock, and the combined voting power of the outstanding Voting Securities of such corporation, as the case may be, of the corporation resulting from such Corporate Transaction (including a corporation which as a result of such transaction owns the Company or all or substantially all of its assets either directly or indirectly) in substantially the same proportions relative to each other as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Common Stock and the Outstanding Voting Securities, as the case may be;

(ii) no Person (other than the Company; any Company Plan; the corporation resulting from such Corporate Transaction; and any Person which beneficially owned, immediately prior to such Corporate Transaction, directly or indirectly, 20% or more of the Outstanding Common Stock or the Outstanding Voting Securities, as the case may be) will beneficially own, directly or indirectly, 20% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding Voting Securities of such corporation;

(iii) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; and

(iv) Executive shall be appointed or elected to positions in respect of the corporation resulting from such Corporate Transaction that are comparable to the positions held by Executive pursuant to Section 2.1 immediately prior to the Corporate Transaction; or

(d) approval by the stockholders of the Company of a plan of complete liquidation or dissolution of the Company, other than a plan of liquidation or dissolution which results in the acquisition of all or substantially all the assets of the Company by its Affiliates.

1.11 "CIC Termination" means (a) a Termination for Good Reason or a Termination Without Cause for which (in either case) the Termination Date occurs during the Post-Change Period, or the Post-Significant Acquisition Period, or (b) an Imminent Control Change Termination.

1.12 "ComEd" -- see the recitals to this Agreement.

1.13 "Common Stock" means common stock, without par value, of the Company.

1.14 "Company" -- see the recitals to this Agreement.

1.15 "Company Board" means the Board of Directors of the Company.

1.16 "Compensation Committee" means the Compensation Committee of the Company Board, or any successor committee thereto.

1.17 "Confidential Information" means any information not generally known in the relevant trade or industry, which was obtained from the Company or any Company Affiliate, or which was learned, discovered, developed, conceived, originated or prepared during or as a result of the performance of any services by Executive on behalf of the Company or any Company Affiliate and which:

(a) relates to one or more of the following:

(i) trade secrets of the Company or an Affiliate thereof or any customer or supplier of the Company or an Affiliate thereof;

(ii) existing or contemplated products, services, technology, designs, processes, formulae, algorithms, research or product developments of the Company or an Affiliate thereof or any customer or supplier of the Company or an Affiliate thereof;

(iii) business plans, sales or marketing methods, methods of doing business, customer lists, customer usages and/or requirements, supplier information of the Company or an Affiliate thereof or any customer or supplier of the Company or an Affiliate thereof; or

(b) the Company or an Affiliate thereof or any customer or supplier of the Company or an Affiliate thereof may reasonably have the right to protect by patent, copyright or by keeping it secret and confidential.

Confidential Information does not include any information that is or may become publicly known other than through the improper actions of Executive.

1.18 "Contract Term" -- see Section 3.1.

1.19 "Disability" means a mental or physical condition which, in the opinion of the Company Board, renders Executive unable or incompetent to carry out the job responsibilities which such Executive held or the duties to which Executive was assigned at the time the disability was incurred, which has existed for at least three months and which in the opinion of a physician mutually agreed upon by the Company and Executive (provided that neither party shall unreasonably withhold or delay such agreement) is expected to be permanent or to last for an indefinite duration or a duration in excess of six months.

1.20 "Early Retirement" means a Termination of Employment by Executive on or after March 16, 2003, other than a Normal Retirement or a Termination for Good Reason prior to Normal Retirement.

1.21 "Exchange Act" means the Securities Exchange Act of 1934.

1.22 "Executive" -- see the recitals to this Agreement.

1.23 "Failure to Appoint or Elect" -- see the definition of "Good Reason".

1.24 "Formula Annual Incentive" means, subject to ss. 8.1(a), the greater of (i) the Annual Incentive for the latest calendar year ended on or before the Termination Date, or (ii) the average of the Annual Incentives that were actually paid (or would have been paid in respect of the year preceding the Termination Date but for a termination of Executive's employment after the end of such preceding year) to Executive with respect to Executive's last three full calendar years of employment by the Company, Unicom Corporation or any Affiliate of the Company. For purposes of clause (ii) of the preceding sentence, if Annual Incentives have been paid to Executive in respect of fewer than three years, such average shall be computed by reference to the Annual Incentives that were actually paid to Executive.

1.25 "Good Reason" means any material breach of this Agreement by the Company, including:

(a) a failure to provide the compensation and benefits required by this Agreement, including a reduction in the Base Salary of Executive below the Base Salary in effect during the immediately preceding year under this Agreement or, where applicable, the Prior Agreement, unless such reduction is commensurate with and part of a general salary reduction program applicable to all senior executives of the Company;

(b) failure to appoint or elect Executive (i) for the period beginning at the Merger Date and continuing until the last day of the first half of the Transition Period, the President and Co-Chief Executive Officer of the Company, the Chairman of the Executive Committee of the Company Board and as a member of the Company Board, (ii) for the period beginning at the commencement of the last half of the Transition Period and continuing until the last day of the Transition Period, the Co-Chief Executive Officer of the Company, the Chairman of the Company Board and a member of the Company Board, and (iii) for the period commencing immediately prior to the end of the Transition Period and continuing after the Transition Period, the sole Chief Executive Officer of the Company, Chairman of the Company Board and a member of the Company Board; except that, in the event that prior to the end of the Transition Period Corbin A. McNeill, Jr. should cease to serve as Co-Chief Executive Officer of the Company, or prior to the end of the first half of the Transition Period as Chairman of the Company Board, "Good Reason" under this subsection (b) shall also include failure to immediately appoint or elect Executive as sole Chief Executive Officer and/or Chairman of the Company Board, as applicable; (a "Good Reason" within the meaning of this Section 1.25(b) is herein referred to as a "Failure to Appoint or Elect");

(c) causing or requiring Executive to report to any Person or group other than the Company Board;

(d) any material adverse change in the status, responsibilities or perquisites of Executive; or

(e) any public announcement by the Company Board that it is seeking a replacement for Executive, which announcement is made prior to Executive's attaining age 60, unless Executive has consented to such announcement;

provided, however, that an act or omission shall not constitute a material breach of this Agreement by the Company:

(i) unless Executive gives the Company 30 days' prior notice of such act or omission and the Company fails to cure such act or omission within the 30-day period;

(ii) if Executive first acquired actual knowledge of such act or omission more than 12 months before Executive gives the Company such notice; or

(iii) if Executive has consented in writing to such act or omission in a document that makes specific reference to this Section.

1.26 "Imminent Control Change" means, as of any date on or after the Agreement Date and prior to the Change Date, the occurrence of any one or more of the following:

(a) the Board approves a specific agreement the consummation of which would constitute a Change in Control;

(b) any SEC Person commences a "tender offer" (as such term is used in Section 14(d) of the Exchange Act) or exchange offer, which, if consummated, would result in a Change in Control; or

(c) any SEC Person files with the United States Securities and Exchange Commission a preliminary or definitive proxy solicitation or election contest to elect or remove one or more members of the Board, which, if consummated or effected, would result in a Change in Control;

provided, however, that an Imminent Control Change will lapse and cease to qualify as an Imminent Control Change:

(i) With respect to an Imminent Control Change described in clause (a) of this definition, the date such agreement is terminated, cancelled or expires without a Change Date occurring;

(ii) With respect to an Imminent Control Change described in clause (b) of this definition, the date such tender offer or exchange offer is withdrawn or terminates without a Change Date occurring;

(iii) With respect to an Imminent Control Change described in clause (c) of this definition, (1) the date the validity of such proxy solicitation or election

contest expires under relevant state corporate law, or (2) the date such proxy solicitation or election contest culminates in a shareholder vote, in either case without a Change Date occurring; or

(iv) The date a majority of the members of the Incumbent Board make a good faith determination that any event or condition described in clause (a), (b), or (c) of this definition no longer constitutes an Imminent Control Change, provided that such determination may not be made prior to the twelve (12) month anniversary of the occurrence of such event.

1.27 "Imminent Control Change Period" means the period commencing on the date of an Imminent Control Change, and ending on the first to occur thereafter of

(a) a Change Date, provided

(i) such date occurs no later than the one-year anniversary of the Termination Date, and

(i) either the Imminent Control Change has not lapsed, or the Imminent Control Change in effect upon such Change Date is the last Imminent Control Change in a series of Imminent Control Changes unbroken by any period of time between the lapse of an Imminent Control Change and the occurrence of a new Imminent Control Change;

(b) the date an Imminent Control Changes lapses without the prior or concurrent occurrence of a new Imminent Control Change; or

(c) the twelve-month anniversary of the Termination Date.

1.28 "Imminent Control Change Termination" means a Termination for Good Reason or a Termination Without Cause for which the Termination Date occurs during an Imminent Control Change Period, but only if the Imminent Control Change Period culminates in a Change Date, and only if the Termination of Employment would not be a Special Termination but for the fact that it occurred during an Imminent Control Change Period.

1.29 "including" means including without limitation.

1.30 "Key Employee" means any employee of the Company who is Group Level 12 or above ("Group Level") or any employee of any Affiliate of the Company who is at a level which is the equivalent of Group Level.

1.31 "LTIP" means the Company's Long-Term Incentive Plan.

1.32 "Merger" -- see the recitals to this Agreement.

1.33 "Merger Agreement" means the Agreement and Plan of Exchange and Merger, dated January 7, 2000 by and among Peco Energy Company, Newholdco Corporation and Unicom Corporation, as amended and restated.

1.34 "Merger Date" -- see the recitals to this Agreement.

1.35 "Normal Retirement" means a Termination of Employment by Executive either (i) on or after March 16, 2006 or (ii) on or after March 16, 2003 if the Company Board shall have determined with the written consent of the Executive that such Termination shall constitute Normal Retirement for purposes of this Agreement.

1.36 "Option" means an option to purchase shares of Common Stock pursuant to the terms and conditions of either this Agreement and the LTIP (or any successor plan) or the Prior Agreement and the Unicom Corporation Long-Term Incentive Plan.

1.37 "Option Expiration Date" means, with respect to a specific Option, the expiration date of such Option as specified in the grant agreement or the plan (as applicable) relating thereto.

1.38 "Person" means any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, unincorporated organization, association, corporation, institution, entity or government (whether federal, state, county, municipal or otherwise).

1.39 "Post-Change Period" means the period commencing upon a Change in Control and ending 24 months thereafter.

1.40 "Post-Retirement Health Care Coverage" means the medical, dental and vision care coverage provided by the Company from time to time to its retired senior executives who retired at or after March 10, 1998.

1.41 "Post-Significant Acquisition Period" means the period commencing on the date of a Significant Acquisition that occurs during the Contract Term and prior to a Change Date, and ending on the first to occur of (a) the end of the 18-month period commencing on the date of the Significant Acquisition, (b) the Change Date, or (c) the Termination Date.

1.42 "Practices" means practices, policies and programs.

1.43 "Prior Agreement" -- see the recitals to this Agreement.

1.44 "Prorated Annual Incentive" means, in respect of the calendar year during which the Termination Date occurs, an amount equal to the product of the Formula Annual Incentive multiplied by a fraction, the numerator of which equals the number of days between January 1 of such calendar year and the Termination Date and the denominator of which equals 365.

1.45 "SEC Person" means any Person (as such term is used in Rule 13d-5 of the SEC under the Exchange Act) or group (as such term is defined in Sections 3(a)(9) and 13(d)(3) of the Exchange Act), other than (a) the Company or an Affiliate, or (b) any employee benefit plan (or any related trust) or Company or any of its Affiliates.

1.46 "SERP Benefit" -- see Section 6.2(a).

1.47 "Service Annuity System" means the Commonwealth Edison Company Service Annuity System.

1.48 "Severance Period" means the period that commences on the Termination Date and ends two years after the Termination Date; provided, however, that if (i) the Termination Date occurs at any time prior to December 31, 2004, (ii) the Executive's Termination of Employment is a CIC Termination, or (iii) the Termination Date occurs at any time because of a Termination for Good Reason for Failure to Appoint or Elect, the Severance Period shall end three years after the Termination Date.

1.49 "Significant Acquisition" means a Corporate Transaction affecting the headquarters for the Company's corporate business operations that is consummated after the Agreement Date and prior to the Change Date, which Corporate Transaction is not a Change in Control, provided that as a result of such Corporate Transaction, all or substantially all of the individuals and entities who are the Beneficial Owners (as defined in Rule 13d-3 of the United States Securities and Exchange Commission under the Exchange Act), respectively, of the outstanding common stock of Company and outstanding Voting Securities of the Company immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than 60% but not more than 66-2/3% of, respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which, as a result of such transaction, owns the Company or all or substantially all of the assets of the Company either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Corporate Transaction of the outstanding common stock of Company and outstanding Voting Securities of the Company, as the case may be.

1.50 "Special Termination" means any of a CIC Termination, a Special Termination for Good Reason or a Special Termination Without Cause.

1.51 "Special Termination for Good Reason" means (a) any Termination for Good Reason occurring before the earlier of Normal Retirement or December 31, 2004, or (b) a Termination for Failure to Appoint or Elect for which the Termination Date is prior to Normal Retirement.

1.52 "Special Termination Without Cause" means a Termination Without Cause occurring before the earlier of Normal Retirement or December 31, 2004.

1.53 "Supplemental Retirement Plan" means the Commonwealth Edison Company Supplemental Management Retirement Plan.

1.54 "Taxes" means federal, state, local or other income, employment or other taxes.

1.55 "Termination Date" means the date as of which Executive's employment with the Company and all Affiliates thereof is terminated by the Company or by Executive for any reason.

1.56 "Termination for Good Reason" means a Termination of Employment by Executive for Good Reason.

1.57 "Termination of Employment" occurs on the first day on which Executive is for any reason no longer employed by the Company or any Affiliate thereof.

1.58 "Termination Without Cause" means a termination of Executive's employment by the Company and all Affiliates thereof for any reason other than Cause or Disability.

1.59 "Transition Period" means the period beginning on the Merger Date and ending on December 31, 2003.

1.60 "Voting Securities" means, with respect to a corporation, the securities of such corporation entitled to vote generally in the election of the directors of such corporation.

ARTICLE II.
DUTIES

2.1 Duties. During the Contract Term, (a) for the period beginning at the Merger Date and continuing until the last day of the first half of the Transition Period, Executive shall be the President and Co-Chief Executive Officer of the Company, the Chairman of the Executive Committee of the Company Board, and a member of the Company Board, (b) for the period beginning at the commencement of the last half of the Transition Period and continuing until the last day of the Transition Period, Executive shall be the Co-Chief Executive Officer of the Company, the Chairman of the Company Board and a member of the Company Board, and (c) for the period commencing immediately prior to the end of the Transition Period and continuing after the Transition Period, Executive shall be sole Chief Executive Officer of the Company, Chairman of the Company Board and a member of the Company Board. In the event, however, that prior to the end of the Transition Period Corbin A. McNeill, Jr. should cease during the Contract Term to serve as Co-Chief Executive Officer of the Company, Executive shall immediately be sole Chief Executive Officer of the Company, and if Corbin A. McNeill, Jr. should cease to serve during the Contract Term as Chairman of the Company Board prior to the end of the first half of the Transition Period, Executive shall immediately become Chairman of the Company Board. It is contemplated that, in connection with each annual meeting of shareholders (or action by written consent in lieu thereof) of the Company during the Contract Term, the shareholders of the Company will elect Executive to the Company Board. During the Contract Term (excluding any periods of vacation, sick leave or disability to which Executive is entitled), Executive (subject to Section 2.2) shall devote his full attention and time to the business and affairs of the Company and use his best efforts to perform his duties and responsibilities described herein.

2.2 Other Activities. Executive may (a) serve on corporate, civic or charitable boards or committees, (b) fulfill speaking engagements or teach at educational institutions or (c) manage personal investments, in each case to the extent that such activities do not materially interfere with the performance of his duties under this Agreement.

ARTICLE III.
TERM OF AGREEMENT

3.1 Term. The term of this Agreement (the "Contract Term") began at the Merger Date and shall continue in effect until the Termination Date.

ARTICLE IV.
COMPENSATION

4.1 Base Salary. The Company shall pay Executive in accordance with its normal payroll practices an annual salary (the "Base Salary") which shall be reviewed at least annually and may be adjusted at any time and from time to time as shall be determined by the Compensation Committee, except that during the Transition Period Executive's Base Salary shall not be less than the annual salary of the other Co-Chief Executive Officer, if any, of the Company. Any increase in Base Salary shall not limit or reduce any other obligation to Executive under this Agreement.

4.2 Annual Incentive. During the Contract Term, Executive shall participate in the Exelon Annual Incentive Award Program, and any successor thereto, and shall be eligible to receive an annual incentive award ("Annual Incentive") in accordance with the terms and conditions thereof and on the same basis as other senior executives of the Company, except that during the Transition Period such award shall not be less than that of the other Co-Chief Executive Officer, if any, of the Company.

4.3 Long-Term Incentives. During the Contract Term, Executive shall participate in the Company's LTIP, and any successor thereto, in accordance with the terms and conditions thereof and on the same basis as other senior executives of the Company, except that during the Transition Period such participation shall be on a basis that is not less than that of the other Co-Chief Executive Officer, if any, of the Company.

4.4 Deferred Stock and Additional Option.

(a) Deferred Stock. Pursuant to the Prior Agreement, Executive was granted on February 19, 1999, a right to receive on the Payment Date (as defined in the last sentence of Section 4.4(b)), shares of common stock of Unicom equal to the sum of:

(i) 12,343.661 (the "Initial Deferred Shares") which, pursuant to the Merger Agreement have been converted to shares of Common Stock, plus

(ii) the aggregate number of shares of common stock of Unicom Corporation (and after the Merger Date, Common Stock) that would be issued from time to time if all dividends (other than dividends payable in Unicom Corporation common stock and, after the Merger Date, in Common Stock) payable in respect of the Initial Deferred Shares were reinvested in additional shares of Unicom Corporation common stock and, after the Merger Date, in Common Stock, based on the fair market value (as determined in accordance with the LTIP or any applicable successor plan) of Unicom Corporation common stock or Common Stock as of the applicable dividend payment date.

Such Deferred Shares shall be payable as provided in this Section 4.4; provided, however, that the aggregate number and kind of Deferred Shares shall from time to time be equitably adjusted to prevent any material dilution or enlargement of the aggregate value of the Deferred Shares that may otherwise occur by reason of a change in the number or kind of outstanding shares of Common Stock resulting from any recapitalization, reorganization, merger, consolidation, stock split, stock dividend or any

similar change affecting such Common Stock (other than a dividend which is deemed to have been reinvested pursuant to clause (ii) of this Section 4.4(a)).

(b) Vesting and Payment. As of the Agreement Date the Deferred Shares had become 100% vested. On or before the fifth business day following Executive's Termination Date (such day, the "Payment Date"), the Company shall deliver to Executive a number of shares of Common Stock equal to the number of Deferred Shares.

(c) Effect on SERP Benefit. Solely for purposes of determining the amount of Executive's SERP Benefit pursuant to Section 6.2, Executive's Annual Incentive with respect to each of 1998 and 1999 under the Prior Agreement shall be deemed to have been $300,000 greater than the Annual Incentive actually paid to Executive in respect of such years.

ARTICLE V.
OPTION GRANTS

5.1 Grants Prior to the Agreement Date. Pursuant to the terms of the Prior Agreement, Executive has been granted Options prior to the Agreement Date. Subject to the provisions of Article VII and Article VIII, such Options shall be exercisable according to their terms and the terms of the Unicom Corporation Long-Term Incentive Plan (for Options granted prior to the Merger Date) or the LTIP (for Options granted on or after the Merger Date) as applicable.

5.2 Future Grants. On and after the Agreement Date, during the Contract Term, the Compensation Committee shall in its discretion consider Executive for possible annual or other grants of Options under the LTIP on the same date or dates and on the same basis as other senior executives of the Company, except that during the Transition Period such grants shall be in amounts which are not less than those granted to the other Co-Chief Executive Officer, if any, of the Company.

ARTICLE VI.
OTHER BENEFITS

6.1 Savings and Other Plans. During the Contract Term, Executive shall be entitled to participate in all savings, deferred compensation and retirement plans which are or may hereafter become generally available to senior executives of the Company (subject to the eligibility requirements of such plans, except as such eligibility requirements are modified by the provisions of Article IV and this Article VI), except that during the Transition Period such participation shall be on terms no less favorable than those available to the other Co-Chief Executive Officer, if any, of the Company.

6.2 Retirement Benefits.

(a) Upon the first to occur of Executive's Early Retirement or Normal Retirement, a Termination Without Cause, a Termination for Good Reason, a Termination of Employment by reason of death or Disability or a Termination of Employment by the Executive for any other reason on or after the first anniversary of the Merger Date (any of the foregoing, a "SERP Payment Event"), Executive (or, in the

event of his death, his surviving spouse) shall thereafter receive a retirement benefit (the "SERP Benefit") determined pursuant to Section 6.2(b).

(b) The SERP Benefit to be provided to Executive during any year shall equal an amount which, when added to all other retirement benefits provided to Executive by the Company and its Affiliates during such year (including payments under the Service Annuity System, the Supplemental Retirement Plan, any Social Security supplement paid by ComEd until Executive attains age 65, any retirement benefit paid pursuant to Section 8.4, and any other sources) results in an aggregate annual retirement benefit equal to the annual retirement benefit that would have been payable under the Service Annuity System (including under the Supplemental Retirement Plan) as in effect on March 10, 1998, calculated as though Executive had:

(i) retired at age 60 (or, if greater, his attained age upon the first SERP Payment Event), and

(ii) accrued 20 years of service on March 16, 1998 and one additional year of service on each annual anniversary of March 16, 1998 occurring on or before the Termination Date;

provided, however, that in no event shall any SERP Benefit be payable:

(A) during the Severance Period if either Section 7.3 or 8.3 is applicable,

(B) in the event that, before the first SERP Payment Event, Executive shall have received a Notice of Consideration (as defined in Section 7.1(b)(i)) and his employment is subsequently terminated by the Company for Cause, or

(C) in the event of any Termination of Employment other than in connection with a SERP Payment Event.

In addition, Executive's right to receive the SERP Benefit shall be subject to Section 7.7.

(c) Executive shall have the option to receive the SERP Benefit (i) as a lump-sum amount, payable within 30 days after Termination of Employment notwithstanding the provisions of Section 6.2(b)(A), (ii) as a regular life annuity, or (iii) as a joint and survivor marital annuity (to be appropriately adjusted in accordance with the provisions of the Service Annuity System). In the event of Executive's death during his employment by the Company, his spouse will immediately become entitled to a surviving spouse benefit.

6.3 Welfare Benefits. During the Contract Term, Executive (and his family) shall be eligible to participate in and shall receive benefits under all welfare benefit plans and Practices provided by the Company (including medical, prescription, dental, vision care, disability, salary continuance, employee life, group life, dependent life, accidental death and travel accident insurance plans and programs) generally available to senior executives of the Company; provided, however, that the Company shall provide at no cost to Executive an amount of term life insurance coverage that, when added to the coverage available at no cost to Executive under the Company's group or employee life plans or programs, equals three times his Base Salary.

During the Transition Period participation in such welfare benefit plans and Practices shall be on terms no less favorable than those available to the other Co-Chief Executive Officer, if any, of the Company.

6.4 Employee Benefits. During the Contract Term, Executive shall be entitled to employee benefits generally available to other senior executives of the Company, including financial planning and tax planning services, except that during the Transition Period such employee benefits available to Executive shall be no less favorable than those available to the other Co-Chief Executive Officer, if any, of the Company.

6.5 Time Off. During each year of the Contract Term, Executive shall be entitled to 30 "paid time off" days in accordance with the PTO policy applicable to senior executives of the Company, except that during the Transition Period such amount shall not be less than the days applicable to the other Co-Chief Executive Officer, if any, of the Company.

6.6 Expenses. During the Contract Term, Executive shall be entitled to receive prompt reimbursement for all of his reasonable employment-related expenses upon the Company's receipt of accounting in accordance with Practices applicable to senior executives of the Company, except that during the Transition Period such Practices shall not be less favorable than those applicable to the other Co-Chief Executive Officer, if any, of the Company.

6.7 Office; Support Staff. During the Contract Term, Executive shall be entitled to an office of a size and with furnishings and other appointments, and to personal secretarial and other assistance, as is appropriate to the positions being assumed by Executive, but in no event less than those provided to other senior executives of the Company or to the other Co-Chief Executive Officer, if any, of the Company.

ARTICLE VII.
TERMINATION BENEFITS

7.1 Termination for Cause or Other Than for Good Reason, Retirement, Death or Disability.

(a) If Executive's employment is terminated by the Company for Cause or by Executive for any reason other than Good Reason, death, Disability, Early Retirement or Normal Retirement, then:

(i) the Company shall within 10 days after the Termination Date pay Executive his Accrued Base Salary and Accrued Annual Incentive; and

(ii) all of Executive's Options (whether or not then exercisable) shall expire on the Termination Date.

(b) The Company may not terminate Executive's employment for Cause unless:

(i) no fewer than 30 days prior to the Termination Date, the Company provides Executive with written notice of its intent to consider a termination of employment for Cause that states the proposed Termination Date and includes a

detailed description of the specific reasons which form the basis for such consideration (the "Notice of Consideration");

(ii) during a period of not fewer than 15 days after the date Notice of Consideration is provided, Executive shall have the opportunity to appear before the Company Board, with legal representation if he so elects, to present arguments on his own behalf; and

(iii) following the presentation to the Company Board as provided in clause (ii) above, Executive shall be terminated for Cause only if (x) not less than 60% of the members of the Company Board (other than Executive if Executive is a member of the Company Board, or any other member of the Company Board alleged to be involved in the events that form the basis of the proposed termination for Cause) determines that the actions of Executive constituted Cause and that his employment should accordingly be terminated for Cause; and (y) the Company Board provides Executive with a written determination setting forth the basis of such termination of employment which shall be consistent with the reasons set forth in the Notice of Consideration.

(c) After providing Notice of Consideration to Executive, the Company Board may suspend Executive with pay pending a final determination pursuant to this Section.

7.2 Termination for Death or Disability. If Executive's employment terminates due to death or Disability:

(a) the Company shall pay to Executive, his Beneficiaries or his estate, as the case may be, immediately after the Termination Date an amount which is equal to the sum of his Accrued Base Salary, Accrued Annual Incentive and Prorated Annual Incentive; and

(b) each of Executive's Options (including any Options not then exercisable) shall be fully exercisable and shall remain exercisable until the applicable Option Expiration Date.

7.3 Termination Without Cause or for Good Reason. Except as otherwise provided in Section 8.3, in the event of a Termination Without Cause or a Termination for Good Reason:

(a) Executive shall receive a lump sum equal to his Accrued Base Salary, Accrued Annual Incentive, and Prorated Annual Incentive;

(b) Executive shall receive for the duration of the Severance Period,

(i) periodic payments in accordance with the Company's normal payroll practices and in amounts equal to his Base Salary in effect under this Agreement or, where applicable, the Prior Agreement during the calendar year preceding the Termination Date and, for each year during the Severance Period, the Formula Annual Incentive, and

(ii) a continuation of the benefits described in Section 6.3 to which Executive and his family are entitled as of the Termination Date (or, if such benefits are not available, the economic equivalent thereof);

(c) each of Executive's Options that is exercisable on the Termination Date shall remain exercisable until the applicable Option Expiration Date;

(d) each of Executive's Options that has not yet become exercisable as of the Termination Date shall become exercisable during the Severance Period at such times and in such amounts (if any) as if Executive had remained employed by the Company throughout the Severance Period and, after becoming so exercisable, shall remain exercisable until the applicable Option Expiration Date; and

(e) any of Executive's Options that remain unexercisable at the end of the Severance Period shall be forfeited.

7.4 Termination Upon Normal Retirement. If Executive's employment terminates due to Normal Retirement:

(a) Executive shall receive a lump sum equal to his Accrued Base Salary, Accrued Annual Incentive, and Prorated Annual Incentive;

(b) each of Executive's Options that is exercisable on the Termination Date shall remain exercisable until the applicable Option Expiration Date; and

(c) each of Executive's Options that has not yet become exercisable as of the Termination Date shall become exercisable after Executive's retirement at such times and in such amounts as if Executive had remained employed by the Company following his retirement and, after becoming so exercisable, shall remain exercisable until the applicable Option Expiration Date.

7.5 Termination Upon Early Retirement. If Executive's employment terminates due to Early Retirement:

(a) Executive shall receive a lump sum equal to his Accrued Base Salary, Accrued Annual Incentive, and Prorated Annual Incentive;

(b) each of Executive's Options that is exercisable on the Termination Date shall remain exercisable until the later to occur of (i) the end of the period that is applicable under such circumstances pursuant to the form of grant agreement in general use for grants to senior executives at the time such Option was granted or (ii) 90 days after the Termination Date, but in no event after the applicable Option Expiration Date; and

(c) each of Executive's Options that has not yet become exercisable as of the Termination Date shall expire on the Termination Date.

7.6 Post-Retirement Health Care Coverage. In the event of any Termination of Employment on account of death, Disability, Early Retirement, Normal Retirement, any Termination for Good Reason or Termination Without Cause, Executive and his spouse shall

each be entitled to Post-Retirement Health Care Coverage for the remainder of their respective lives. Such coverage shall not duplicate any benefits that may then be available to Executive and his spouse under Section 6.3 and shall be secondary to any coverage provided by any other employer or Medicare.

7.7 Breach of Covenants; Exculpation. In the event of (a) a willful and material breach by Executive of any of the covenants contained in Article IX, or (b) a failure by Executive to cure (to the fullest extent curable) a non-willful breach of any of such covenants within 10 days after his receipt of a written notice thereof from the Company, the Company shall be entitled, after obtaining a final judicial determination (or, if the Company reasonably determines, based upon the advice of counsel, that it is more likely than not that each of the Circuit Court of Cook County, Illinois and the United States District Court for the Northern District of Illinois will decline to adjudicate the issue, a final decree in an arbitration proceeding conducted in accordance with the rules of the American Arbitration Association, with such arbitration proceeding to be conducted in Chicago, Illinois before a panel of three arbitrators) to the effect that such action by the Company is appropriate and consistent with the requirements and procedures set forth in this Agreement, to take any or all of the following actions:

(i) discontinue the SERP Benefit and any or all payments and benefits provided to Executive pursuant to Article VII and any other provision of this Agreement,

(ii) terminate any Options then held by Executive, whether or not then exercisable, and

(iii) require Executive to:

(w) repay to the Company all amounts previously received by Executive pursuant to any provision of Article VII on or after the first date on which the Executive breached any of the covenants contained in Article IX (the "Breach Date"),

(x) repay to the Company all amounts previously received by Executive pursuant to the SERF Benefit at any time on or after the Termination Date,

(y) pay to the Company an amount equal to the aggregate "spread" on all Options exercised on or after the Breach Date, and

(z) repay to the Company any other amount that it paid to Executive on or after the Breach Date which Executive would not have been entitled to receive if the Company had terminated the employment of Executive for Cause as of the Breach Date;

provided, however, that (I) no benefits shall be discontinued or terminated nor shall Executive have any monetary liability to the Company for any breach of the covenants contained in Article IX for any act or failure to act, including without limitation simple negligence or an error in judgment, if such act or failure to act was done in good faith, with a reasonable belief that the act, or failure to act, was in the best interest of the Company or was required by applicable law or

administrative regulations, and was not done primarily to benefit Executive and (II) no action may be brought under this Section 7.7 more than three years after the Termination Date. For purposes of clause (iii) (y) of the preceding sentence, "spread" in respect of any Option shall mean the product of the number of shares as to which such Option has been exercised on or after the Breach Date multiplied by the difference between the closing price of the Common Stock on the exercise date (or if the Common Stock did not trade on the New York Stock Exchange on the exercise date, the most recent date on which the Common Stock did so trade) and the exercise price of the Option.

7.8 Other Employment; Other Plans. Executive shall not be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any provision of this Agreement. The amounts payable hereunder shall not be reduced by any payments received by Executive from any other employer; provided, however, that any continued welfare benefits provided for by Section 6.3 shall not duplicate any benefits that are provided to Executive and his family by such other employer and shall be secondary to any coverage provided by such other employer. The provisions of this Article VII or Article VIII will not limit the entitlement of Executive to any other benefits available to Executive under any benefit plan or Practice that is maintained by the Company, Unicom Corporation or any Company Affiliate in which Executive participates.

ARTICLE VIII.
EFFECTS OF CERTAIN CONTROL CHANGES AND SPECIAL TERMINATIONS

8.1 Effect on Certain Defined Terms.

(a) For purposes of a Special Termination, the term "Formula Annual Incentive" shall mean the greater of (i) that amount determined pursuant to Section 1.24 or (ii) Executive's target Annual Incentive determined as of the Termination Date.

(b) For purposes of a CIC Termination, the term "Good Reason," in addition to the meaning specified in Section 1.25 and subject to the proviso at the end of Section 1.25 shall also mean:

(i) a determination by Executive, made in good faith at any time during the Post-Change Period, Post-Significant Acquisition Period or Imminent Control Change Period, as applicable, that, as a result of a Change in Control, Significant Acquisition, or Imminent Control Change he is substantially unable to perform, or that there has been a material reduction in, any of his duties, functions, responsibilities or authority;

(ii) the failure for any reason of any successor to the Company to assume this Agreement in writing as required by Section 8.2;

(iii) a relocation of the principal offices of the Company at any time during the Post-Change Period, Post-Significant Acquisition Period, or Imminent Control Change Period more than 50 miles from the location of such offices immediately before the Change Date, the date on which the Post-Significant Acquisition Period begins or the date of the Imminent Control Change; or

(iv) during any 12-month period commencing on the Change Date, the date of the Significant Acquisition, or date of the Imminent Control Change, as applicable, an increase of at least 20% in the amount of time that Executive is required to devote to business-related travel outside of the metropolitan Chicago, Illinois area relative to the amount of time that Executive devoted to such business travel during the 12-month period immediately prior to the Change Date, the date of the Significant Acquisition, or date of the Imminent Control Change, as applicable, but only to the extent that such increase is attributable to requirements imposed upon Executive by the Company.

8.2 Successor(s). Before the consummation of any Change in Control, the Company shall obtain from each Person that becomes a successor of the Company by reason of the Change in Control the unconditional written agreement of such Person to assume this Agreement and to perform all of the obligations of the Company hereunder.

8.3 Special Terminations and Termination in Certain Other Situations.

(a) In the event of a Special Termination, the provisions of Section 7.3 shall be inapplicable and, in lieu thereof:

(i) Executive shall receive a lump sum equal to his Accrued Base Salary, Accrued Annual Incentive, and Formula Annual Incentive;

(ii) Executive shall receive a lump sum equal to three (3.0) times the sum of (x) his Base Salary in effect under this Agreement or, where applicable, the Prior Agreement during the calendar year preceding the Termination Date and (y) his Formula Annual Incentive determined as of the Termination Date;

(iii) Executive and his family shall receive for the duration of the Severance Period, a continuation of the benefits described in Section 6.3 to which Executive and his family are entitled as of the Termination Date (or, if such benefits are not available, the economic equivalent thereof) and, upon the expiration of the Severance Period, Executive and his spouse shall be entitled to Post-Retirement Health Care Coverage in accordance with the provisions of Section 7.6;

(iv) Company shall, at its expense, engage a professional outplacement organization which shall provide individual outplacement services to Executive for a period of up to twelve months;

(v) each of Executive's Options that is exercisable on the Termination Date shall remain exercisable until the applicable Option Expiration Date;

(vi) each of Executive's Options that is not fully exercisable as of the Termination Date shall immediately become fully exercisable and shall thereafter remain exercisable until the applicable Option Expiration Date;

(vii) all forfeiture conditions which as of the Termination Date are applicable to any deferred stock unit, restricted stock or restricted share units

awarded to Executive by the Company pursuant to the LTIP, a successor plan, or otherwise at any time during the Contract Term or by Unicom Corporation pursuant to the Unicom Corporation Long-Term Incentive Plan or otherwise at any time during the contract term under the Prior Agreement, shall lapse immediately; and

(viii) If all or any portion of any of Executive's awards under any other bonus or incentive arrangement under the LTIP or the Unicom Corporation Long-Term Incentive Plan shall for any reason be unvested as of the Termination Date, the Company shall pay Executive a benefit equal to the increase in the benefit that Executive would have received if the unvested portion of such benefit had become fully vested as of the Termination Date.

(b) Subject to the balance of this paragraph, amounts and benefits to be paid or provided under this Section 8.3(a) shall be paid or provided (or, if applicable, commence to be provided) promptly after the Termination Date, except that, in the event of an Imminent Control Change Termination, amounts and benefits to be paid or provided under this Section 8.3(a) shall be paid or provided (or, if applicable, commence to be provided) promptly after the Change Date. In the event of a Termination Without Cause or a Termination for Good Reason (in either event other than a Special Termination) for which the Termination Date occurs during the Imminent Control Change Period (whether or not the Imminent Control Change Period culminates in a Change Date) ("Pre-Change Termination"), then, prior to the Change Date, Executive's Options, deferred stock units, restricted stock or restricted share units ("Equity Awards") will not expire or be forfeited (unless any such Options would have expired had Executive remained an employee of the Company), will not continue to vest, and will continue to be exercisable only to the extent provided in the applicable grant agreement or plan. If the Imminent Control Change Period lapses without a Change Date, Executive's Equity Awards will thereupon expire or be forfeited unless (i) and to the extent that any applicable grant agreement or plan provides otherwise, in which case such agreement or plan shall control, or (ii) such Options were vested on the Termination Date, in which case such Options may be exercised during the 30-day period following the lapse of the Imminent Control Change Period; provided that in no case shall any such Options remain exercisable after the date on which such Options would have expired had Executive remained in the employment of the Company.

(c) Notwithstanding the foregoing, in the event of a Pre-Change Termination, (i) the definition of "Good Reason" in Section 8.1(b) shall apply, (ii) Company shall provide, during the Imminent Control Change Period, the benefits described in Section 6.3 to which Executive and his family are entitled as of the Termination Date (or, if such benefits are not available, the economic equivalent thereof), and if the Imminent Control Change Period lapses without a Change Date such coverage shall thereupon cease, subject to any applicable continued coverage rights; (iii) Company shall, at its expense, engage a professional outplacement organization which shall provide individual outplacement services to Executive for a period of up to twelve months commencing on the Termination Date; and (iv) the Company's obligations to Executive upon the Change Date under this Section 8.3 shall be reduced by any amounts or benefits paid, payable or

provided pursuant to this Agreement or otherwise on account of Executive's Termination of Employment.

8.4 Enhanced Retirement Benefit.

(a) In the event of a Special Termination, the aggregate amount of Executive's annual retirement benefit pursuant to Section 6.2(a) shall be computed on the basis of the assumptions set forth in such Section 6.2(b), together with the additional assumptions that Executive had:

(x) attained as of the Termination Date an age that is three greater than the age determined pursuant to clause (i) of Section 6.2(b),

(y) accrued a number of years of service that is three years greater than the number of years of service determined pursuant to clause (ii) of Section 6.2(b), and

(z) received the lump-sum severance benefit specified in Section 8.3(b) in equal monthly installments during the Severance Period.

(b) For purposes of applying the adjustments necessary to give effect to the form in which Executive may from time to time elect to receive his SERP Benefit pursuant to Section 6.2(c), the term "Service Annuity System" shall refer to Service Annuity System as in effect on the last date preceding the Post-Change Period, if any, if the amount of the SERP Benefit (in the form in which Executive elects to receive it) would otherwise be reduced by application of the adjustments provided for under the Service Annuity System as in effect as of the Termination Date.

8.5 Gross-Up for Certain Taxes.

(a) If it is determined by the Company's independent auditors that any monetary or other benefit received or deemed received by Executive from the Company or any Affiliate thereof pursuant to this Agreement or otherwise, whether or not in connection with a Change in Control (such monetary or other benefits collectively, the "Potential Parachute Payments"), is or will become subject to any excise tax under Section 4999 of the Code or any similar tax under any United States federal, state, local or other law (such excise tax and all such similar taxes collectively, "Excise Taxes"), then the Company shall, subject to Sections 8.10 and 8.11, within five business days after such determination, pay Executive an amount (the "Gross-Up Payment") equal to the product of:

(i) the amount of such Excise Taxes multiplied by

(ii) the Gross-Up Multiple (as defined in Section 8.8).

The Gross-Up Payment is intended to compensate Executive for all Excise Taxes payable by Executive with respect to Potential Parachute Payments and all Taxes or Excise Taxes payable by Executive with respect to the Gross-Up Payment.

(b) The determination of the Company's independent auditors described in Section 8.5(a), including the detailed calculations of the amounts of the Potential Parachute Payments, Excise Taxes and Gross-Up Payment and the assumptions relating thereto, shall be set forth in a written certificate of such auditors (the "Company Certificate") delivered to Executive. Executive or the Company may at any time request the preparation and delivery to Executive of a Company Certificate. The Company shall cause the Company Certificate to be delivered to Executive as soon as reasonably possible after such request.

8.6 Determination by Executive.

(a) If (i) the Company shall fail to deliver a Company Certificate to Executive within 30 days after its receipt of his written request therefor, or (ii) at any time after Executive's receipt of a Company Certificate, Executive disputes either (x) the amount of the Gross-Up Payment set forth therein or (y) the determination set forth therein to the effect that no Gross-Up Payment is due (whether by reason of Section 8.11 or otherwise), then Executive may elect to require the Company to pay a Gross-Up Payment in the amount determined by Executive as set forth in an Executive Counsel Opinion (as defined in Section 8.9). Any such demand by Executive shall be made by delivery to the Company of a written notice which specifies the Gross-Up Payment determined by Executive (together with the detailed calculations of the amounts of Potential Parachute Payments, Excise Taxes and Gross-Up Payment and the assumptions relating thereto) and an Executive Counsel Opinion regarding such Gross-Up Payment (such written notice and opinion collectively, the "Executive's Determination"). Within 30 days after delivery of an Executive's Determination to the Company, the Company shall either (i) pay Executive the Gross-Up Payment set forth in the Executive's Determination (less the portion thereof, if any, previously paid to Executive by the Company) or (ii) deliver to Executive a Company Certificate and a Company Counsel Opinion (as defined in Section 8.9), and pay Executive the Gross-Up Payment specified in such Company Certificate. If for any reason the Company fails to comply with the preceding sentence, the Gross-Up Payment specified in the Executive's Determination shall be controlling for all purposes.

(b) If Executive does not request a Company Certificate, and the Company does not deliver a Company Certificate to Executive, then (i) the Company shall, for purposes of Section 8.11, be deemed to have determined that no Gross-Up Payment is due and (ii) Executive shall not pay any Excise Taxes in respect of Potential Parachute Payments except in accordance with Sections 8.10(a) or (d).

8.7 Additional Gross-Up Amounts. If for any reason (whether pursuant to subsequently enacted provisions of the Code, final regulations or published rulings of the IRS, a final judgment of a court of competent jurisdiction, a determination of the Company's independent auditors set forth in a Company Certificate or, subject to the last two sentences of Section 8.6(a), an Executive's Determination) it is later determined that the amount of Excise Taxes payable by Executive is greater than the amount determined by the Company or Executive pursuant to Section 8.5 or 8.6, as applicable, then the Company shall, subject to Sections 8.10 and 8.11, pay Executive an amount (which shall also be deemed a Gross-Up Payment) equal to the product of:

(a) the sum of (1) such additional Excise Taxes and (2) any interest, penalties, expenses or other costs incurred by Executive as a result of having taken a position in accordance with a determination made pursuant to Section 8.5 or 8.6, as applicable, multiplied by

(b) the Gross-Up Multiple.

8.8 Gross-Up Multiple. The Gross-Up Multiple shall equal a fraction, the numerator of which is one (1.0), and the denominator of which is one (1.0) minus the lesser of (i) the sum, expressed as a decimal fraction, of the effective after-tax marginal rates of all Taxes and any Excise Taxes applicable to the Gross-Up Payment or (ii) 0.80, it being intended that the Gross-Up Multiple shall in no event exceed five (5.0). (If different rates of tax are applicable to various portions of a Gross-Up Payment, the weighted average of such rates shall be used.)

8.9 Opinion of Counsel. "Executive Counsel Opinion" means an opinion of nationally-recognized executive compensation counsel to the effect (i) that the amount of the Gross-Up Payment determined by Executive pursuant to Section 8.6 is the amount that a court of competent jurisdiction, based on a final judgment not subject to further appeal, is most likely to decide to have been calculated in accordance with this Article and applicable law and (ii) if the Company has previously delivered a Company Certificate to Executive, that there is no reasonable basis or no substantial authority for the calculation of the Gross-Up Payment set forth in the Company Certificate. "Company Counsel Opinion" means an opinion of nationally-recognized executive compensation counsel to the effect that (i) the amount of the Gross-Up Payment set forth in the Company Certificate is the amount that a court of competent jurisdiction, based on a final judgment not subject to further appeal, is most likely to decide to have been calculated in accordance with this Article and applicable law and (ii) for purposes of Section 6662 of the Code, Executive has substantial authority to report on his federal income tax return the amount of Excise Taxes set forth in the Company Certificate.

8.10 Amount Increased or Contested.

(a) Executive shall notify the Company in writing (an "Executive's Notice") of any claim by the IRS or other taxing authority (an "IRS Claim") that, if successful, would require the payment by Executive of Excise Taxes in respect of Potential Parachute Payments in an amount in excess of the amount of such Excise Taxes determined in accordance with Section 8.5 or 8.6, as applicable. Such Executive's Notice shall include the nature and amount of such IRS Claim, the date on which such IRS Claim is due to be paid (the "IRS Claim Deadline"), and a copy of all notices and other documents or correspondence received by Executive in respect of such IRS Claim. Executive shall give his Executive's Notice as soon as practicable, but no later than the earlier of (i) 10 business days after Executive first obtains actual knowledge of such IRS Claim or (ii) five business days before the IRS Claim Deadline; provided, however, that Executive's failure to give such notice shall affect the Company's obligations under this Article only to the extent that the Company is actually prejudiced by such failure. If at least one business day before the IRS Claim Deadline the Company shall:

(1) deliver to Executive a Company Certificate to the effect that the IRS Claim has been reviewed by the Company's independent auditors and, notwithstanding the IRS Claim, the amount of Excise Taxes, interest and penalties

payable by Executive is either zero or an amount less than the amount specified in the IRS Claim,

(2) pay to Executive an amount (which shall also be deemed a Gross-Up Payment) equal to the positive difference between (x) the product of the amount of Excise Taxes, interest and penalties specified in the Company Certificate, if any, multiplied by the Gross-Up Multiple, and (y) the portion of such product, if any, previously paid to Executive by the Company, and

(3) direct Executive pursuant to Section 8.10(d) to contest the balance of the IRS Claim,

then Executive shall pay only the amount, if any, of Excise Taxes, interest and penalties specified in the Company Certificate. In no event shall Executive pay an IRS Claim earlier than 30 days after having given an Executive's Notice to the Company (or, if sooner, the IRS Claim Deadline).

(b) At any time after the payment by Executive of any amount of Excise Taxes or related interest or penalties in respect of Potential Parachute Payments (whether or not such amount was based upon a Company Certificate, an Executive's Determination or an IRS Claim), the Company may in its discretion require Executive to pursue a claim for a refund (a "Refund Claim") of all or any portion of such Excise Taxes, interest or penalties as the Company may specify by written notice to Executive.

(c) If the Company notifies Executive in writing that the Company desires Executive to contest an IRS Claim or to pursue a Refund Claim, Executive shall:

(i) give the Company all information that it reasonably requests in writing from time to time relating to such IRS Claim or Refund Claim, as applicable,

(ii) take such action in connection with such IRS Claim or Refund Claim (as applicable) as the Company reasonably requests in writing from time to time, including accepting legal representation with respect thereto by an attorney selected by the Company, subject to the approval of Executive (which approval shall not be unreasonably withheld or delayed),

(iii) cooperate with the Company in good faith to contest such IRS claim or pursue such Refund Claim, as applicable,

(iv) permit the Company to participate in any proceedings relating to such IRS Claim or Refund Claim, as applicable, and

(v) contest such IRS Claim or prosecute such Refund Claim (as applicable) to a determination before any administrative tribunal, in court of initial jurisdiction and in one or more appellate courts, as the Company may from time to time determine in its discretion.

The Company shall control all proceedings in connection with such IRS Claim or Refund Claim (as applicable) and in its discretion may cause Executive to pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the IRS or other taxing authority in respect of such IRS Claim or Refund Claim (as applicable); provided that (i) any extension of the statute of limitations relating to payment of taxes for the taxable year of Executive relating to the IRS Claim is limited solely to such IRS Claim, (ii) the Company's control of the IRS Claim or Refund Claim (as applicable) shall be limited to issues with respect to which a Gross-Up Payment would be payable, and (iii) Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the IRS or other taxing authority.

(d) The Company may at any time in its discretion direct Executive to (i) contest the IRS Claim in any lawful manner or (ii) pay the amount specified in an IRS Claim and pursue a Refund Claim; provided, however, that if the Company directs Executive to pay an IRS Claim and pursue a Refund Claim, the Company shall advance the amount of such payment to Executive on an interest-free basis and shall indemnify Executive, on an after-tax basis, for any Taxes, Excise Taxes, and any related interest or penalties imposed with respect to such advance.

(e) The Company shall pay directly all legal, accounting and other costs and expenses (including additional interest and penalties) incurred by the Company or Executive in connection with any IRS Claim or Refund Claim, as applicable, and shall indemnify Executive, on an after-tax basis, for any Taxes, Excise Taxes and related interest and penalties imposed on Executive as a result of such payment of costs and expenses.

8.11 Limitation on Gross-Up Payments.

(a) Notwithstanding any other provision of this Article VIII, if the aggregate After-Tax Amount (as defined below) of the Potential Parachute Payments and Gross-Up Payment that, but for this Section 8.11, would be payable to Executive, does not exceed 110% of the After-Tax Floor Amount (as defined below), then no Gross-Up Payment shall be made to Executive and the aggregate amount of Potential Parachute Payments payable to Executive shall be reduced (but not below the Floor Amount) to the largest amount which would both (i) not cause any Excise Taxes to be payable by Executive and (ii) not cause any Potential Parachute Payments to become nondeductible by the Company by reason of Section 280G of the Code (or any successor provision). For purposes of the preceding sentence, Executive shall be deemed to be subject to the highest effective after-tax marginal rate of Taxes.

(b) For purposes of this Section:

(i) "After-Tax Amount" means the portion of a specified amount that would remain after payment of all Taxes and Excise Taxes paid or payable by Executive in respect of such specified amount;

(ii) "Floor Amount" means the greatest pre-tax amount of Potential Parachute Payments that could be paid to Executive without causing him to become liable for any Excise Taxes in connection therewith; and

(iii) "After-Tax Floor Amount" means the After-Tax Amount of the Floor Amount.

8.12 Refunds. If, after the receipt by Executive of any payment or advance of Excise Taxes by the Company pursuant to this Article, Executive receives any refund with respect to such Excise Taxes, Executive shall (subject to the Company's complying with any applicable requirements of Section 8.10) promptly pay the Company the amount of such refund (together with any interest paid or credited thereon after Taxes applicable thereto). If, after the receipt by Executive of an amount advanced by the Company pursuant to Section 8.10, a determination is made that Executive shall not be entitled to any refund with respect to such claim and the Company does not notify Executive in writing of its intent to contest such determination within 30 days after the Company receives written notice of such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid. Any contest of a denial of refund shall be controlled by Section 8.10.

ARTICLE IX.
RESTRICTIVE COVENANTS

9.1 Confidential Information.

(a) Executive acknowledges that it is the policy of the Company and its Affiliates to maintain as secret and confidential all Confidential Information, and that Confidential Information has been and will be developed at substantial cost and effort to the Company and its Affiliates. Executive acknowledges that he will have access to Confidential Information with respect to the Company and its Affiliates which information is a valuable and unique asset of the Company and its Affiliates and that disclosure of such Confidential Information would cause irreparable damage to the business and operations of the Company and its Affiliates.

(b) Executive acknowledges that the Confidential Information is, as between the Company and its Affiliates and Executive, the exclusive property of the Company and its Affiliates.

(c) Both during Executive's employment by the Company (whether during or after the Contract Term) and at any time after the Termination Date, Executive:

(i) shall not, directly or indirectly, divulge, furnish or make accessible to any Person any Confidential Information (except (x) to the extent Executive reasonably and in good faith believes that such actions are related to, and required by, Executive's performance of his duties under this Agreement, or (y) as may be compelled by applicable law or administrative regulation; provided that Executive, to the extent not prohibited from doing so by applicable law or administrative regulation, shall give the Company written notice of the information to be so disclosed pursuant to clause (y) of this sentence as far in advance of its disclosure as is practicable, shall cooperate with the Company in its efforts to protect the information from disclosure, and shall limit its disclosure of such information to the minimum disclosure required by law or administrative regulation unless the Company agrees in writing to a greater level of disclosure);

(ii) shall not use for his own benefit in any manner, any Confidential Information;

(iii) shall not cause any such Confidential Information to become publicly known; and

(iv) shall take all reasonable steps to safeguard such Confidential Information and to protect it against disclosure, misuse, loss and theft.

(d) For purposes of this Agreement, Confidential Information represents trade secrets subject to protection under the Uniform Trade Secrets Act, as adopted by the State of Illinois, or to any comparable protection afforded by applicable laws.

9.2 Non-Competition.

(a) During the period beginning on March 10, 1998, and ending two years after the Termination Date, Executive shall not, directly or indirectly, in any capacity, engage or participate in, become employed by, serve as a director of, or render advisory or consulting or other services in connection with, any Competitive Business (as defined in Section 9.2(c)).

(b) During the period beginning on March 10, 1998, and ending two years after the Termination Date, Executive shall not at any time make any financial investment, whether in the form of equity or debt, or own any interest, directly or indirectly, in any Competitive Business. Nothing in this subsection shall, however, restrict Executive from making an investment in any Competitive Business if such investment does not (i) represent more than 1% of market value of the outstanding capital stock or debt (as applicable) of such Competitive Business, (ii) give Executive any right or ability, directly or indirectly, to control or influence the policy decisions of any Competitive Business, and (iii) create a conflict of interest between Executive's duties under this Agreement and his interest in such investment. In addition, nothing in this subsection shall restrict Executive's ability to retain any interest (including any interest in common stock held on March 10, 1998 or subsequently acquired upon exercise of options or similar rights held on March 10, 1998 or upon the conversion of convertible securities held on March 10, 1998) in New England Electric System or any of its successors received by Executive as a result of his former employment relationship with such entity.

(c) "Competitive Business" means as of any date (including during the two-year period commencing on the Termination Date) any Person (and any branch, office or operation thereof) which engages in, or proposes to engage in (i) the production, transmission, distribution, marketing or sale of electricity or (ii) any other business engaged in by the Company or its Affiliates prior to the Termination Date which represents for any calendar year during the Contract Term, or is projected by the Company (as reflected in a business plan adopted by the Company or any Affiliate thereof before the Termination Date) to yield during any year during the first three-fiscal year period commencing on or after the Termination Date, more than 5% of the gross revenue of the Company, and which is located (i) anywhere in the United States, or (ii) anywhere outside of the United States where the Company or any Affiliate thereof is then engaged in, or proposes to engage in, any of such activities.

9.3 Non-Solicitation. During the period beginning on the Agreement Date and ending two years after the Termination Date, Executive shall not, directly or indirectly:

(a) other than in connection with the performance of his duties as an officer of the Company, encourage any Key Employee to terminate his or her employment;

(b) employ, engage as a consultant or adviser, or solicit the employment or engagement as a consultant or adviser of, any Key Employee (other than by the Company or its Affiliates), or cause any Person to do any of the foregoing;

(c) establish a business with, or encourage others to establish a business with, any Key Employee; or

(d) interfere with the relationship of the Company or any of its Affiliates with, or endeavor to entice away from, the Company or any of its Affiliates any Person who or which at any time during the period commencing one year prior to March 16, 1998 was a material customer or material supplier of, or maintained a material business relationship with, the Company, Unicom Corporation or any of their Affiliates.

9.4 Reasonableness of Restrictive Covenants.

(a) Executive acknowledges that the covenants contained in Sections 9.1, 9.2 and 9.3 are reasonable in the scope of the activities restricted, the geographic area covered by the restrictions, and the duration of the restrictions, and that such covenants are reasonably necessary to protect the Company's legitimate interests in its Confidential Information and in its relationships with employees, customers and suppliers. Executive further acknowledges such covenants are essential elements of this Agreement and that, but for such covenants, Unicom Corporation and ComEd would not have entered into this Agreement.

(b) Unicom Corporation and ComEd and Executive have each consulted with their respective legal counsel and have been advised concerning the reasonableness and propriety of such covenants. Executive acknowledges that his observance of the covenants contained in Sections 9.1, 9.2 and 9.3 will not deprive him of the ability to earn a livelihood or to support his dependents.

9.5 Right to Injunction; Survival of Undertakings.

(a) In recognition of the confidential nature of the Confidential Information, and in recognition of the necessity of the limited restrictions imposed by Sections 9.1, 9.2 and 9.3, the parties agree that it would be impossible to measure solely in money the damages which the Company would suffer if Executive were to breach any of his obligations under such Sections. Executive acknowledges that any breach of any provision of such Sections would irreparably injure the Company. Accordingly, Executive agrees that if he breaches any of the provisions of such Sections, the Company shall be entitled, in addition to any other remedies to which the Company may be entitled under this Agreement or otherwise, to an injunction to be issued by a court of competent jurisdiction, to restrain any breach, or threatened breach, of such provisions, and

Executive hereby waives any right to assert any claim or defense that the Company has an adequate remedy at law for any such breach.

(b) If a court determines that any of the covenants included in this Article IX is unenforceable in whole or in part because of such covenant's duration or geographical or other scope, such court shall have the power to reduce the duration or scope of such provision, as the case may be, so as to cause such covenant to be thereafter enforceable.

(c) All of the provisions of this Article IX shall survive any Termination of Employment without regard to (i) the reasons for such termination or (ii) the expiration of the Contract Term.

9.6 Non-Disparagement. During the two-year period commencing on the Termination Date, Executive shall not (a) make any written or oral statement that brings the Company or any of its Affiliates or the employees, officers or agents of the Company or any of its Affiliates into disrepute, or tarnishes any of their images or reputations or (b) publish, comment upon or disseminate any statements suggesting or accusing the Company or any of its Affiliates or any agents, employees or officers of the Company or any of its Affiliates of any misconduct or unlawful behavior. This Section shall not be deemed to be breached by testimony of Executive given in any judicial or governmental proceeding which Executive reasonably believes to be truthful at the time given or by any other action of Executive which he reasonably believes is taken in accordance with the requirements of applicable law or administrative regulation.

ARTICLE X.
MISCELLANEOUS

10.1 Required Withholding. The Company may deduct or withhold from payments or other benefits otherwise payable to Executive pursuant to the provisions of this Agreement any amounts that are required by applicable law.

10.2 Remedies. In the event of any Termination of Employment or any breach of this Agreement by the Company, Executive's exclusive remedies shall be as specified in Article VII or to enforce any other undertaking of the Company expressly provided in this Agreement; provided that nothing herein shall deny Executive the right to seek a final judicial determination (or, if Executive reasonably determines, based upon the advice of counsel, that it is more likely than not that each of the Circuit Court of Cook County, Illinois and the United States District Court for the Northern District of Illinois will decline to adjudicate the issue, a final decree in an arbitration proceeding conducted in accordance with the rules of the American Arbitration Association, with such arbitration proceeding to be conducted in Chicago, Illinois before a panel of three arbitrators) that any Termination of Employment purportedly made for Cause was, in fact, made not in good faith or was made without adherence to the requirements or procedures set forth in this Agreement. If Executive obtains such a final judicial or arbitral determination, as applicable, the Termination of Employment shall be treated as a Termination Without Cause for all purposes of this Agreement.

10.3 Assignment; Successors. This Agreement shall be binding upon and inure to the benefit of Executive and his Beneficiaries and estate and the Company (as the surviving entity in the Merger and as successor to Unicom Corporation at the Merger Date) and its successors.

10.4 Beneficiary. If Executive dies prior to receiving all of the amounts payable hereunder pursuant to Article IV, VI (except as may otherwise expressly be provided in such Article or in the plans referenced therein), VII or VIII, such amounts shall be paid in a lump-sum payment to the beneficiary ("Beneficiary") designated by Executive in writing to the Company during his lifetime, which Executive may change from time to time by new designation filed in like manner without the consent of any Beneficiary; or if no such Beneficiary is designated, to his estate.

10.5 Nonalienation of Benefits. Benefits payable under this Agreement shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, prior to actually being received by Executive, and any such attempt to dispose of any right to benefits payable hereunder shall be void.

10.6 Severability. If all or any part of this Agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any portion of this Agreement not declared to be unlawful or invalid. Any paragraph or part of a paragraph so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such paragraph or part of a paragraph to the fullest extent possible while remaining lawful and valid.

10.7 Amendment; Waiver. This Agreement shall not be amended or modified except by a written agreement between (a) prior to the Merger Date, Unicom Corporation, ComEd and Executive and (b) on or after the Merger Date, the Company and Executive. A waiver of any term, covenant or condition contained in this Agreement shall not result in a waiver of any other term, covenant or condition, and any waiver of any default shall not result in a waiver of any later default.

10.8 Notices. All notices hereunder shall be in writing, delivered by hand, nationally-recognized courier service that guarantees overnight delivery or by certified mail, return receipt requested, postage prepaid, and addressed as follows:

If to the Company: Exelon Corporation
Attn: General Counsel
37th Floor
One First National Plaza
Chicago, Illinois 60690

If to the Executive: John W. Rowe
Unit 3306
950 North Michigan Avenue
Chicago, Illinois 60611

With copy to: Robert W. Kleinman, Esq.
Ross & Hardies
150 North Michigan Avenue
Chicago, Illinois 60601-7567

Either party may from time to time designate a new address in accordance with this Section. Notices shall be effective when received by the addressee.

10.9 Publicity. Until this Agreement has been filed as an exhibit to a filing by the Company or Unicom Corporation with the Securities and Exchange Commission, neither Executive nor the Company shall issue or cause the publication of any press release or other public announcement with respect to this Agreement, nor disclose the contents hereof to any third party, without obtaining in each case the consent of the other parties hereto, which consent shall not be withheld or delayed where such release, announcement or disclosure shall be required by applicable law or administrative regulation.

10.10 Communications. Nothing in this Agreement, including Sections 9.1, 9.6 or 10.9, shall be construed to prohibit Executive from communicating with, including testifying in any administrative proceeding before, the Nuclear Regulatory Commission or the United States Department of Labor, or from otherwise addressing issues related to nuclear safety with any party or taking any other action protected under Section 211 of the Energy Reorganization Act.

10.11 Legal Expenses. The Company shall pay to Executive all reasonable legal fees and expenses incurred by Executive in disputing in good faith any termination of his employment hereunder or in seeking in good faith to obtain or enforce any benefit or right under this Agreement, provided that Executive shall have a reasonable basis for his position.

10.12 Articles and Sections. Except where otherwise indicated by the context, any reference to an "Article" or "Section" shall be to an Article or Section of this Agreement.

10.13 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

10.14 Effectiveness; Prior Agreement; Entire Agreement. This Agreement shall be binding immediately upon its execution and shall become effective immediately without further action of the Company, ComEd or Executive. The Prior Agreement shall remain in effect until as provided in the following sentence. On the Agreement Date, this Agreement forms the entire agreement between the parties hereto with respect to its subject matter, and shall supersede all prior agreements, promises and representations of the parties regarding employment or severance, whether in writing or otherwise, including but not limited to the Prior Agreement which will be without further effect upon the Agreement Date without further action of the

10.15 Company, ComEd or the Executive or liability to the Company, Unicom Corporation, ComEd or Executive thereunder.

10.16 Applicable Law. This Agreement shall be interpreted and construed in accordance with the laws of the State of Illinois, without regard to its choice of law principles.

10.17 Survival. All of Executive's rights hereunder, including his rights to compensation and benefits prior to the Termination Date, his right to severance and other benefits subject to the terms and conditions of Article VII and VIII after the Termination Date, and his obligations under Article IX hereof, shall survive a Termination of Employment and the termination of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

EXELON CORPORATION

By:

Chairman of the Compensation Committee
of the Board of Directors

EXECUTIVE:

John W. Rowe

EXHIBIT 10-3

EXELON CORPORATION
DEFERRED COMPENSATION PLAN

EXELON CORPORATION
DEFERRED COMPENSATION PLAN

ARTICLE I

Plan Merger; Purpose

Commonwealth Edison Company, a wholly-owned subsidiary of Exelon Corporation (the "Company"), sponsored the Commonwealth Edison Company Excess Benefit Savings Plan, as established, effective August 1, 1994, as subsequently amended from time to time and as amended and restated, effective October 1, 1998, (the "Excess Savings Plan") to provide benefits to a select group of management or highly compensated employees within the meaning of sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended (ERISA), and Department of Labor Regulation 29 CFR Section 2520.104-23 equal to the benefits that would be paid under the 401(k) Plan (as defined in Section 2.1(d)) it sponsored for the benefit of its employees and those of adopting employers but for the application of any of sections 401(a)(17), 402(g), 401(k), 401(m) or 415 of the Internal Revenue Code of 1986, as amended (the "Code") and any other similar provisions set forth in the Code that limit or reduce such benefits (hereinafter collectively referred to as the "Limitations"), and, effective January 1, 1999, to provide for payment of deferred compensation to such employees. Effective as of October 20, 2000, the Company assumed sponsorship of the PECO Energy Company Deferred Compensation and Supplemental Pension Benefit Plan, as established effective November 1, 1981 and as subsequently amended from time to time (the "Deferred Compensation Plan") and the PECO Energy Company Management Group Deferred Compensation Plan, as established effective June 1, 1988 and as subsequently amended from time to time (the "Management Deferred Compensation Plan"), which were established in part to provide for payment of deferred compensation to a select group of management or highly compensated employees.

Effective January 1, 2001, the Company assumed sponsorship of the Excess Savings Plan and further assumed the liabilities and obligations of PECO Energy Company with respect to those portions of the Deferred Compensation Plan and the Management Deferred Compensation Plan providing for the deferral of compensation, and the liabilities and obligations of Commonwealth Edison Company with respect to the Excess Savings Plan. Also effective January 1, 2001, (i) those portions of the Deferred Compensation Plan and the Management Deferred Compensation Plan that provided for the deferral of compensation are hereby merged into the Excess Savings Plan, and (ii) the Excess Savings Plan is hereby amended and restated to be the Exelon Corporation Deferred Compensation Plan, as set forth herein (the "Plan").

The rights and benefits of any Participant whose employment terminates prior to January 1, 2001 shall be determined under the terms of whichever of the Deferred Compensation Plan, the Management Deferred Compensation Plan or the Excess Savings Plan, as applicable, such individual participated on the date of such termination of employment, as such plan was in effect on such date.

The purpose of the Plan is to restore to a select group of management or highly compensated employees (within the meaning of sections 201(2), 301(a)(3) and 401(a)(1) of ERISA and Department of Labor Regulation 29 CFR Section 2520.104-23) the benefits that would be paid under any 401(k) Plan sponsored by the Company or any Subsidiary that sponsors such a plan for the benefit of its employees but for the application of any of the Limitations, to provide for payment of deferred compensation to such employees, and to provide uniform rules and regulations of plan administration.

ARTICLE II

Definitions

All capitalized terms used herein shall have the respective meanings set forth in Article I or below:

(a) "Compensation" means, with respect to any Participant, such Participant's compensation taken into account under the Participant's 401(k) Plan for the Plan Year, except that the dollar limitation imposed on tax-qualified plans under section 401(a)(17) of the Code shall not apply.

(b) "Eligible Employee" means, for any Plan Year, an individual who is an active employee of an Employer that has adopted the Plan, has been notified of his or her eligibility to participate in the Plan and who is:

(i) an officer of an Employer;

(ii) an employee whose classification on his or her Employer's payroll is at least Salary Band V or its equivalent; or

(iii) an employee whose classification on his or her Employer's payroll is at least Salary Band V or its equivalent and who is or will become entitled to a lump sum payment under the Exelon Corporation Merger Separation Plan for Designated Management Employees or pursuant to an individual agreement between the individual and Unicom Corporation, or to benefits under any other severance pay plan that provides for such employee's participation hereunder.

(c) "Employer" means the Company or any Subsidiary that, with the consent of the Company, has adopted the Plan.

(d) "401(k) Plan" means, with respect to any Participant, the Exelon Corporation Employee Savings Plan or such other tax-qualified defined contribution plan adopted by the Participant's Employer which contains a qualified cash or deferred arrangement (within the meaning of Section 401(k) of the Code).

(e) "Matching Contribution Account" means the bookkeeping account established on behalf of a Participant pursuant to Section 5.2.

(f) "Participant" means an individual who has satisfied the participation requirements of Section 3.1 and has not terminated participation in the Plan pursuant to Section 3.2.

(g) "Plan Administrator" means the individual or institution described in Section 8.1.

(h) "Plan Year" means the calendar year.

(i) "Retirement Account" means the bookkeeping account established on behalf of a Participant pursuant to Section 5.1.

(j) "SERP" means any non-qualified supplemental pension plan maintained by an Employer, whether as an excess plan (within the meaning of Section 3(36) of ERISA) or a plan providing for deferred compensation for a select group of management or highly compensated employees (within the meaning of sections 201(2), 301(a)(3) and 401(a)(1) of ERISA and Department of Labor Regulation 29 CFR Section 2520.104-23).

(k) "Subsidiary" means a corporation in which the Company owns, directly or indirectly, at least 50% of the combined voting power of all classes of stock entitled to vote.

ARTICLE III

Eligibility and Participation

3.1 Commencement of Participation. Each individual who was a participant under the Excess Savings Plan, the Deferred Compensation Plan or the Management Deferred Compensation Plan on December 31, 2000 shall become a Participant as of January 1, 2001. Any other Eligible Employee may, by filing an election in accordance with Article IV, become a Participant as of the effective date of such election.

3.2 Termination of Participation. Each Participant shall remain a Participant until such individual is no longer entitled to benefits hereunder.

ARTICLE IV

Elections

4.1 Excess 401(k) Contributions Election.

(a) An individual who is an Eligible Employee with respect to a Plan Year may elect, in the manner specified by the Plan Administrator, to reduce his or her Compensation by an amount equal to the amount by which his or her pre-tax contributions to the 401(k) Plan for such Plan Year would exceed one or more of the Limitations if such contributions were made to the 401(k) Plan pursuant to the elections in effect thereunder with respect to such employee but without regard to such Limitations. An election under this Section 4.1(a) shall apply only with

respect to Compensation earned after the effective date of the election and the date on which the employee's before-tax contributions to the 401(k) Plan relating to such Compensation would exceed one or more of the Limitations.

(b) An individual who is not an Eligible Employee but who is entitled to severance benefits payable as salary continuation under the Exelon Corporation Key Management Severance Plan, as amended from time to time, shall reduce such salary continuation benefits by an amount equal to any amount (in whole percentages) that could be expected as pre-tax contributions to the 401(k) Plan in which such individual participated prior to his or her severance date in accordance with the Eligible Employee's election filed prior to the year in which the severance date occurs.

4.2 Base Salary Deferral Elections. An individual who is an Eligible Employee with respect to a Plan Year may elect, in the manner specified by the Plan Administrator, to defer receipt of a whole percentage (not exceeding 75%) of his or her base salary for such Plan Year. An election under this Section 4.2 shall apply only with respect to that portion of the employee's base salary for such Plan Year earned after the effective date of the election.

4.3 Incentive Award Elections. An individual who is an Eligible Employee with respect to a Plan Year and who may become entitled during such Plan Year to receive (i) an award under any annual incentive plan of an Employer (or a business unit or department thereof), or (ii) an award that becomes payable under any retention incentive program maintained by the Company or any Employer, may elect, in the manner specified by the Plan Administrator, to defer receipt of all or a whole percentage of such annual incentive award, or the entire award under such retention incentive program.

4.4 Severance Benefit Elections. An individual who is an Eligible Employee with respect to a Plan Year and who becomes entitled to benefits payable during such Plan Year in a lump sum under the Exelon Corporation Merger Separation Plan for Designated Management Employees, may elect, in the manner specified by the Plan Administrator, to defer receipt of such benefits.

4.5 Supplemental Retirement Benefit Elections. An individual who is an Eligible Employee with respect to a Plan Year, who is entitled to benefits under a SERP upon his or her retirement from the Employers and who retires during such Plan Year, including retirement under any early retirement incentive arrangement, individual change-in-control separation agreement or nonrecurring reduction in force (including, without limitation, the Exelon Corporation Key Management Severance Plan, the Exelon Corporation Merger Separation Plan for Designated Management Employees and the PECO Energy Company Merger Separation Program) may elect, in the manner specified by the Plan Administrator, to defer receipt of such SERP benefits. An election under this Section 4.5 shall authorize the plan administrator for such SERP to credit the benefits otherwise payable to such Participant under such SERP to the Participant's Retirement Account under the Plan and shall constitute a waiver and release of the Participant's entitlement to such benefits under such SERP.

4.6 Election Due Dates. An election under this Article IV shall be made (i) with respect to the Plan Year in which an Eligible Employee first becomes eligible to

participate in an Employer's severance plan or otherwise eligible to participate in the Plan, no later than 30 days after such individual becomes so eligible, and (ii) with respect to any other Plan Year, at such time as the Plan Administrator shall designate; provided, however that no election under this Article IV shall be permitted later than December 31 of the calendar year preceding the year in which any amount subject to such election would otherwise become payable to the Participant.

4.7 Irrevocability/Effect of Elections.An election under this Article IV with respect to any Plan Year shall become irrevocable on December 31 of the preceding Plan Year; provided, however, that an election made with respect to the deferral of base salary under Section 4.2 may be increased, but not decreased, during the Plan Year with respect to which it applies, but any such election shall be effective solely with respect to base salary earned after the effective date of such increased election. Any election under this Article IV shall authorize the Participant's Employer to reduce the compensation otherwise payable to the Participant in a manner consistent with such election.

ARTICLE V

Accounts

5.1 Retirement Accounts. A Retirement Account shall be established on the books of the Company and each Subsidiary in the name and on behalf of each Participant who is an Eligible Employee of such Subsidiary. A Participant's Retirement Account shall be credited with (a) the amounts deferred by such individual pursuant to his or her elections under Article IV, as of the respective dates such amounts would have been paid to the Participant but for such elections, and (b) an amount equal to the aggregate amounts credited to such Participant's deferred compensation accounts under the Deferred Compensation Plan or the Management Deferred Compensation Plan immediately prior to January 1, 2001.

5.2 Matching Contribution Accounts. A Matching Contribution Account shall be established on the books of the Company and each Subsidiary in the name and on behalf of each Participant who is an Eligible Employee of such Subsidiary who has made an election under Section 4.1. The Matching Contribution Account of a Participant who has filed an election pursuant to Section 4.1 for a Plan Year shall be credited with an amount equal to the amount by which the Participant's matching contributions (as defined in Section 401(m)(4)(A)(ii) of the Code) to the 401(k) Plan for such Plan Year would have exceeded one or more of the Limitations if such contributions were made to the 401(k) Plan pursuant to the elections in effect thereunder for such Participant but without regard to such Limitations. Such amounts shall be credited to the Participant's Matching Contribution Account as of the respective dates the related amounts would have been credited to the Participant's matching contributions account under the 401(k) Plan. The amounts credited to the Participant's Matching Contribution Account shall be credited as units of Exelon Corporation common stock valued as of the date on which such amounts are credited.

5.3 Vesting. Amounts credited to a Participant's Retirement Account and Matching Contribution Account pursuant to the terms of the Plan shall be fully vested and not subject to forfeiture for any reason.

5.4 Earnings Elections. Each Participant's Retirement Account shall be divided into separate subaccounts with respect to each earnings election made by such Participant pursuant to this Section 5.5.

(a) Investment Benchmarks. The Plan Administrator shall from time to time designate two or more investment benchmarks, the rates of return or loss of which, based upon a Participant's earnings elections, shall be used to determine the rate of return or loss to be credited to the subaccounts established within the Participant's Retirement Account pursuant to this Section 5.5. A Participant's earnings election shall specify the percentages of the Participant's Retirement Account allocated to the subaccounts with respect to each investment benchmark selected by the Participant in whole percentages. The investment benchmark for any Matching Contribution Account shall be the Exelon Stock Fund under the Exelon Corporation Employee Savings Plan or such other qualified defined contribution plan containing a qualified cash or deferred arrangement as may be maintained by the Company. The Company may in its discretion, but need not, actually invest assets of the Employers in accordance with the Participant's earnings elections.

(b) Timing of Earnings Elections. Upon the commencement of participation in the Plan, each Participant shall designate, in the manner specified by the Plan Administrator, the whole percentage of the Participant's Retirement Account balance to be invested in each investment benchmark. Thereafter, a Participant may change his or her earnings election with respect to his or her Retirement Account at the times and in the manner specified by the Plan Administrator. A revised earnings election shall specify whether it applies to the then-balance of a Participant's Retirement Account, to the future amounts credited to the Participant's Retirement Account pursuant to Section 5.1, or both. No Participant shall be entitled to make an earnings election with respect to amounts credited to the Participant's Matching Contribution Account.

ARTICLE VI

Distributions

6.1 Form of Distributions. Each Participant may elect to receive payment of his or her account balances hereunder in one of the following forms by filing an election in the manner specified by the Plan Administrator:

(a) a lump sum;

(b) a series of annual installments; provided that the maximum number of installments permitted to be elected with respect to a termination of employment shall be three (3), and the maximum number of installments permitted to be elected with respect to a retirement shall be 15; or

(c) a combination of a partial lump sum and annual installments.

Notwithstanding the foregoing, if the aggregate balance of the Participant's accounts hereunder does not exceed $5,000 as of the date of the Participant's termination of employment or retirement, such Participant's benefit hereunder shall be distributed in a lump sum. For purposes of this Section, a Participant who is receiving salary continuation pursuant to an Employer's severance plan shall be deemed to terminate employment as of the last day of the period for which such salary continuation is paid.

6.2 Timing of Distributions. Except as otherwise provided in Section 6.3 or Section 6.4, the balance of a Participant's accounts hereunder shall be paid or commence to be paid in accordance with Section 6.1 as of April 1 of the calendar year following the calendar year in which the Participant terminates employment or retires. For this purpose, the termination of employment or retirement of any Participant who is receiving severance benefits in the form of salary continuation under a plan of the Company or any Subsidiary shall be deemed to occur on the last day of the period for which severance benefits are paid. In the case of a Participant who has elected annual installment payments, the remaining annual installments shall be paid as of each succeeding April 1. The amount of each installment payment shall be determined by dividing the balance of the Participant's accounts hereunder as of the March 31 immediately preceding such payment by the total number of installment payments remaining in the installment period elected by the Participant.

6.3 Hardship Withdrawals. Notwithstanding the provisions of Section 6.1, a Participant who is an active employee of the Company or a Subsidiary may request a withdrawal from his or her accounts hereunder of an amount that is reasonably necessary to satisfy an unanticipated financial hardship, as determined by the Plan Administrator in its sole discretion and substantiated by such evidence as the Plan Administrator may reasonably require. Amounts withdrawn under this Section 6.3 shall be withdrawn pro-rata from the Participant's Retirement Account and Matching Contribution Account, and thereafter from each subaccount established pursuant to the Participant's investment benchmark elections. The elections under Article IV of any Participant who receives a hardship withdrawal under this Section 6.3 shall be suspended for the remaining portion of the Plan Year in which the withdrawal occurred and the Plan Year immediately thereafter.

6.4 Distributions in the Event of Death. If a Participant's employment is terminated on account of the Participant's death or the Participant dies after terminating employment but before distribution of his or her account balances hereunder has commenced, the balance of such accounts shall be distributed to the Participant's beneficiary determined pursuant to Section 6.5 in a single lump sum as soon as practicable following April 1 of the calendar year next following the Participant's death. If a Participant dies after installment distributions have commenced, such installment distributions shall continue, for the balance of the installment period previously elected by the Participant, to the Participant's beneficiary determined pursuant to Section 6.5.

6.5 Beneficiaries. A Participant shall have the right to designate a beneficiary or beneficiaries and to amend or revoke such beneficiary designation at any time, in writing delivered to the Plan Administrator. Any such designation, amendment or revocation shall be effective upon receipt by the Plan Administrator. If a Participant does not designate a beneficiary under this Plan, or if no designated beneficiary survives the Participant, the Participant's estate shall be deemed to be the Participant's beneficiary hereunder.

6.6 Timing of Distribution Elections; Default Elections. A distribution election under Section 6.1 may be made or changed at any time; provided, however, that an election (or a change to a previous election) shall not be effective unless it is on file with the Plan Administrator as of December 1 of the calendar year preceding the year in which Participant's termination of employment or retirement occurs. If more than one such election is on file, the most recent election shall be controlling. If a Participant does not have a timely distribution election on file with the Plan Administrator, his or her accounts hereunder will be distributed in a series of annual installments over the maximum period permitted under Section 6.1 with respect to such termination of employment or retirement.

6.7 Withholding. Notwithstanding any provision of this Plan to the contrary, amounts payable hereunder shall be reduced by any amounts required to be deducted or withheld by the Employers under federal or state law (or to the extent the Company determines, after consultation with its advisers, is appropriate), including income tax withholding.

6.8 Facility of Payment. Whenever and as often as any Participant entitled to payments under the Plan shall be incompetent or, in the opinion of the Plan Administrator would fail to derive benefit from distribution of funds under the Plan, the Plan Administrator, in its sole and exclusive discretion, may direct that any or all payments hereunder be made (a) directly to or for the benefit of such Participant, (b) to the Participant's legal guardian or conservator; or (c) to relatives of the Participant. The decision of the Plan Administrator in such matters shall be final, binding and conclusive upon the Employers, the Participant and every other person or party interested or concerned. The Employers and the Plan Administrator shall not be under any duty to see to the proper application of such payments made to a Participant, conservator, guardian or relatives of a Participant.

ARTICLE VII

Application of ERISA, Funding

7.1 Application of ERISA. Amounts deferred pursuant to any election made under the Plan are intended to constitute an unfunded plan maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees within the meaning of sections 201(2), 301(a) (3) and 401 (a) (1) of ERISA and Department of Labor Regulation Section 2520.104-23.

7.2 Funding. The Plan shall not be a funded plan, and neither the Company nor any Subsidiary shall be under any obligation to set aside any funds for the purpose of making payments under this Plan. Any payments hereunder shall be made out of the general assets of the Employers and no Participant or beneficiary shall have any right to any specific assets.

7.3 Trust. The Company may, but is not required to establish a trust for the purpose of administering assets of the Company and the Subsidiaries to be used for the purpose of satisfying their obligations under the Plan and those obligations formerly under the Excess Savings Plan, the Deferred Compensation Plan and the Management

Deferred Compensation Plan which have been herein assumed by the Company. Any such trust shall be established in such manner so as to be a "grantor trust" of which the Company is the grantor, within the meaning of section 671 et. seq. of the Code. The existence of any such trust shall not relieve the Company or any Subsidiary of their liabilities under the Plan, but the obligation of the Employers under the Plan shall be deemed satisfied to the extent paid from the trust.

ARTICLE VIII

Administration

8.1 Plan Administrator. The Plan shall be administered by the Director, HR Plans & Programs of the Company (the "Plan Administrator") or such other individual or individuals as may be designated by the Company. The Plan Administrator has the sole and absolute power and authority to interpret and apply the provisions of this Plan to a particular circumstance, make all factual and legal determinations, construe uncertain or disputed terms and make eligibility and benefit determinations in such manner and to such extent as the Plan Administrator in his or her sole discretion may determine. Benefits under the Plan will be paid only if the Plan Administrator decides, in his or her discretion, that an individual is entitled to such benefits. The Plan Administrator has the authority to delegate any of its duties or responsibilities.

8.2 Claims Procedure. In accordance with the regulations of the U.S. Department of Labor, the Company shall (i) provide adequate notice in writing to any Participant or beneficiary whose claim for benefits is denied, setting forth the specific reasons for such denial and written in a manner calculated to be understood by such Participant or beneficiary and (ii) afford a reasonable opportunity to any Participant or beneficiary whose claim for benefits has been denied for a full and fair review by the Plan Administrator of the decision denying the claim.

8.3 Expenses. All costs and expenses incurred in administering the Plan, including the expenses of the Plan Administrator, the fees of counsel and any agents of the Plan Administrator and other administrative expenses shall be paid by the Employers. The Plan Administrator, in its sole discretion, having regard to the nature of a particular expense, shall determine the portion of such expense to be borne by a particular Employer.

8.4 Indemnification. Neither the Plan Administrator nor any officer or employee of the Company shall be liable to any person for any action taken or omitted in connection with the interpretation and administration of the Plan unless attributable to his or her own willful misconduct or bad faith, and the Company shall indemnify and hold harmless such Plan Administrator, officers and employees from and against all claims, losses, damages, causes of action and expenses, including reasonable attorney fees and court costs, incurred in connection with such interpretation and administration of the Plan.

ARTICLE IX

Amendment and Termination

The Company intends to maintain the Plan indefinitely. However, the Plan, or any provision thereof, may be amended, modified or terminated at any time by action of its Senior Vice President and Chief Human Resources Officer or such other senior officer to whom the Company has delegated amendment authority (without regard to any limitations imposed on such powers by the Code or ERISA), except that no such amendment or termination shall reduce or cancel the amount credited to the accounts of any Participant hereunder immediately prior to the date of such amendment or termination. Upon the termination of the Plan, all account balances hereunder shall be promptly paid to Participants or their beneficiaries.

ARTICLE X

Miscellaneous

10.1 FICA Taxes. For each calendar year in which a Participant's Compensation is reduced pursuant to this Plan, his or her Employer shall withhold from the Participant's compensation which is not deferred pursuant to an election made hereunder the taxes imposed under Section 3121 of the Code in respect of amounts credited to the Participant's accounts hereunder for such year.

10.2 Nonassignment of Benefits. Notwithstanding anything contained in any 401(k) Plan to the contrary, it shall be a condition of the payment of benefits under this Plan that neither such benefits nor any portion thereof shall be assigned, alienated or transferred to any person voluntarily or by operation of any law, including any assignment, division or awarding of property under state domestic relations law (including community property law). Any such attempted or purported assignment, alienation or transfer shall be void.

10.3 No Guarantee of Employment. Nothing contained in this Plan shall be construed as a contract of employment between any Employer and any employee or as conferring a right on any employee to be continued in the employment of any Employer, or as a limitation of the right of an Employer to discharge any of its employees, with or without cause.

10.4 Adoption/Withdrawal by Subsidiaries. Any Subsidiary may, with the consent of the Company, adopt the Plan for the benefit of its employees who are Eligible Employees by delivery to the Company of a resolution of its board of directors or duly authorized committee to such effect, which resolution shall specify the date for which this Plan shall be effective with respect to the employees of such Subsidiary who are Eligible Employees. A Subsidiary may terminate its participation in the Plan at any time by giving written notice to the Company and the Plan Administrator. Upon such a withdrawal, the Plan Administrator may, in its discretion, (i) distribute the account balances of each Participant attributable to such Subsidiary at such time and in such manner as the Plan Administrator shall determined, but not later than such payments would have been made had such Subsidiary not withdrawn from the Plan or (ii) transfer

the benefits of such Participants under this Plan with respect to such Subsidiary directly to such Subsidiary at which time the remaining Employers shall have no further responsibility in respect of such amounts.

10.5 Gender and Number. Except when the context indicates to the contrary, when used herein, masculine terms shall be deemed to include the feminine and singular the plural.

10.6 Headings. The headings of Articles and Sections are included solely for convenience of reference, and if there is any conflict between such headings and the text of the Plan, the text shall control.

10.7 Invalidity. If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and the Plan shall be enforced and construed as if such provisions, to the extent invalid or unenforceable, had not been included.

10.8 Successors and Assigns. The provisions of the Plan shall bind and inure to the benefit of the Company and each Subsidiary and their successors and assigns, as well as each Participant and his or her successors.

10.9 Law Governing. Except as provided by any federal law, the provisions of the Plan shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, Exelon Corporation has caused this instrument to be executed effective as of January 1st, 2001.

EXELON CORPORATION

By: ____________________________________

S. Gary Snodgrass
Senior Vice President and
Chief Human Resources Officer

EXHIBIT 10-4

EXELON CORPORATION RETIREMENT PROGRAM

Effective December 31, 2001

EXELON CORPORATION RETIREMENT PROGRAM

INTRODUCTION

The title of this Plan shall be the "Exelon Corporation Retirement Program." This Plan is an amendment and restatement of the Commonwealth Edison Company Service Annuity System as in effect on December 30, 2001 and reflects the merger of the Service Annuity Plan of PECO Energy Company into the Plan effective December 31, 2001. This amendment and restatement, except as otherwise provided, shall apply to Employees whose employment is terminated on or after December 31, 2001 and to the surviving spouses and surviving dependent children of such Employees. The rights and benefits of Employees whose employment terminates before December 31, 2001 and of the surviving spouses and surviving dependent children of such Employees shall be determined under the Plan as in effect at the time of such Employees' termination, including any provisions of this Plan effective at such time.

Subject to the foregoing, individuals who are "Participants" as defined in the document designated as the Commonwealth Edison Company Service Annuity System and attached hereto as Appendix A shall have their benefit under the Plan determined exclusively by the terms of Appendix A hereto. Individuals who are "Participants" as defined in the document designated as the Service Annuity Plan of PECO Energy Company and attached hereto as Appendix B shall have their benefit under the Plan determined exclusively by the terms of Appendix B hereto.

EXHIBIT 10-4 APPENDIX A

COMMONWEALTH EDISON COMPANY

SERVICE ANNUITY SYSTEM

(Amended and Restated as of April 1, 1995)*

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* Working Copy reflecting Amendments 1 through 8.

TABLE OF CONTENTS

		Page
ARTICLE 1	ESTABLISHMENT AND PURPOSE	1
ARTICLE 2	DEFINITIONS	1
Section 2.1.	Defined Terms	1
Section 2.2.	Gender and Plurals	10
ARTICLE 3	PARTICIPATION	10
Section 3.1.	Employees Represented by IBEW Local Union 15	10
Section 3.2.	Management Employees	11
Section 3.3.	Cessation of Participation	12
ARTICLE 4	CONTRIBUTIONS	13
Section 4.1.	Amount of Contributions	13
Section 4.2.	Return of Contributions	13
ARTICLE 5	SERVICE ANNUITIES	14
Section 5.1.	Description of Service Annuities	14
Section 5.2.	Normal and Deferred Retirement	15
Section 5.3.	Early Retirement	18
Section 5.4.	Disability Retirement at or After Age 45	19
Section 5.5.	Disability Retirement Before Age 45	21
Section 5.6.	Federal Benefit Supplemental Payments Prior to Age 65	23
Section 5.7.	Deferred Vested Termination	24
Section 5.8.	Special Rules Applicable to the Computation of Service Annuities	25
Section 5.9.	Post Retirement Adjustments	29
ARTICLE 6	SERVICE ANNUITY FORMS	33
Section 6.1.	Basic Service Annuity Form	33
Section 6.2.	Optional Service Annuity Forms	34
Section 6.3.	Pre-retirement Surviving Spouse Benefit	35
Section 6.4.	Pre-retirement Surviving Child Benefits	39
Section 6.5.	Death Benefits for Spouse or Child of Participant Who Dies During Employment After Age 65	40
Section 6.6.	Election Procedure	41
Section 6.7.	Lump-Sum Payments	45
Section 6.8.	Distributions to Dependent Minor and Disabled Children	46
ARTICLE 7	LIMITATIONS ON BENEFITS	46

Section 7.1. Maximum Annual Benefits 46
Section 7.2. Temporary Restrictions on Benefits in Case of Termination or Curtailment 49

ARTICLE 8 SERVICE ANNUITY FUND 51

ARTICLE 9 SPECIAL RULES RELATING TO PARTICIPATION OF AND DISTRIBUTION TO CERTAIN TERMINATED EMPLOYEES 52

Section 9.1. Employment After Commencement of Service Annuity 52
Section 9.2. Social Security Increases 53
Section 9.3. Leased Employees 53
Section 9.4. Suspension of Service Annuities for Participants who Remain Employed After Normal Retirement Age .. 54
Section 9.5. Reemployment Before Commencement of Service Annuity 54
Section 9.6. Employees whose Representation by IBEW Local Union 15 Changes 57
Section 9.7. Transfer of Employment to or Reemployment in Positions Eligible for Participation in the Plan or the Service Annuity Plan of PECO Energy Company by Certain Individuals Who Were Participants in Such a Plan on December 31, 2000 57

ARTICLE 10 ADMINISTRATION 58

Section 10.1. The Committee 58
Section 10.2. Claims Procedure 61
Section 10.3. Procedures for Domestic Relations Orders 63
Section 10.4. Computation of Benefits 64
Section 10.5. Actuary to Be Employed 65
Section 10.6. Funding Policy 65
Section 10.7. Notices to Participants, Etc 65
Section 10.8. Notices to Employers or Committee 65
Section 10.9. Records 66
Section 10.10. Responsibility to Advise Committee of Current Address 66

ARTICLE 11 PARTICIPATION BY OTHER EMPLOYERS 66

Section 11.1. Adoption of Plan 66
Section 11.2. Withdrawal from Participation 67
Section 11.3. Company and Committee Agent for Employers 67

ARTICLE 12 CONTINUANCE BY A SUCCESSOR 67

ARTICLE 13 MISCELLANEOUS 68

Section 13.1. Expenses 68
Section 13.2. Non-Assignability 69

Section 13.3. Employment Non-Contractual 71
Section 13.4. Limitation of Rights 71
Section 13.5. Merger or Consolidation with or Transfer to Another Plan 71
Section 13.6. Medical Examination 74

ARTICLE 14 TOP-HEAVY PLAN REQUIREMENTS 74

Section 14.1. Top-Heavy Plan Determination 74
Section 14.2. Minimum Benefit for Top-Heavy Years 76
Section 14.3. Top-Heavy Vesting Requirements 77
Section 14.4. Special Rules for Applying Statutory Limitations on Benefits 78

ARTICLE 15 AMENDMENT AND TERMINATION 78

Section 15.1. Amendment 78
Section 15.2. Establishment of Separate Plan 79
Section 15.3. Termination of the Plan by an Employer 79
Section 15.4. Distribution upon Termination or Partial Termination 80
Section 15.5. Trust to Be Applied Exclusively for Participants and Their Beneficiaries 80

COMMONWEALTH EDISON COMPANY
SERVICE ANNUITY SYSTEM

ARTICLE 1
ESTABLISHMENT AND PURPOSE

The title of this Plan shall be the "Commonwealth Edison Company Service Annuity System". This Plan is an amendment and restatement of the Commonwealth Edison Company Service Annuity System as in effect on March 31, 1995 and, except as otherwise provided, shall apply to Employees whose employment is terminated on or after April 1, 1995 and to the surviving Spouses and surviving dependent children of such Employees. The rights and benefits of Employees whose employment terminates before April 1, 1995 and of the surviving Spouses and surviving dependent children of such Employees shall be determined under the Commonwealth Edison Company Service Annuity System as in effect at the time of such Employees' termination, including any provisions of this Plan effective at such time.

For purposes of the Plan, the phrase "a member of IBEW Local Union 15" shall mean an employee who is represented by IBEW Local Union 15 and covered under that certain Collective Bargaining Agreement dated August 25, 1997 to March 31, 2001 between Commonwealth Edison Company and IBEW Local Union 15, as such agreement was previously in effect and as it may be amended from time to time.

ARTICLE 2
DEFINITIONS

Section 2.1. Defined Terms. As used herein the following words and phrases shall have the following respective meanings when capitalized unless the context clearly indicates otherwise:

(1) Affiliate. (a) A corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as an Employer, (b) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with an Employer, (c) an organization (whether or not incorporated) that is a member of an affiliated service group (within the meaning of Section 414(m) of the Code) that includes an Employer, a corporation described in clause (a) of this subdivision or a trade or business described in clause (b) of this subdivision, or (d) any other entity that is required to be aggregated with an Employer pursuant to Regulations promulgated under Section 414(o) of the Code.

(2) Annuity Starting Date. The first day on which a Service Annuity is payable to a Participant.

(3) Basic Compensation. A Participant's base pay rate per pay period, as determined by the Committee. For purposes of the preceding sentence, a Participant's base pay rate per pay period shall include (i) any amount contributed by the Participant's Employer on behalf of such Participant for such year to the Participant's Before-Tax Contributions Account under the Commonwealth Edison Employee Savings and Investment Plan, the Commonwealth Edison Benefits Contribution Options or the Commonwealth Edison Company Key Choices Program and (ii) such other types of compensation or payments as may be determined by the Committee from time to time or as may be set forth from time to time in Exhibit 1 attached hereto, and shall exclude (i) bonuses (other than meter readers' bonuses and any payment for ratification of a collective bargaining agreement), (ii) overtime pay, (iii) shift premiums and (iv) such other types of compensation or payments as may be determined by the Committee from time to time or as may be set forth from time to time in Exhibit 1 attached hereto. In the case of a Participant who is absent from employment due to either an authorized leave of absence (including a leave of absence for participation in Military Service) or employment by a union that represents any group of Employees, Basic Compensation shall mean, for the period during which the Participant is absent due to an authorized leave of absence or employment by such union, the Participant's average base pay rate per pay period for the twelve-month period preceding the first day of the Participant's authorized leave of absence or employment by a union, as the case may be. A Participant whose Termination of Employment occurs on account of a Total and Permanent Disability, but who is not then eligible for a Service Annuity under Section 5.2 (relating to normal and deferred retirement), Section 5.3 (relating to early retirement), Section 5.4 (relating to disability retirement at or after age 45) or Section 5.5 (relating to disability retirement before age 45) shall not be treated as having any Basic Compensation for periods of Credited Service after such Termination of Employment. A Participant whose Termination of Employment occurs on account of a Total and Permanent Disability and who is receiving benefits under any Employer's long term disability plan shall be treated for periods of Credited Service after such Termination of Employment as having Basic Compensation determined under Section 5.2(c).

(4) Beneficiary. A Participant's Spouse or the Participant's Dependent Minor Child or Dependent Disabled Child entitled, in the event of the death of the Participant, to receive a Service Annuity, under Section 6.3 (relating to the pre-retirement surviving spouse benefit), Section 6.4 (relating to the pre-retirement surviving child benefits) or Section 6.5 (relating to death benefits with respect to certain Participants who die during employment and after age 65). To the extent required by law and where applicable in the Plan, an alternate payee entitled to receive a Service Annuity under paragraph (b) of Section 13.2 (relating to exception to non-assignability for qualified domestic relations orders) shall also be a Beneficiary.

(5) Child. A Participant's natural child born prior to the time payment of the Participant's Service Annuity commences hereunder or a child adopted by a Participant prior to the time payment of the Participant's Service Annuity commences hereunder.

(6) Code. The Internal Revenue Code of 1986, as amended.

(7) Committee. The Service Annuity Committee appointed by the board of directors of the Company pursuant to Section 10.1 (relating to matters concerning the Committee) that administers the Plan.

(8) Company. Exelon Corporation, a Pennsylvania corporation, or any successor or successors.

(9) Consumer Price Index. The United States Bureau of Labor Statistics Consumer Price Index (U.S. City Average 1967 = 100). Such term shall also mean such index as it may from time to time be changed or, if it shall be discontinued, the most nearly comparable index, appropriately adjusted to yield results comparable with those which would have been produced if the index as defined in the preceding sentence had been used, as determined by the Committee.

(10) Credited Service. The period of a Participant's employment which is used to compute the Participant's Service Annuity and eligibility for commencement of payment of such Service Annuity under Article 5 (relating to Service Annuities) and Article 6 (relating to Service Annuity forms). A Participant's Credited Service includes the Participant's Credited Service prior to the Effective Date determined in accordance with the provisions of the Plan as in effect prior to the Effective Date, and the period beginning on the Effective Date during which the Participant shall have been an Eligible Employee, including, (a) any period during which the Participant is in Military Service, provided that the Participant returns to the employ of an Employer within the period prescribed by laws relating to the reemployment rights of persons in Military Service, (b) any period during which the Participant is employed by a union that represents any group of Employees, (c) any period for which back pay is awarded to the Participant and pursuant to which award the Participant is required to receive

Credited Service under the Plan, (d) the period following Termination of Employment on account of a Total and Permanent Disability during which the Participant is receiving benefits under any Employer's long term disability plan and (e) as and to the extent provided by resolutions of the board of directors of the Company, (i) any period of employment by Affiliates or other companies, and (ii) any period of authorized absence from such employment or from employment as an Eligible Employee. A Participant's periods of Credited Service before and after a period of absence from employment that is not included in the Participant's Credited Service pursuant to the preceding sentences shall be aggregated only if (i) the Participant completes at least one year of Credited Service after such period of absence and (ii) the number of years of such period of absence from employment is less than five.

(11) Dependent Minor Child. A Child who, as of the time of the Participant's retirement or death, is under the age of 21 and qualifies as a dependent of the Participant within the meaning of Section 152 of the Code.

(12) Dependent Disabled Child. A Child who, as of the time of the Participant's retirement or death, has a permanent physical or mental disability, as certified by the medical director of the Company or by such other licensed physician designated by the Committee, that causes such Child to be unable to engage in substantial gainful employment, and is a dependent of the Participant within the meaning of Section 152 of the Code (determined by disregarding any age limitation contained in Section 152 of the Code).

(13) Earnings. The Participant's earnings during the Participant's period of Credited Service on and before December 25, 1994 determined in accordance with the provisions of the Plan as in effect prior to the Effective Date.

(14) Effective Date. The Effective Date of this amendment and restatement of the Plan with respect to the Company and any other entity that was an Employer on March 31, 1995 shall be April 1, 1995 and in the case of any other Employer shall be the date designated by such Employer.

(15) Eligible Employee. (a) Any Employee who was an Eligible Employee on December 31, 2000, and who is receiving regular salary or wages from and rendering services to an Employer, or any such individual who is on an authorized leave of absence, and (b) on or after January 1, 2001, any Employee who (i) is a member of IBEW Local Union 15 who becomes initially employed at a facility that, as of October 19, 2000, was owned by Commonwealth Edison Company, Unicom Corporation or any affiliate of Unicom Corporation, (ii) elects to participate in this Plan and (iii) is either receiving regular salary or wages from and rendering services to an Employer, or is on an authorized leave of absence; but, in either case excluding (i) an Employee the terms of whose employment are subject to a collective bargaining agreement that does not provide for participation in this Plan, (ii) an Employee paid on the temporary payroll of an Employer who has never completed at least 1,000 Hours of Service in any period

of twelve consecutive months beginning with the Employee's date of hire or anniversary thereof, (iii) an Employee who executes a written waiver of his or her right to participate in the Plan; and (iv) an individual who performs services for an Employer, pursuant to an agreement (written or oral) that classifies such individual's relationship with the Employer as other than an Employee. Notwithstanding anything contained in the Plan to the contrary, any Employer may, at the time such Employer elects to participate in this Plan in the manner described in Section 11.1 (relating to adoption of the Plan), designate, with the consent of the Company, a specified group of Employees who will be Eligible Employees. In the case of Unicom Thermal Technologies Inc. ("Unicom Thermal"), the term "Eligible Employee" shall mean only those persons rendering service to Unicom Thermal who (i) formerly were employed by the Company, (ii) transferred from the employment of the Company to the employment of Unicom Thermal at the request of the Company, (iii) are otherwise described in the definition of Eligible Employee set forth in this subdivision (15) and (iv) completed at least ten years of Credited Service under the Plan at the time of transfer from the employment of the Company to the employment of Unicom Thermal; provided, however, any such Employee who had at least eight years of Credited Service at the time of such transfer shall continue to be an Eligible Employee in the Plan until such Employee completes ten years of Credited Service. In the case of any individual who, as of December 31, 2000, was an Employee of Commonwealth Edison Company and who subsequently transfers employment to employment with the Exelon Power Team, such individual shall remain an Eligible Employee through the second anniversary of the date of such transfer of employment, and shall not thereafter be an Eligible Employee. In the case of Exelon Services Inc., the term "Eligible Employee" shall be limited to those Employees of Exelon Services Inc. who were on the payroll of Unicom Energy Solutions as of April 1, 2001 and are otherwise Eligible Employees.

(16) Employee. An individual whose relationship with an Employer is, under common law, that of an employee.

(17) Employer. Exelon Corporation, Commonwealth Edison Company, any other entity that was an Employer under the Plan on December 31, 2000 and, on or after January 1, 2001, any other entity that, with the consent of Exelon Corporation, elects to participate in the Plan in the manner described in Section 11.1 (relating to adoption of the Plan) either with respect to all Employees or a specified group of Employees of such entity and any successor entity that adopts this Plan pursuant to Article 12 (relating to continuance by a successor). If any entity described in the preceding sentence withdraws from participation in the Plan pursuant to Section 15.3 (relating to termination of the Plan by an Employer), such entity shall thereupon cease to be an Employer.

(18) ERISA. The Employee Retirement Income Security Act of 1974, as amended.

(19) Federal Benefit. The annual amount of full old age benefits which would be payable to the Participant under the Federal Social Security Act at the age at which full old age benefits would be payable to such Participant under such Act. Except as provided in the following sentence, the amount of the Federal Benefit and the age at which full old age benefits become payable shall be determined as of December 25, 1994 in accordance with the provisions of the Plan as in effect on such date. Notwithstanding the preceding sentence, solely for purposes of Section 5.6 (relating to Federal Benefit supplemental payments), the amount of Federal Benefit and the age at which full old age benefits become payable shall be determined at the time of a Participant's Termination of Employment by using the terms of the Federal Social Security Act as in effect at such time. For purposes of the preceding sentence, the amount of Federal Benefit shall be computed by using an estimated wage history determined by applying a salary scale based on the actual change in the average national wage from year to year as determined by the Social Security Administration, projected backwards, to the Participant's compensation subject to tax under the Federal Insurance Contributions Act (other than the Medicare portion) for the calendar year ending immediately prior to the Participant's Termination of Employment. Notwithstanding the preceding sentence, in no event shall a Participant's Federal Benefit be greater than the Federal Benefit determined by using a wage history that assumes the Participant earned no compensation for periods prior to employment with the Company and Affiliates and uses actual compensation paid by the Company and Affiliates for periods of employment with the Company and Affiliates and, in the case of a Participant who is absent from employment due to employment by a union that represents any group of Employees, uses actual compensation paid by such union for periods of employment with such union.

(20) Highest Average Annual Pay. The sum of a Participant's average annual Basic Compensation and Incentive Pay (a) with respect to any Participant who, as of the date of the Participant's Termination of Employment, is not a member of IBEW Local Union 15, during the four consecutive years (104 biweekly pay periods), and (b) with respect to any Participant who, as of the date of the Participant's Termination of Employment, is a member of IBEW Local Union 15, (i) for Terminations of Employment occurring on or before September 30, 1999, during the four consecutive years (104 biweekly pay periods), and (ii) for Terminations of Employment occurring on or after October 1, 1999, during the three consecutive years (78 biweekly pay periods), during which such average annual Basic Compensation and Incentive Pay was the highest, or (b) during all years of the Participant's Credited Service if such Credited Service is less than 104 or 78 biweekly pay periods, as applicable. In determining whether a Participant has 104 or 78 consecutive biweekly pay periods, as applicable, any period of uncompensated absence from employment with an Employer, other than an absence due to participation in Military Service shall be disregarded. In computing "Highest Average Annual Pay," the total of the Basic Compensation and Incentive Pay for a Participant for the applicable consecutive pay periods shall be multiplied, in the case of 104 pay periods by 0.25068654 and in the case of 78 pay periods by 0.33424872; provided, that in the case of a Participant whose

years of Credited Service include fewer than 104 or 78 pay periods, as applicable, the multiplier shall be a fraction the numerator of which is one and the denominator of which is the quotient of (a) the number of 14-day periods during each 365-day period (or if less, during the Participant's Credited Service) and (b) the number of pay periods during the Participant's years of Credited Service. In addition, notwithstanding anything herein to the contrary, in computing an Employee's Highest Average Annual Pay, the aggregate amount of the Employee's Basic Compensation and Incentive Pay in excess of the following limits shall not be taken into account: (i) for Plan Years ending before January 1, 1996, $200,000 (as adjusted for increases in the cost of living pursuant to Section 415(d) of the Code for the year in which the computation of Basic Compensation and Incentive Pay is being made), and (ii) for all subsequent Plan Years, $150,000 (adjusted for increases in the cost of living in accordance with Section 401(a)(17) of the Code). For purposes of the preceding sentence, the limit determined with respect to clause (i) for the last year for which the computation is made shall be applied for such year and all preceding years. For Plan Years beginning before January 1, 1997, the Basic Compensation and Incentive Pay of an Employee who is a 5% owner of Commonwealth Edison Company or any Affiliate or one of the ten employees of Commonwealth Edison Company and all Affiliates who was paid the greatest compensation (as defined in Section 415 of the Code) for the Plan Year shall include the Basic Compensation and Incentive Pay of the Employee's spouse and any lineal descendants of the Employee who have not attained age 19 before the close of the Plan Year.

(21) Hour of Service. (a) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties (such hours to be credited to the Employee for the computation period or periods in which the duties are performed); (b) each hour for which an Employee is paid, or entitled to payment, on account of a period of time during which no duties are performed (irrespective of whether a Termination of Employment has occurred) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence (such hours to be credited to the Employee for the computation period or periods in which the period of time during which no duties are performed occurs); and (c) each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by an Employer (such hours to be credited to the Employee for the computation period or periods in which the award or agreement pertains rather than the computation period in which the award, agreement or payment is made). Hours of Service shall be computed in accordance with paragraphs (b) and (c) of Section 2530.200b-2 of the Department of Labor Regulations.

(22) Incentive Pay. The payments, if any, earned by the Participant with respect to each year of Credited Service after 1994, regardless of when paid, under the plans set forth in Exhibit 2 attached hereto. In the case of a Participant who is absent from employment due to employment by a union that represents any group of Employees, Incentive Pay shall mean, for the period during which the Participant is absent from employment, the payments the Participant would

have received under the applicable plan set forth in Exhibit 2 attached hereto, as determined by the union employing such Participant.

(23) Military Service. The performance of duty on a voluntary or involuntary basis in a "uniformed service" (as defined below) under competent authority of the United States government and includes active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty, and a period for which a person is absent from employment for the purpose of an examination to determine the fitness of the person to perform any such duty. For purposes of the preceding sentence, the term "uniformed service" means the Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty, the commissioned corps of the Public Health Service, and any other category of persons designated by the President of the United States in time of war or emergency.

(24) Normal Retirement Age. A Participant's 65th birthday.

(25) Participant. An Employee described in Article 3 (relating to participation). An individual shall cease to be a Participant upon the later of his or her Termination of Employment and the date the individual is no longer eligible to receive a benefit from this Plan.

(26) Plan. The Plan herein set forth, as from time to time amended.

(27) Plan Year. The calendar year.

(28) Regulations. Written promulgations of the Department of Labor construing Title I of ERISA or the Internal Revenue Service construing the Code.

(29) Retiree. A Participant or Beneficiary receiving a Service Annuity.

(30) Service Annuity. The amount payable to a Retiree from the Service Annuity Fund under the Plan. Except as otherwise indicated by the context, such term includes an annuity payable pursuant to paragraph (b) of Section 6.1 (relating to annuities payable to married Participants), Section 6.2 (relating to optional Service Annuity forms), Section 6.3 (relating to surviving spouse annuities, Section 5.6 (relating to Federal Benefit supplemental payments), Section 5.7 (relating to deferred vested termination) and Section 6.4 (relating to a surviving Child annuity).

(31) Service Annuity Fund. All money and property of every kind held by the Trustee under the Trust Agreement.

(32) Spouse. The individual married to a Participant on the Participant's Annuity Starting Date or, if earlier, on the date of the Participant's death. While the Spouse is living and, except as otherwise provided in a qualified domestic relations order as described in paragraph (b) of Section 13.2 (relating to exception

to nonassignability in the case of a qualified domestic relations order) or paragraph (c) of Section 6.6 (relating to automatic cancellation of elections), such Spouse shall be treated as the Participant's Spouse for all purposes of this Service Annuity System without regard to whether such Spouse remains married to the Participant after the Participant's Annuity Starting Date.

(33) Termination of Employment. A Participant's ceasing to be an Employee of any Employer or any Affiliate. A transfer between employment by an Employer and employment by an Affiliate or between employment by Employers or Affiliates shall not constitute a Termination of Employment.

(34) Total and Permanent Disability. A disability which, in the opinion of the Committee, renders the Participant unable to perform the principal duties of the Participant's regular job classification or such other job classification as may be made available to the Participant by an Employer or an Affiliate and which results from a cause other than one or more of the following, as determined by the Committee, in its sole discretion:

(i) excessive or habitual use of drugs, intoxicants, narcotics or alcohol;

(ii) injury or disease sustained while participating in illegal activities; or

(iii) injury or disease sustained while employed by another Employer and arising out of such other employment.

(35) Trust Agreement. The agreement between the Company and the Trustee governing the Service Annuity Fund.

(36) Trustee. The trustee of the Service Annuity Fund or, if there shall be more than one trustee acting at any time, all of such trustees collectively.

(37) Vesting Service. The period of an Employee's employment which is used to determine whether the Employee is entitled to receive a Service Annuity under Article 5 (relating to Service Annuities). An Employee's Vesting Service includes the Participant's vesting service prior to the Effective Date determined in accordance with the provisions of the Plan as in effect prior to the Effective Date and the aggregate of the periods beginning on or after the Effective Date during which the Employee is employed by an Employer or an Affiliate, provided that in the case of an Employee who has no vested right to any benefits under this Plan, such Employee's periods of Vesting Service before and after a period of absence from employment shall be aggregated only when the Employee's number of consecutive one-year periods of absence from employment is less than five and the Employee has at least one year of Vesting Service after such period of absence from employment. For purposes of the preceding sentence, an Employee shall be deemed to be employed by an Employer or an Affiliate during (a) any period of absence from employment by an Employer or an Affiliate which is of less than

twelve months' duration, (b) the first twelve months of any period of absence from employment for any reason other than the Employee's quitting, retiring or being discharged, except as provided in clause (f) below, (c) any period during which the Employee is in Military Service, provided that the Employee returns to the employ of an Employer or an Affiliate within the period prescribed by laws relating to the reemployment rights of persons in Military Service, (d) any period, whether less than or greater than twelve months, during which the Participant is employed by a union that represents any group of Employees, (e) the period following Termination of Employment on account of a Total and Permanent Disability during which the Participant is receiving benefits under any Employer's long term disability plan and (f) as and to the extent provided by resolutions of the board of directors of the Company, any period of authorized absence from employment as an Eligible Employee. The Committee may require certification from an Employee, as a condition of granting Vesting Service under this subdivision (37), that the leave was taken for one of the reasons enumerated in the preceding sentence. Notwithstanding the preceding sentences, in determining an Employee's period of absence from employment by an Employer or an Affiliate, the following shall be disregarded: the first twenty-four months of any period of absence from employment by reason of (i) the Employee's pregnancy, (ii) the birth of the Employee's child, (iii) the placement of a child with the Employee in connection with the adoption of such child by such Employee or (iv) caring for such child for a period beginning immediately following such birth or placement.

Section 2.2. Gender and Plurals. Wherever used in this Plan, words in the masculine gender shall include masculine or feminine gender, and, unless the context otherwise requires, words in the singular shall include the plural, and words in the plural shall include the singular.

ARTICLE 3
PARTICIPATION

Section 3.1. Employees Represented by IBEW Local Union 15. Each Eligible Employee who is a member of a collective bargaining unit represented by IBEW Local Union 15 and who was a Participant in the Plan on December 31, 2000 shall continue to be a Participant as of January 1, 2001. Each other Eligible Employee who is a member of IBEW Local Union 15 shall become a Participant as of the first day that such Eligible employee completes an Hour of Service with an Employer as an Eligible Employee, provided that such Eligible Employee does

not elect, in the time and manner prescribed by the Committee for such an election, to participate in the Exelon Corporation Cash Balance Pension Plan for Bargaining Unit Employees.

Section 3.2. Management Employees. (a) In General. Each Participant who is not a member of a collective bargaining unit represented by IBEW Local Union 15 and who is, as of January 1, 2002, an Eligible Employee shall be permitted to elect, in the time and manner prescribed by the Committee, to either (i) continue participating in the Plan on and after January 1, 2002 or (ii) cease participating in the Plan as of December 31, 2001 and begin participating in the Exelon Corporation Cash Balance Pension Plan as of January 1, 2002. Each Eligible Employee who elects to continue participating in the Plan or who is offered and fails to make any such election shall continue to be a Participant as of January 1, 2002. Each Eligible Employee who elects to participate in the Exelon Corporation Cash Balance Pension Plan in lieu of participation in this Plan shall cease participation in the Plan as of December 31, 2001 and shall not be entitled to any benefit under the Plan, unless such Participant receives a notification (the "Notice") from an Employer that his or her employment with the Employers and their Affiliates will be terminated on or before December 31, 2002 and that such Participant is eligible for severance benefits under the Exelon Corporation Merger Separation Plan for Designated Management Employees or any other severance plan maintained by an Employer or an Affiliate. An Eligible Employee who receives a Notice shall continue to be a Participant in the Plan until his or her Termination of Employment, notwithstanding such Eligible Employee's election to participate in the Exelon Corporation Cash Balance Pension Plan. An Eligible Employee (i) who receives a Notice, but whose employment does not terminate on or before December 31, 2002, or (ii) whose employment terminates before December 31, 2002 without the Employee receiving a Notice shall cease participation in the Plan as of December 31, 2001 if such Employee elects, in

the time and manner prescribed by the Committee, to participate in the Exelon Corporation Cash Balance Pension Plan.

(b) Transfer of Benefits and Assets to Cash Balance Pension Plan. If an Eligible Employee described in paragraph (a) above elects to participate in the Exelon Corporation Cash Balance Pension Plan in lieu of participating in the Plan, the Employee's Service Annuity, determined as of December 31, 2001 based on the Employee's Credited Service and Highest Annual Average Pay as of such date but without giving effect to Section 5.6, shall be transferred to the Exelon Corporation Cash Balance Pension Plan and such Employee shall not accrue any additional benefit under the Plan. An amount of assets that is equal to the present value of the Participant's Service Annuity described in the preceding sentence, determined using the methods and assumptions prescribed by Section 4044 of ERISA, shall also be transferred to the Exelon Corporation Cash Balance Pension Plan. Such transfer of benefits and assets related thereto shall occur as soon as administratively practicable after the Eligible Employee makes the election described in paragraph (a) above. In the event that an Eligible Employee whose Service Annuity and related assets are transferred to the Exelon Corporation Cash Balance Pension Plan receives a Notice and has a Termination of Employment on or before December 31, 2002, the Service Annuity and related assets that were transferred to the Exelon Corporation Cash Balance Pension Plan shall be transferred back to the Plan and the amount of the pension benefit accrued by such Employee during 2002 (if any) shall be determined under the terms of this Plan rather than the Exelon Corporation Cash Balance Pension Plan. Such transfer shall occur as soon as administratively practicable.

Section 3.3. Cessation of Participation. An individual's participation in the Plan shall cease upon the first to occur of the date the individual is no longer eligible to receive a

benefit from this Plan or upon the individual's Termination of Employment if the individual has not completed at least five years of Vesting Service upon the date of his or her Termination of Employment.

ARTICLE 4
CONTRIBUTIONS

Section 4.1. Amount of Contributions. The Employers intend to make contributions to the Service Annuity Fund of amounts which, in the aggregate over a period of time, are sufficient to finance the benefits provided by the Plan. All such contributions shall be in such amounts and shall be made in such manner and at such time as the Company shall from time to time determine in accordance with the funding policy it establishes and consistent with minimum funding standards under Section 412 of the Code. the Company may rely on the advice of actuaries in establishing and carrying out a funding policy. Forfeitures arising under the Plan for any reason shall be applied to reduce the cost of the Plan, not to increase the Service Annuities payable to Participants, Beneficiaries or Retirees.

Section 4.2. Return of Contributions. Any contribution made to the Service Annuity Fund by an Employer by reason of a good faith mistake of fact, or any contribution made to the Service Annuity Fund by an Employer which exceeds the maximum amount for which a deduction is allowable to the Employer for federal income tax purposes by reason of a good faith mistake in determining the maximum deductible amount, shall upon the request of the Employer be returned by the Trustee to the Employer. The Employer's request and the return of any such contribution must be made within one year after such contribution was mistakenly made or after the deduction of such excess portion of such contribution was disallowed, as the case may be. The amount to be returned to the Employer pursuant to this Section 4.2 shall be the

excess of (a) the amount contributed over (b) the amount that would have been contributed had there not been a mistake of fact or a mistake in determining the maximum allowable deduction. Earnings attributable to the amount contributed by mistake shall not be returned to the Employer, but losses attributable thereto shall reduce the amount so returned.

ARTICLE 5
SERVICE ANNUITIES

Section 5.1. Description of Service Annuities. Each Participant whose Termination of Employment occurs on or after his or her Normal Retirement Age shall be entitled to a Service Annuity as described in Section 5.2 (relating to normal and deferred retirement). Each Participant whose Termination of Employment occurs prior to the Participant's 65th birthday but after the Participant has completed at least ten years of Credited Service shall be entitled to a Service Annuity as described in Section 5.3 (relating to early retirement). Each Participant whose Termination of Employment occurs on or after the Participant's 45th birthday on account of a Total and Permanent Disability shall be entitled to a Service Annuity as described in Section 5.4 (relating to disability retirement at or after age 45), provided such Participant has satisfied the conditions set forth in Section 5.4. Each Participant who has completed at least ten years of Credited Service and whose Termination of Employment occurs prior to the Participant's 45th birthday on account of Total and Permanent Disability shall be entitled to a Service Annuity as described in Section 5.5 (relating to disability retirement before age 45), provided such Participant has satisfied the conditions set forth in Section 5.5. Each Participant whose Termination of Employment occurs after the Participant has completed at least five years of Vesting Service but who is not described in any of the preceding sentences

shall be entitled to a Service Annuity described in Section 5.7 (relating to deferred vested termination).

Section 5.2. Normal and Deferred Retirement. (a) In General. Each Participant whose Termination of Employment occurs on or after the Participant's Normal Retirement Age shall be entitled, subject to Section 6.1 (relating to the basic Service Annuity form of payment), to receive a Service Annuity payable in semi-monthly payments for the Participant's lifetime commencing on the Service Annuity payment date immediately following the day the Participant's status on the Human Resource system of the Company is changed to "inactive." The annual amount of such Service Annuity shall equal, subject to Section 5.8 (relating to special rules for computation of Service Annuities), Section 7.1 (relating to maximum annual benefits) and Section 7.2 (relating to temporary restrictions on benefits in case of termination or curtailment), the sum of the amounts described in subparagraphs (A), (B) and (C) below:

(A) 1.25% of the Participant's Earnings, reduced by 25% (less 1% for each year, if any, by which the Participant's years of Credited Service as of December 25, 1994 are less than 35, computed to the nearest full year) of the Participant's Federal Benefit, determined as of December 25, 1994.

(B) 1.60% of the Participant's Highest Average Annual Pay, multiplied by the number of years of the Participant's Credited Service (not in excess of 35 years in the year 1995, 36 years in the year 1996, 37 years in the year 1997, 38 years in the year 1998, 39 years in the year 1999 and 40 years in the year 2000 and thereafter).

(C) 0.5% of the Participant's Highest Average Annual Pay, multiplied by the number of years, if any, by which the Participant's years of Credited Service (not in excess of 40) exceed the limitation on the number of years of Credited Service taken into account under subparagraph (B) of paragraph (a) of this Section 5.2.

Notwithstanding the preceding, the annual amount of the Service Annuity for a Participant who has at least 10 years of Credited Service shall not be less than the applicable amount stated in Table A.

(b) Special Rule for Participants Who Attain Age 70-1/2 While Employed. If a Participant remains employed by an Employer or an Affiliate beyond April 1 of the year following the year in which the Participant attains age 70-1/2, distribution of such Participant's Service Annuity (i) shall commence, in the case of a Participant who is a 5-percent owner as defined in Section 416(i) of the Code, or (ii) may commence, upon any other such Employee's election, in either case, not later than April 1 next following the calendar year in which the Participant attains age 70-1/2.

The annual amount of the Participant's Service Annuity that commences under the preceding paragraph shall be recomputed pursuant to this Section 5.1 (relating to normal and deferred retirement) as of each succeeding April 1 to reflect any increase in the Participant's Credited Service and Highest Average Annual Pay attributable to the Participant's employment since the preceding April 1.

Notwithstanding any provision in this Plan to the contrary, distributions of benefits shall be made in accordance with Section 401(a)(9) of the Code and the Regulations thereunder.

(c) Basic Compensation for Participant with Total and Permanent Disability. In the case of a Participant whose Termination of Employment is on account of a Total and Permanent Disability and who is entitled to a Service Annuity under either paragraph (b) of Section 5.4 (relating to disability retirement at or after age 45 for management Employees whose termination occurs on or after January 1, 1997) or paragraph (b) of Section 5.5 (relating to disability retirement before age 45 for management Employees whose termination occurs on or after January 1, 1997), Basic Compensation shall mean, for the period following the Participant's Termination of Employment and during which the Participant is receiving benefits under any

Employer's long term disability plan, the Participant's average base pay rate per pay period for the twelve-month period preceding the first day of the Participant's absence due to such Total and Permanent Disability increased each October 1 following the Participant's Termination of Employment at a rate equal to the cost of living adjustment described in the following sentence. For purposes of the preceding sentence, the cost of living adjustment shall equal, for each October 1, the percentage by which the Consumer Price Index for the July immediately preceding such October 1 exceeds the Consumer Price Index for the July immediately preceding the twelve month period beginning October 1 in which the Participant's Termination of Employment occurred; provided, however, that:

(i) If, as of such October 1, there shall be no such excess, the adjustment percentage shall be deemed to be zero for the twelve-month period beginning on such October 1.

(ii) There shall be no negative adjustment percentage.

(iii) The aggregate adjustment percentage for any twelve-month period beginning October 1 shall never be lower than the aggregate adjustment percentage for the preceding such period.

(iv) If the percentage increase in the Consumer Price Index computed for the twelve-month period beginning on October 1 does not exceed the aggregate adjustment percentage for the preceding twelve-month period by at least three percentage points, the aggregate adjustment percentage for the preceding twelve-month period shall continue in effect during such twelve-month period beginning on October 1.

(v) The aggregate adjustment percentage for any twelve-month period beginning on October 1 shall not be more than seven percentage points greater than that for the preceding twelve-month period. If the aggregate adjustment percentage for any twelve-month period beginning on October 1 exceeds by more than seven percentage points the aggregate adjustment percentage for the preceding twelve-month period, the excess shall be carried over to succeeding twelve-month periods until such excess is reduced to zero.

(vi) The adjustment percentage for the twelve-month period beginning with the October 1 next following the date the Participant's Termination of Employment occurs shall be the adjustment percentage determined in accordance with the preceding provisions of this Section 5.2(c) multiplied by a fraction the

numerator of which shall be the number of full calendar months between such date and such October 1 and the denominator of which shall be twelve.

The adjustment described in this Section 5.2(c) shall continue to be made unless and until the Participant ceases to be eligible to receive benefits under any Employer's long term disability plan. Notwithstanding the preceding sentence, if a Participant returns to employment with any Employer and ceases to be eligible to receive benefits under any Employer's long term disability plan but again becomes eligible to receive such benefits as a continuation of the same Total and Permanent Disability, as determined under the provisions, or interpretations, of the Employer's long term disability plan, the adjustments described in this Section 5.2(c) shall continue to be made as though the Participant had never ceased to be eligible for such benefits, provided that an adjustment shall be made for any earnings received by the Participant while the Participant was employed by any Employer.

Section 5.3. Early Retirement. Each Participant whose Termination of Employment occurs prior to the Participant's 65th birthday but after the Participant has completed at least ten years of Credited Service and has attained age 50 shall be entitled to elect, subject to Section 6.1 (relating to the basic Service Annuity form of payment), to receive an early retirement Service Annuity payable in semi-monthly payments for the Participant's lifetime commencing no earlier than the Service Annuity payment date immediately following the day the Participant's status on the Human Resource system of the Company is changed to "inactive" and no later than the Service Annuity payment date coinciding with or immediately following the date the Participant attains age 65. The annual amount of such early retirement Service Annuity shall, subject to Section 5.8 (relating to special rules for computation of Service Annuities), Section 7.1 (relating to maximum annual benefits) and Section 7.2 (relating to temporary restrictions on benefits in the case of termination or curtailment) be the amount computed

pursuant to Section 5.2 (relating to normal and deferred retirement) multiplied by the applicable factor (determined with reference to the Participant's attained age at the time benefits commence to be paid) from (a) with respect to (i) any Participant who is not a member of IBEW Local Union 15 whose Termination of Employment occurs on or after April 1, 1995, and (ii) any Participant who is a member of IBEW Local Union 15 whose Termination of Employment occurred after April 1, 1995 and before October 1, 1999, Table B, and (b) with respect to any Participant who is a member of IBEW Local Union 15 whose Termination of Employment occurs on or after October 1, 1999, Table B-1.

Section 5.4. Disability Retirement at or After Age 45. (a) Rules Applicable to Management Employees Whose Termination Occurs Before January 1, 1997 and to Union Employees. Each Eligible Participant (as defined in the following paragraph) whose Termination of Employment occurs on or after the Eligible Participant's 45th birthday on account of a Total and Permanent Disability and who is not then eligible for a Service Annuity under Section 5.2 (relating to normal and deferred retirement) or Section 5.3 (relating to early retirement) shall be entitled to elect, subject to Section 6.1 (relating to the basic Service Annuity form of payment), without regard to the number of the Eligible Participant's years of Credited Service, to receive a disability Service Annuity payable in semi-monthly payments for the Eligible Participant's lifetime commencing no earlier than the Service Annuity payment date immediately following the day the Eligible Participant's status on the Human Resource system of the Company is changed to "inactive" and no later than the Service Annuity payment date coinciding with or immediately following the date the Eligible Participant attains age 65. The annual amount of such disability Service Annuity shall, subject to Section 5.8 (relating to special rules for computation of Service Annuities), Section 7.1 (relating to maximum annual benefits)

and Section 7.2 (relating to temporary restrictions on benefits in case of termination or curtailment), be the amount computed pursuant to Section 5.3 (relating to early retirement), except that if the Eligible Participant's employment terminated on account of a Total and Permanent Disability prior to the Eligible Participant's 55th birthday, the Eligible Participant shall be treated as though he or she attained age 55 for purposes of determining the applicable factor from Table B.

For purposes of this Section 5.4, an "Eligible Participant" shall mean (a) a Participant who, at the time the Participant's employment terminates, is a member of Local Union 15, International Brotherhood of Electrical Workers and (b) a Participant who is not, at the time the Participant' employment terminates, a member of such Local Union 15, but whose employment terminates prior to January 1, 1997.

(b) Rules Applicable to Management Employees Whose Termination Occurs on or After January 1, 1997. Each Participant who is a management Employee, whose Termination of Employment occurs on or after January 1, 1997 and on or after the Participant's 45th birthday on account of a Total and Permanent Disability and who is not then eligible for a Service Annuity under Section 5.2 (relating to normal and deferred retirement) or Section 5.3 (relating to early retirement) shall be entitled to elect, subject to Section 6.1 (relating to the basic Service Annuity form of payment), without regard to the number of the Participant's years of Credited Service, to receive a disability Service Annuity payable in semi-monthly payments for the Participant's lifetime commencing no earlier than the Service Annuity payment date immediately following the day the Participant's status on the Human Resource system of the Company is changed to "inactive", provided that such Participant (i) shall have qualified for and received long-term disability benefits under the Commonwealth Edison Company Disability Benefit Plan

for Management Employees (the "LTD Plan"), (ii) shall be eligible to receive Social Security benefits on account of such disability and (iii) shall no longer be eligible to receive benefits under the LTD Plan because such benefits have been exhausted. In no event shall the semi-monthly payments described in the preceding sentence commence later than the later of (a) the Service Annuity payment date coinciding with or immediately following the date the Participant attains age 65 and (b) the date the Participant ceases to be eligible to receive benefits under the LTD Plan because such benefits have been exhausted. The annual amount of such disability Service Annuity shall, subject to Section 5.8 (relating to special rules for computation of Service Annuities), Section 7.1 (relating to maximum annual benefits) and Section 7.2 (relating to temporary restrictions on benefits in case of termination or curtailment), be the amount computed pursuant to Section 5.3 (relating to early retirement), except that if the Participant's employment terminated on account of a Total and Permanent Disability prior to the Participant's 55th birthday, the Participant shall be treated as though he or she attained age 55 for purposes of determining the applicable factor from Table B.

Section 5.5. Disability Retirement Before Age 45. (a) Rules Applicable to Management Employees Whose Termination Occurs Before January 1, 1997 and to Union Employees. Each Eligible Participant (as defined in the following paragraph) who has completed at least 10 years of Credited Service and whose Termination of Employment occurs prior to the Eligible Participant's 45th birthday on account of a Total and Permanent Disability shall be entitled to elect, subject to Section 6.1 (relating to the basic Service Annuity form of payment), to receive a reduced disability Service Annuity payable in semi-monthly payments for the Eligible Participant's lifetime commencing no earlier than the Service Annuity payment date immediately following the day the Eligible Participant's status on the Human Resource system

of the Company is changed to "inactive" and no later than the Service Annuity payment date coinciding with or immediately following the date the Eligible Participant attains age 65. The annual amount of such reduced disability Service Annuity shall, subject to Section 5.8 (relating to special rules for computation of Service Annuities), Section 7.1 (relating to maximum annual benefits) and Section 7.2 (relating to temporary restrictions on benefits in case of termination or curtailment), be the sum of (a) the amount computed pursuant to Section 5.4 (relating to disability retirement at or after age 45) plus (b) the excess, if any, of (i) 25% of the Eligible Participant's Highest Average Annual Pay over (ii) the sum of the annual amount computed under Section 5.4 (relating to disability retirement at or after age 45) plus the aggregate annual amount of the Federal Benefit supplemental payments payable to such Eligible Participant pursuant to Section 5.6 (relating to the Federal Benefit supplemental payments).

For purposes of this Section 5.5, an "Eligible Participant" shall mean (a) a Participant who, at the time the Participant's employment terminates, is a member of Local Union 15, International Brotherhood of Electrical Workers and (b) a Participant who is not, at the time the Participant' employment terminates, a member of such Local Union 15, but whose employment terminates prior to January 1, 1997.

(b) Rules Applicable to Management Employees Whose Termination Occurs on or After January 1, 1997. Each Participant who is a management Employee, who has completed at least 10 years of Credited Service and whose Termination of Employment occurs on or after January 1, 1997 and prior to the Participant's 45th birthday on account of a Total and Permanent Disability shall be entitled to elect, subject to Section 6.1 (relating to the basic Service Annuity form of payment), to receive a reduced disability Service Annuity payable in semi-monthly payments for the Participant's lifetime commencing no earlier than the Service Annuity payment

date immediately following the day the Participant's status on the Human Resource system of the Company is changed to "inactive" and no later than the Service Annuity payment date coinciding with or immediately following the date the Participant attains age 65 provided, that such Participant (i) shall have qualified for and received long-term disability benefits under the LTD Plan, (ii) shall be eligible to receive Social Security benefits on account of such disability and (iii) shall no longer be eligible to receive benefits under the LTD Plan because such benefits have been exhausted. The annual amount of such reduced disability Service Annuity shall, subject to Section 5.8 (relating to special rules for computation of Service Annuities), Section 7.1 (relating to maximum annual benefits) and Section 7.2 (relating to temporary restrictions on benefits in case of termination or curtailment), be the sum of (a) the amount computed pursuant to Section 5.4 (relating to disability retirement at or after age 45) plus (b) the excess, if any, of (i) 25% of the Participant's Highest Average Annual Pay over (ii) the sum of the annual amount computed under Section 5.4 (relating to disability retirement at or after age 45) plus the aggregate annual amount of the Federal Benefit supplemental payments payable to such Participant pursuant to Section 5.6 (relating to the Federal Benefit supplemental payments).

Section 5.6. Federal Benefit Supplemental Payments Prior to Age 65. Each Participant whose Service Annuity is computed pursuant to Section 5.3 (relating to early retirement), Section 5.4 (relating to disability retirement at or after age 45) or Section 5.5 (relating to disability retirement before age 45) and which commences prior to the Participant's attainment of age 65 shall receive supplemental monthly payments each in an amount equal to 80% of the amount of the Participant's monthly Federal Benefit and, except in the case of a Participant whose Service Annuity is computed under Section 5.5 (relating to disability retirement before age 45), shall have his or her Service Annuity reduced by an amount equal to

the product of (a) the aggregate annual amount of such supplemental monthly payments multiplied by (b) the applicable factor (determined with reference to the Participant's attained age at the time benefits commence to be paid) from (i) with respect to (A) any Participant who is not a member of IBEW Local Union 15 whose Termination of Employment occurs on or after April 1, 1995, and (B) any Participant who is a member of IBEW Local Union 15 whose Termination of Employment occurred after April 1, 1995 and before October 1, 1999, Table B-2, and (ii) with respect to any Participant who is a member of IBEW Local Union 15 whose Termination of Employment occurs on or after October 1, 1999, Table B-3.

Section 5.7. Deferred Vested Termination. Each Participant whose Termination of Employment occurs after the Participant has completed at least five years of Vesting Service and who is not then eligible for a Service Annuity under Section 5.2 (relating to normal and deferred retirement), Section 5.3 (relating to early retirement), Section 5.4 (relating to disability retirement at or after age 45) or Section 5.5 (relating to disability retirement before age 45) shall be entitled, subject to Section 6.1 (relating to the basic Service Annuity form of payment), to receive a deferred Service Annuity payable in semi-monthly payments for the Participant's lifetime commencing on the first day of the month elected, in the manner prescribed by the Committee, by the Participant but not earlier than the first day of the month immediately following the later of (i) the day the Participant's status on the Human Resource system of the Company is changed to "inactive" and (ii) the Participant's 60th birthday or, in the case of a Participant who completed at least ten years of Credited Service, the Participant's 50th birthday. The annual amount of such deferred Service Annuity shall, subject to Section 5.8 (relating to special rules for computation of Service Annuities), Section 7.1 (relating to maximum annual benefits) and Section 7.2 (relating to temporary restrictions on benefits in case of termination or

curtailment), be the amount computed under Section 5.2 (relating to normal and deferred retirement) multiplied by the applicable factor from Table F to reflect the Participant's age, if less than 65, at the date upon which payment of the Participant's deferred Service Annuity commences. In no event shall a Participant's election hereunder to begin receiving payment of his or her Service Annuity permit such payments to begin later than April 1 of the calendar year following the calendar year in which the Participant attains age 70-1/2. Notwithstanding anything herein to the contrary, if a Participant entitled to a deferred Service Annuity under this Section 5.7 fails to make an election to begin receiving his or her deferred Service Annuity, payment of the Participant's Service Annuity shall commence no later than 60 days following the Plan Year in which the Participant attains age 65.

Each Participant whose employment is terminated before the Participant completes at least five years of Vesting Service and who is not then eligible for a Service Annuity under Section 5.2 (relating to normal and deferred retirement), Section 5.3 (relating to early retirement), Section 5.4 (relating to disability retirement at or after age 45) or Section 5.5 (relating to disability retirement before age 45) shall be entitled to no benefits whatsoever under this Plan. Such a Participant's vested interest in his or her benefit under the Plan shall have a value of zero and such Participant shall be deemed to receive immediately upon the Participant's Termination of Employment a lump sum distribution of such vested interest and concurrent therewith the Participant shall forfeit his or her accrued benefit under the Plan.

Section 5.8. Special Rules Applicable to the Computation of Service Annuities. (a) Minimum Normal, Early Retirement and Deferred Vested Termination Benefits. The Service Annuity to which a Participant is entitled under Section 5.2 (relating to normal or deferred retirement) or Section 5.3 (relating to early retirement) shall in no event be less than the

hypothetical Service Annuity which the Participant would have been entitled to receive had the Participant retired under Section 5.3 (relating to early retirement) at any time prior to the Participant's actual date of retirement and elected to have such hypothetical Service Annuity commence on the Participant's hypothetical early retirement date; provided, however, that any difference between such Service Annuities which is attributable to an increase in the amount of the Participant's Federal Benefit due to changes in the Federal Social Security Act between such hypothetical early retirement date and the Participant's date of retirement shall be disregarded.

Notwithstanding any other provision of this Article 5 (relating to Service Annuities), the Service Annuity of a Participant terminating employment on or after April 1, 1995 but prior to July 1, 1995 shall be the greater of the Service Annuity accruing under the provisions of this Article 5 (relating to Service Annuities) and the Service Annuity that would have accrued as of the date of the Participant's Termination of Employment if the provisions of the Plan in effect as of March 31, 1995 had remained in effect.

(b) Termination of Employment During Authorized Absence. In computing the annual amount of the Service Annuity pursuant to Section 5.2 (relating to normal and deferred retirement), Section 5.3 (relating to early retirement), Section 5.4 (relating to disability retirement at or after age 45) or Section 5.5 (relating to deferred vested termination) for a Participant whose Termination of Employment occurs during an authorized absence from employment which is included in the Participant's years of Credited Service pursuant to subdivision (10) of Section 2.1 (relating to the definition of Credited Service), such Participant shall be considered to have terminated employment on the earliest of (i) the date the authorized absence ends, (ii) the date that is twelve months after the day the authorized absence began and (iii) the date of the Participant's Termination of Service.

(c) Service Annuities Based on Compensation In Excess of the Section 401(a)(17) Limits. In the case of a Participant whose Service Annuity was computed under this Article 5 as of the last day of any Plan Year (the "grandfather date") prior to the January 1, 1989 Effective Date of Section 401(a)(17) of the Code, which sets forth a compensation limit, or prior to the January 1, 1996 Effective Date of the reduction in the compensation limit set forth in Section 401(a)(17) of the Code (the applicable limit being referred to as the "new compensation limit"), based on Earnings or the aggregate amount of Base Pay and Incentive Pay in excess of the new compensation limit, such Participant's Service Annuity under this Article 5 (relating to Service Annuities) for periods after the applicable grandfather date shall be the greater of:

(i) the sum of (a) the Participant's Service Annuity determined as of such grandfather date, plus (b) the Participant's Service Annuity determined after such date by applying the new compensation limit and based only on the Participant's years of Credited Service after such date; and

(ii) the Service Annuity determined after the grandfather date by applying the new compensation limit and based on all of the Participant's years of Credited Service.

(d) Participants Formerly Employed at the Company's Fossil-Fired Generation Facilities. (i) Participants entitled to a Service Annuity Under Section 5.7. Notwithstanding anything contained in the Plan to the contrary, a "Terminated Participant" (as defined below) who, but for this subparagraph (i) of Section 5.8(d), would have his or her Service Annuity computed under Section 5.7 (relating to Deferred Vested Termination), shall have his or her Service Annuity computed under (a) Section 5.2 (relating to normal and deferred retirement) if the Participant is at least age 65 on the date his or her Service Annuity payments commence or (b) Section 5.3 (relating to early retirement) if the Participant is at least age 50, but not yet age 65, on the date his or her Service Annuity payments commence, in either case, treating the Participant (solely for purposes of Section 5.2 or 5.3, as the case may be, but not for any other

purpose) as though his or her Termination of Employment occurred on the day immediately preceding the date that such Participant's Service Annuity payments commence; provided, however, that such Participant's Service Annuity shall be computed taking into account his Highest Average Annual Pay and Credited Service determined as of the date of his actual Termination of Employment. For purposes of the preceding sentence, a "Terminated Participant" shall mean a Participant whose Termination of Employment with the Company occurs as a result of the sale of any of the assets sold as part of a divestiture process commencing in 1998 of the Company's fossil-fired generation facilities to one or more purchasers, provided that, on the "Determination Date" (defined in subparagraph (iii) below), (a) the sum of such Participant's years of age and years of Credited Service, including as Credited Service any period between the Participant's actual Termination of Employment date and the "Determination Date" (defined in subparagraph (iii) below) equals or exceeds 60 and (b) such Participant is not then eligible for a Service Annuity under Section 5.2 (relating to normal and deferred retirement) or Section 5.3 (relating to early retirement).

(ii) "Determination Date" Used to Determine Eligibility for a Service Annuity Under Section 5.3. Further notwithstanding anything contained herein to the contrary, for purposes of determining whether an "Eligible Participant" (as defined below) is entitled to a Service Annuity under Section 5.3 (relating to early retirement), such Eligible Participant shall be treated (solely for purposes of Section 5.3) as though his or her Termination of Employment occurred on the "Determination Date" (defined in subparagraph (iii) below). For purposes of the preceding sentence, an "Eligible Participant" shall mean a Participant whose Termination of Employment occurs as a result of the sale of any of the assets sold as part of a divestiture process commencing in 1998 of the Company's fossil-fired generation facilities to one or more purchasers, provided that, on the "Determination Date" (defined in subparagraph (iii) below), such Participant (a) has attained at least age 50 and (b) has at least ten years of Credited Service, including as Credited Service any period between the Participant's actual Termination of Employment date and the "Determination Date" (defined in subparagraph (iii) below).

(iii) Definition of Determination Date. For purposes of this Section 5.8(d), the "Determination Date" shall mean the later of the date on which the

transfer of ownership of all FGG assets offered as part of a sale process commencing in 1998 has been completed or the date any remaining FGG assets have been removed by the Company from such sale process.

(iv) As required under Section 5.5(b)(i) of that certain Asset Sale Agreement By and Between Commonwealth Edison Company and Edison Mission Energy as to Fossil Fuel Generating Assets dated as of March 22, 1999, (A) the benefits payable under the Plan to any Participant who becomes employed by Edison Mission Energy or any subsidiary thereof on the date the transactions contemplated by that Agreement are consummated (a "Transferred Participant") shall be fully vested and nonforfeitable, effective as of the Determination Date (as defined in subparagraph (iii), above), and (B) no Transferred Participant shall accrue additional benefits under the Plan after the Determination Date, or, if later, the date of such Transferred Participant's Termination of Employment.

Section 5.9. Post Retirement Adjustments. The annual Service Annuity payable pursuant to this Article 5 (relating to Service Annuities) and Article 6 (relating to Service Annuity forms) that commences either (a) after September 30, 1999, or (b) by reason of (x) the Termination of Employment of a Participant after September 30, 1999 under circumstances that entitle the Participant to a Service Annuity under Section 5.2 (relating to normal and deferred retirement), Section 5.3 (relating to early retirement), Section 5.4 (relating to disability retirement at or after age 45), Section 5.5 (relating to disability retirement before age 45) or Section 5.7 (relating to deferred vested terminations), or (y) the Termination of Employment of the Participant after September 30, 1999 by reason of the Participant's death shall, subject to the limitations set forth in this Section 5.9, be adjusted each October 1 for the twelve-month period then beginning by adding a post-retirement cost of living adjustment computed by applying an adjustment percentage to the appropriate base specified in this Section 5.9.

(a) The adjustment percentage shall equal, for each October 1, the percentage by which the Consumer Price Index for the July immediately preceding such October 1 exceeds the Consumer Price Index for the July immediately preceding the twelve-month period beginning October 1 in which the Participant terminated employment under circumstances described in the

first sentence of this Section 5.9 or payment of a Service Annuity commenced; provided, however, that:

(i) If, as of such October 1, there shall be no such excess, the adjustment percentage shall be deemed to be zero for the twelve-month period beginning on such October 1.

(ii) There shall be no negative adjustment percentage.

(iii) The aggregate adjustment percentage for any twelve-month period beginning October 1 shall never be lower than the aggregate adjustment percentage for the preceding such period.

(iv) If the percentage increase in the Consumer Price Index computed for the twelve-month period beginning on October 1 does not exceed the aggregate adjustment percentage for the preceding twelve-month period by at least three percentage points, the aggregate adjustment percentage for the preceding twelve-month period shall continue in effect during such twelve-month period beginning on October 1.

(v) The aggregate adjustment percentage for any twelve-month period beginning on October 1 shall not be more than seven percentage points greater than that for the preceding twelve-month period. If the aggregate adjustment percentage for any twelve-month period beginning on October 1 exceeds by more than seven percentage points the aggregate adjustment percentage for the preceding twelve-month period, the excess shall be carried over to succeeding twelve-month periods until such excess is reduced to zero.

(vi) The adjustment percentage for the twelve-month period beginning with the October 1 next following the date the Participant's Service Annuity commences shall be the adjustment percentage determined in accordance with the preceding provisions of this Section 5.9 multiplied by a fraction the numerator of which shall be the number of full calendar months between such date and such October 1 and the denominator of which shall be twelve.

(b) To determine the amount of the monthly cost of living adjustment made after October 1, 1999 with respect to any employee who, on the date of his or her Termination of Employment is a member of IBEW Local Union 15, in the case of a Service Annuity payable to a Participant pursuant to this Article 5 (relating to Service Annuities) or Article 6 (relating to Service Annuity forms), the adjustment percentage shall be applied to the first $500 per month of his or her Service Annuity, computed pursuant to this Article 5 (relating to Service Annuities),

subject to a maximum monthly adjustment of $1,000 or, if the monthly amount of such Service Annuity is less than $1,000 per month, subject to a maximum monthly adjustment equal to the monthly Service Annuity payment. To determine the amount of the adjustment made after October 1, 1999 in the case of a marital annuity under paragraph (b) of Section 6.1 or under Section 6.2 or surviving spouse annuity payable pursuant to Section 6.3 to the surviving Spouse of a deceased Participant, a family annuity payable pursuant to Section 6.2 to a surviving Dependent Minor Child or Children of a deceased Participant or a surviving dependent's annuity payable pursuant to Section 6.4 to a surviving Dependent Disabled Child or Children of a deceased Participant, the adjustment percentage shall be applied to the first $250 per month of such annuity or benefit, subject to a maximum monthly adjustment of $350 ($500 in the case of a marital annuity under paragraph (b) of Section 6.1 or under Section 6.2) or, if the monthly amount of such annuity or benefit is less than $350 ($500 in the case of marital annuity under paragraph (b) of Section 6.1 or under Section 6.2), subject to a maximum monthly adjustment equal to the monthly Service Annuity payment. Cost of living adjustments with respect to Service Annuities not described in the first sentence of this Section 5.9(a) shall be determined under the terms of the Plan as in effect at the time the adjustment was made. Notwithstanding anything herein to the contrary, the cost of living adjustments provided under this Section 5.9(a) may be the subject of bargaining between Commonwealth Edison Company and IBEW Local Union 15 beginning no earlier than the date negotiations commence regarding the successor agreement to the first collective bargaining agreement between the parties that expires on or after January 1, 2006.

(c) To determine the amount of the monthly cost of living adjustment made after October 1, 1999 with respect to any employee who is not described in paragraph (b), above, to in

the case of a Service Annuity payable to a Participant pursuant to this Article 5 (relating to Service Annuities) or Article 6 (relating to Service Annuity forms), the adjustment percentage shall be applied to the first $500 per month of his or her Service Annuity, computed pursuant to this Article 5 (relating to Service Annuities), subject to a maximum monthly adjustment of $500 or, if the monthly amount of such Service Annuity is less than $500 per month, subject to a maximum monthly adjustment equal to the monthly Service Annuity payment. To determine the amount of the adjustment made after October 1, 1999 in the case of a marital annuity under paragraph (b) of Section 6.1 or under Section 6.2 or surviving spouse annuity payable pursuant to Section 6.3 to the surviving Spouse of a deceased Participant, a family annuity payable pursuant to Section 6.2 to a surviving Dependent Minor Child or Children of a deceased Participant or a surviving dependent's annuity payable pursuant to Section 6.4 to a surviving Dependent Disabled Child or Children of a deceased Participant, the adjustment percentage shall be applied to the first $250 per month of such annuity or benefit, subject to a maximum monthly adjustment of $175 ($250 in the case of a marital annuity under paragraph (b) of Section 6.1 or under Section 6.2) or, if the monthly amount of such annuity or benefit is less than $175 ($250 in the case of marital annuity under paragraph (b) of Section 6.1 or under Section 6.2), subject to a maximum monthly adjustment equal to the monthly Service Annuity payment. Cost of living adjustments with respect to Service Annuities not described in the first sentence of this Section 5.9(a) shall be determined under the terms of the Plan as in effect at the time the adjustment was made.

ARTICLE 6
SERVICE ANNUITY FORMS

Section 6.1. Basic Service Annuity Form. (a) Unmarried Participants. A Participant who on his or her Annuity Starting Date is not married shall receive a Service Annuity payable in semi-monthly payments for the Participant's lifetime unless the Participant is eligible for and elects an optional form of Service Annuity under Section 6.2 (relating to optional Service Annuity forms) at the time and in the manner prescribed by paragraph (b) of Section 6.6 (relating to election of optional form of Service Annuity).

(b) Married Participants. A Participant who is married on his or her Annuity Starting Date and does not elect an optional form of Service Annuity under Section 6.2 (relating to optional Service Annuity forms) at the time and in the manner prescribed in paragraph (b) of Section 6.6 (relating to election of optional form of Service Annuity) shall receive in lieu of a Service Annuity payable in semi-monthly payments for the Participant's lifetime an annual marital annuity payable in semi-monthly payments for the Participant's lifetime equal to the Participant's annual Service Annuity computed pursuant to Article 5 (relating to Service Annuities) reduced by the product of (1) 50% of the annual amount of Service Annuity the Participant would have received under Article 5 (relating to Service Annuities) multiplied by (2) 40% of the applicable factor set forth in Table D. Thereafter, if the Participant's Spouse shall survive the Participant, such Spouse shall receive during the remainder of the Spouse's lifetime an annual Service Annuity payable in semi-monthly payments equal to 50% of the annual amount of Service Annuity the Participant would have received under Article 5 (relating to Service Annuities) if the Participant's Service Annuity were payable in semi-monthly payments for the Participant's lifetime.

Section 6.2. Optional Service Annuity Forms. Upon written request to the Committee made at the time and in the manner prescribed in paragraph (b) of Section 6.6 (relating to election of optional form of Service Annuity), a Participant may elect to receive, in lieu of the basic Service Annuity form described in Section 6.1, a Service Annuity in one of the following optional forms, provided that the Participant is eligible therefor:

Service Annuity Payable for the Life of the Participant: A Participant who is married on the Participant's Annuity Starting Date may elect, with spousal consent, to receive, in lieu of the marital annuity described in paragraph (b) of Section 6.1 (relating to annuities payable to married Participants), a Service Annuity payable in semi-monthly payments for the Participant's lifetime.

Optional Marital Annuity: A Participant who is married on the Participant's Annuity Starting Date may elect to receive a marital annuity described in paragraph (b) of Section 6.1 (relating to annuities payable to married Participants) with a Service Annuity payable to the Participant's Spouse, if the Participant predeceases such Spouse, of a percentage less than 50 of the Service Annuity the Participant would have received under Article 5 (relating to Service Annuities) if the Participant's Service Annuity were payable in semi-monthly payments for the Participant's lifetime. A marital annuity described in this Section 6.2 shall be payable at the same time and in the same manner as described in paragraph (b) of Section 6.1 (relating to annuities payable to married Participants) and shall be computed in the same manner as described in paragraph (b) of Section 6.1 (relating to annuities payable to married Participants), except that the lesser percentage of Service Annuity designated by the Participant shall be used.

Family Annuity: A Participant who is not married on the Participant's Annuity Starting Date and who, as of such date, has a Dependent Minor Child or Dependent Minor Children may elect to receive a family annuity payable in semi-monthly payments for the Participant's lifetime and, thereafter, payable in semi-monthly payments in equal shares to each of the Participant's Dependent Minor Children who have not yet attained age 21. The annual amount of the family annuity payable to the Participant shall be the Participant's annual Service Annuity computed pursuant to Article 5 (relating to Service Annuities), reduced by the product of (1) the annual amount of the family annuity designated by the Participant for the Participant's surviving Dependent Minor Child or Children which amount shall be a percentage, not to exceed 50, of the annual amount of the Participant's Service Annuity computed pursuant to Article 5 (relating to Service Annuities) multiplied by (2) the applicable factor set forth in Table E. The annual amount of the family annuity payable after the Participant's death to the Participant's Dependent Minor Child or Children who have not yet attained age 21 shall equal the percentage designated by the Participant, not to exceed 50, of

the annual amount of the Participant's Service Annuity computed pursuant to Article 5 (relating to Service Annuities).

Surviving Dependent's Annuity: A Participant who is not married on the Participant's Annuity Starting Date and who, as of such date, has a Dependent Disabled Child or Dependent Disabled Children may elect to receive a surviving dependent's annuity payable in semi-monthly payments for the Participant's lifetime and, thereafter, payable in semi-monthly payments in equal shares to each of the Participant's Dependent Disabled Children who remain disabled. The annual amount of the surviving dependent's annuity payable to the Participant shall be the Participant's annual Service Annuity computed pursuant to Article 5 (relating to Service Annuities) reduced by the product of (1) the annual amount of the surviving dependent's annuity designated by the Participant for the Participant's Dependent Disabled Child or Children, which amount shall be a percentage, not to exceed 50, of the annual amount of the Participant's Service Annuity computed pursuant to Article 5 multiplied by (2) 50% of the applicable factor set forth in Table D, such factor to be determined based on the age of the other parent of such Child or Children, at the Participant's Annuity Starting Date or the age such other parent would have attained had such other parent survived or if, in either case, the age of such other parent cannot be determined, the age of the Participant. The annual amount of the surviving dependent's annuity payable after the Participant's death to the Participant's Dependent Disabled Child or Children who remain disabled shall equal the percentage designated by the Participant, not to exceed 50, of the annual amount of the Participant's Service Annuity computed pursuant to Article 5 (relating to Service Annuities).

Section 6.3. Pre-retirement Surviving Spouse Benefit. (a) Death Occurring During Employment after Completion of Ten Years of Credited Service. Except as provided in Section 6.5 (relating to death benefits with respect to certain Participants who die during employment and after age 65), if the Termination of Employment of a Participant who completed at least ten years of Credited Service shall occur by reason of the Participant's death, the Participant's Spouse, if the Participant is married on the date of the Participant's death, shall receive a surviving spouse annuity payable in semi-monthly payments for the surviving Spouse's lifetime commencing on the Service Annuity payment date immediately following the later of the Participant's death and the date the Participant would have attained age 65 or, in the event that the Participant dies prior to attainment of age 65, such earlier Service Annuity payment date elected by the surviving Spouse in writing in the manner specified by the Committee. The

annual amount of such surviving spouse annuity shall be 50% of the annual amount of the Service Annuity, computed pursuant to Section 5.2 (relating to normal and deferred retirement), that would have been payable to such Participant (i) had the Participant terminated employment the day before the Participant's death; or (ii) in the case of a Participant who dies before attaining age 55, had the Participant's Service Annuity commenced on the date the Participant would have attained age 55, in either case, reduced by 2% for each year (computed to the nearest full year), if any, by which the age of such Participant exceeds that of the Participant's surviving Spouse. Notwithstanding the preceding sentence, in no event shall the annual amount of the surviving spouse annuity computed pursuant to this paragraph (a) of Section 6.3 be less than 50% of the annual amount of the marital annuity, computed pursuant to paragraph (b) of Section 6.1 (relating to annuities payable to married Participants), that would have been payable to such Participant (i) had payment of the Participant's marital annuity commenced the day before the Participant's death or (ii) in the case of a Participant who dies before attaining age 55, had payment of such marital annuity commenced at age 55 reduced by 1/2% for each month (but not to exceed 120 months) that the Participant's death precedes the date the Participant would have attained age 55 had the Participant survived, 1/6% for each month (but not to exceed 120 months) that the Participant's death precedes the date that the Participant would have attained age 45 had the Participant survived, and 1/12% for each month the Participant's death precedes the date that the Participant would have attained age 35 had the Participant survived.

(b) Death Occurring After Termination of Employment and Completion of Ten Years of Credited Service. If a Participant who completed at least ten Years of Credited Service and who is entitled to a deferred Service Annuity under Section 5.7 (relating to deferred vested termination) shall die before the Participant's Annuity Starting Date, the Participant's Spouse, if

the Participant is married on the date of the Participant's death, shall be entitled to receive a surviving spouse annuity payable in semi-monthly payments for the surviving Spouse's lifetime commencing on or about the first day of the month immediately following the later of the date of the Participant's death and the date the Participant would have attained age 65. Notwithstanding the preceding sentence, in the case of a Participant described in the preceding sentence who dies prior to attaining age 65, such Participant's surviving Spouse may elect, in writing in the manner specified by the Committee, to receive payment of the surviving spouse annuity on any Service Annuity payment date following the later of the date of the Participant's death and the date the Participant would have attained age 50, but in no event later than the first day of the month immediately following the date the Participant would have attained age 65. The annual amount of the surviving spouse annuity shall be 50% of the annual Service Annuity computed pursuant to Section 5.7 (relating to deferred vested termination), that would have been payable to such Participant (i) had payment of such deferred Service Annuity commenced the day before the Participant's death, or (ii) in the case of a Participant who dies before attaining age 50, had payment of the Participant's deferred Service Annuity commenced at age 50, in either case, reduced by 2% for each year (computed to the nearest full year), if any, by which the age of such Participant exceeds the age of the Participant's surviving Spouse. Notwithstanding the preceding sentence, in no event shall the annual amount of the surviving spouse annuity computed pursuant to this paragraph (b) of Section 6.3 be less than 50% of the annual amount of the marital annuity, computed pursuant to paragraph (b) of Section 6.1 (relating to annuities payable to married Participants), that would have been payable to such Participant (i) had payment of the Participant's marital annuity commenced the day before the Participant's death or (ii) in the case

of a Participant who dies before attaining age 50, had payment of such a marital annuity commenced at age 50.

(c) Death Occurring after Completion of at Least Five Years of Vesting Service but Less than Ten Years of Credited Service. Except as provided in Section 6.5 (relating to death benefits with respect to certain Participants who die during employment and after age 65), if a Participant who has at least five years of Vesting Service but less than ten years of Credited Service shall die prior to the Participant's Annuity Starting Date, the Participant's Spouse, if the Participant is married on the date of the Participant's death, shall be entitled to receive a surviving spouse annuity payable in semi-monthly payments for the surviving Spouse's lifetime commencing on or about the first day of the month immediately following the later of the date of the Participant's death and the date the Participant would have attained age 65. Notwithstanding the preceding sentence, the surviving Spouse of a Participant who is described in the preceding sentence and who dies before the Participant's 65th birthday may elect, in writing in the manner specified by the Committee, to receive payment of the surviving spouse annuity on any Service Annuity payment date following the later of the date of the Participant's death and the date the Participant would have attained age 60, but in no event later than the first day of the month immediately following the date the Participant would have attained age 65. The annual amount of the surviving spouse annuity shall be 50% of the annual Service Annuity computed pursuant to Section 5.7 (relating to deferred vested termination) that would have been payable to such Participant had payment of such deferred Service Annuity commenced at age 65, in either case, reduced by 2% for each year (computed to the nearest full year), if any, by which the age of such Participant exceeds the age of the Participant's surviving Spouse. Notwithstanding the preceding sentence, in no event shall the annual amount of the surviving spouse annuity computed pursuant

to this paragraph (c) of Section 6.3 be less than 50% of the annual amount of the marital annuity, computed pursuant to paragraph (b) of Section 6.1 (relating to annuities payable to married Participants) that would have been payable to such Participant had payment of such marital annuity commenced at age 65.

Except as provided in Section 6.4 (relating to pre-retirement surviving Child benefits) or Section 6.5 (relating to death benefits with respect to certain Participants who die during employment and after age 65), no Service Annuity or other benefit shall be payable under this Plan with respect to a Participant who dies prior to the Participant's Annuity Starting Date and who on the date of the Participant's death has no surviving Spouse. In addition, except as provided in Section 6.5 (relating to death benefits with respect to certain Participants who die during employment and after age 65), no Service Annuity or other benefit shall be payable under this Plan with respect to a Participant who dies prior to completion of at least five years of Vesting Service.

Section 6.4. Pre-retirement Surviving Child Benefits. In the event of the death of any Participant who (i) has at least ten years of Credited Service and (ii) has on file with the Plan Administrator either a family annuity or a surviving dependent's annuity, then, except as provided in Section 6.5 (relating to death benefits with respect to certain Participants who die during employment and after age 65), such Participant's surviving Dependent Minor Children or Dependent Disabled Children, as the case may be, shall receive a surviving child annuity payable in semi-monthly payments commencing on the Service Annuity payment date immediately following the Participant's death and ending with the Service Annuity payment for the period next preceding the date on which (i) in the case of a family annuity, all of the Participant's Children have attained age 21 and (ii) in the case of a surviving dependent's annuity, all of the

Participant's Children cease to be Dependent Disabled Children. The annual amount of such surviving child annuity shall be the annual annuity the Participant's Child or Children would have received (i) had the Participant terminated employment on the date of the Participant's death under circumstances entitling the Participant to a Service Annuity under Section 5.2 (relating to Normal and Deferred Retirement) or Section 5.3 (relating to Early Retirement) and died subsequently, or (ii) in the case of a Participant who dies before attaining age 55, had the Participant terminated employment at age 55 under circumstances entitling the Participant to a Service Annuity under Section 5.3 (relating to Early Retirement) and died subsequently, in either case, reduced by 2% for each year (computed to the nearest full year), if any, by which the age of such Participant exceeds the age of the other parent of such Child or Children at the Participant's death or the age such other parent would have attained on such date had such other parent survived or if, in either case, the age of such other parent cannot be determined, the age shall be deemed to be the same as the Participant.

Section 6.5. Death Benefits for Spouse or Child of Participant Who Dies During Employment After Age 65. Notwithstanding any provision of this Plan to the contrary, in the event of the death of any Participant who (a) has attained age 65 and (b) on the date of his or her death the Participant is married or has on file with the Plan Administrator an election for a family annuity or a surviving dependent's annuity, the Participant's surviving Spouse or Dependent Minor Children, as the case may be, shall receive the annuities they would have received had the Participant terminated employment on the date of the Participant's death under circumstances entitling the Participant to a Service Annuity under Section 5.2 (relating to Normal and Deferred Retirement) and died subsequently, or, in the case of a surviving Spouse, a surviving spouse

annuity computed pursuant to the applicable paragraph of Section 6.3 (relating to pre-retirement surviving spouse benefits), if greater.

Section 6.6. Election Procedure. (a) Notice of Availability of Elections. No less than 30 days and no more than 90 days before the Participant's Annuity Starting Date, the Committee shall give the Participant by mail or personal delivery written notice in nontechnical language that, if the Participant is eligible, the Participant may elect an optional form of Service Annuity set forth in Section 6.2 (relating to optional Service Annuity forms). Notwithstanding the preceding sentence, the Committee may deliver such notice to the Participant less than 30 days before the Participant's Annuity Starting Date or after the Participant's Annuity Starting Date, provided that (i) the Participant and the Participant's spouse (if any) waive any requirement that such notice be provided no less than 30 days before the Participant's Annuity Starting Date and (ii) payment of the Participant's Service Annuity commences more than 7 days after such notice is received by the Participant. The notice referred to herein shall include (i) a general description of the Service Annuity forms provided under this Plan, the eligibility requirements for such Service Annuity forms and the circumstances under which the basic Service Annuity form set forth in Section 6.1 (relating to the basic Service Annuity form of payment) will be provided unless a Participant, with the consent of the Participant's Spouse (if any), elects otherwise and (ii) general information on the relative financial effect upon a Participant's Service Annuity if the Participant elects an optional form of Service Annuity or revokes any prior election. Such notice shall also advise the Participant that upon written request to the Committee prior to the end of the election period set forth in paragraph (b) of this Section 6.6 the Participant will be given a written explanation in nontechnical language of the terms and conditions of the Service Annuity forms provided under this Plan and the financial effect, in

terms of dollars per payment, upon the Participant's Service Annuity if the Participant elects an optional form of Service Annuity. Such explanation shall be mailed or personally delivered to the Participant within 30 days from the date the Participant's written request is received by the Committee and, notwithstanding the provisions of paragraph (b) of this Section 6.6, the election period set forth in such paragraph shall not end until the 60th day following the date such explanation is mailed or personally delivered to the Participant, unless the Participant waives such period as described in such paragraph.

(b) Election of Optional Form of Service Annuity. Subject to the terms of, and except as otherwise provided by, this paragraph, a Participant may, at any time during the 90-day period ending on the Participant's Annuity Starting Date, elect, change or revoke (i) any form of Service Annuity provided under this Plan and (ii) the percentage of the Participant's Service Annuity to be paid to a Spouse under a marital annuity, to a Dependent Minor Child under a family annuity or to a Dependent Disabled Child under a surviving dependent's annuity. Notwithstanding the preceding sentence, if the written notice described in paragraph (a) of this Section 6.6 is delivered to the Participant within 30 days of, or after, the Participant's Annuity Starting Date, the Participant may make an election, change or revocation as described in the preceding sentence at any time within 30 days after the date the written notice described in paragraph (a) of this Section 6.6 is delivered to the Participant. The Participant and the Participant's Spouse, if any, may waive the 30 day period described in the preceding sentence and begin receiving payment of the Participant's Service Annuity prior to the expiration of such 30-day period, provided that distribution of the Participant's Service Annuity commences more than 7 days after the notice described in paragraph (a) of this Section 6.6 is delivered to the Participant. An election, change or revocation described in this paragraph (b) shall be made by

delivering a written notice describing the election, change or revocation to the Committee. Notwithstanding the foregoing, if the Participant is married on the Participant's Annuity Starting Date, the Participant's election to receive an optional form of Service Annuity under Section 6.2 (relating to optional Service Annuity forms) in lieu of the marital annuity described in paragraph (b) of Section 6.1 (relating to annuities payable to married Participants) shall not be effective unless (i) it shall have been consented to at the time of such election in writing by the Participant's Spouse and such consent acknowledges the effect of such election and is witnessed by either a Plan representative or a notary public, or (ii) it is established to the satisfaction of a Plan representative that such consent cannot be obtained because the Participant's Spouse cannot be located or because of such other circumstances as may be prescribed in Regulations. An election of an optional Service Annuity form shall be deemed a rejection of the basic Service Annuity form provided in Section 6.1 (relating to the basic Service Annuity form of payment). The consent of a Spouse required by this paragraph shall not be necessary for a distribution required by a qualified domestic relations order described in paragraph (b) of Section 13.2.

(c) Automatic Cancellation of Elections. If a Participant's Service Annuity is payable in the form of a marital annuity and if, prior to the Participant's Annuity Starting Date, the Participant's spouse dies or the Participant and such spouse divorce, the Participant's election or deemed election to receive a marital annuity shall, upon the Participant's notice to the Committee of such death or divorce, be automatically cancelled, unless, subsequent to such spouse's death or the Participant's divorce and prior to the Participant's Annuity Starting Date, the Participant remarries and notice of such new marriage is delivered to the Committee.

If a Participant's Service Annuity is payable in the form of a marital annuity and if, after the Participant's Annuity Starting Date, the Participant's Spouse predeceases the

Participant or the Participant's Spouse, pursuant to a duly entered divorce decree, specifically relinquishes all rights to receive any Service Annuity in the event of the Participant's death, the Participant's Service Annuity shall be recomputed prospectively as if the Participant were not married on the Annuity Starting Date. Any marriage by the Participant after the Participant's Annuity Starting Date shall not affect the payment of the Participant's Service Annuity or require any payment to the Participant's new spouse.

If a Participant has elected to receive a family annuity and, either before or after payment of such annuity commences, all of the Participant's previously Dependent Minor Children have predeceased the Participant or have ceased to be dependent, within the meaning of Section 152 of the Code, the Participant's election to receive a family annuity shall, upon the Participant's notice to the Committee of such death or cessation of being a dependent, be automatically cancelled.

If a Participant has elected to receive a surviving dependent's annuity and either before or after payment of such annuity commences, all of the Participant's previously Dependent Disabled Children have predeceased the Participant or have ceased to be Dependent Disabled Children, as certified by the medical director of the Company or by such other licensed physician designated by the Company, the Participant's election to receive a surviving dependent's annuity shall, upon the Participant's notice to the Committee of such death or cessation of being a Dependent Disabled Child, be automatically cancelled.

A Participant whose election has been automatically cancelled pursuant to this paragraph (c) shall be entitled to receive the Service Annuity described in Section 6.1 (relating to the basic Service Annuity form of payment) or, in the case of an election that is automatically cancelled prior to the Participant's Annuity Starting Date and subject to Section 6.1 (relating to

the basic Service Annuity form of payment), such other form of Service Annuity described in Section 6.2 (relating to optional Service Annuity forms) for which the Participant is eligible and elects in accordance with this Section 6.6.

Section 6.7. Lump-Sum Payments. Notwithstanding anything herein to the contrary, if the monthly amount of any Service Annuity shall initially be or at any time become $10 or less, the Participant, Beneficiary or Retiree may, in lieu of such annuity, elect to receive, and within 30 days after such election there shall be paid to such Participant, Beneficiary or Retiree, an amount equal to the lump sum equivalent of such annuity calculated on the basis of the "applicable interest rate" as defined in Section 417 of the Code and the Regulations promulgated thereunder and the applicable mortality table.

In the case of a distribution pursuant to this Section 6.7 that is an "eligible rollover distribution" within the meaning of Section 402 of the Code and that is at least $200, the Participant or the Participant's surviving Spouse may elect that all or any portion of such distribution to which such Participant or surviving Spouse is entitled shall be directly transferred as a rollover contribution from the Service Annuity Fund to (i) an individual retirement account described in Section 408(a) of the Code, (ii) an individual retirement annuity described in Section 408(b) of the Code, (iii) an annuity Plan described in Section 403(a) of the Code, or (iv) another Plan qualified under Section 401(a) of the Code (the terms of which permit the acceptance of rollover distributions) (provided, however, that a surviving Spouse of a Participant may only elect to have such distribution transferred directly to an individual retirement account or individual retirement annuity). Notwithstanding the foregoing, a Participant or the Participant's surviving Spouse shall not be entitled to elect to have less than the total amount of such distribution transferred as a rollover contribution unless the amount to be transferred equals

at least $500. At least 30 days but no more than 90 days prior to the date on which the Participant or the Participant's surviving Spouse is entitled to receive a distribution described in this Section 6.7, a written explanation shall be provided to the Participant or the Participant's surviving Spouse of the availability of the direct rollover option, the rules that require income tax withholding on distributions, the rules under which the Participant or the Participant's surviving Spouse may roll over the distribution within 60 days of receipt and, if applicable, other special tax rules that may apply to the distribution.

Section 6.8. Distributions to Dependent Minor and Disabled Children. Any distribution under this Plan to a Dependent Minor Child or Dependent Disabled Child, or payment to any person for the account of a Dependent Minor Child or Dependent Disabled Child, as the case may be, shall discharge all obligations in respect of such payment, and none of the Company, the Trustees or the Committee shall have any duty to see to the application by any third party of any distribution made to or for the benefit of such Dependent Minor Child or Dependent Disabled Child.

ARTICLE 7
LIMITATIONS ON BENEFITS

Section 7.1. Maximum Annual Benefits. Notwithstanding any other provision of this Plan to the contrary, in any Plan Year, the amount of a Participant's projected annual benefit under this Plan shall be limited to an amount such that (i) such projected annual benefit and the aggregate projected annual benefit of the Participant under all other defined benefit plans maintained by an Employer or any other Affiliate does not exceed the lesser of:

(A) the product of the Participant's years of Credited Service, not in excess of ten, multiplied by $9,000 (as increased to reflect the cost of living adjustments provided under Section 415 of the Code), and

(B) the product of the Participant's years of Vesting Service, not in excess of ten, multiplied by an amount equal to 10% of the Participant's average compensation for the three consecutive calendar years in which the Participant's compensation was the highest and which are included in the Participant's period as an active Participant in the Plan,

and (ii) with respect to limitation years beginning before January 1, 2000, the sum of (C) and (D) below does not exceed 1.

(C) The sum of the projected annual benefit provided under this Plan and the aggregate projected annual benefit of the Participant under all other defined benefit plans maintained by an Employer or any other Affiliate (determined as of the close of the Plan Year), divided by the lesser of

(I) 125% of the maximum dollar limitation contained in Section 415(b)(1)(A) of the Code, as adjusted for increases in the cost of living as set forth in Regulations, and

(II) 140% of the average of the Participant's compensation for the three consecutive calendar years during which the Participant's compensation was the highest.

(D) The aggregate annual additions to the Participant's accounts in all defined contribution plans maintained by an Employer or any other Affiliate for all of the Participant's years of Credited Service (determined as of the close of the Plan Year), divided by the sum computed by (1) determining for each of such Participant's years of Credited Service the lesser of

(I) 125% of the maximum dollar amount which under Section 415(c)(1)(A) of the Code could have been contributed on behalf of the Participant to a defined contribution plan, and

(II) 35% of the Participant's annual compensation,

and (2) adding together all of such lesser amounts so determined.

The dollar amount set forth in clause (A) of the first paragraph of this Section 7.1 shall be actuarially reduced pursuant to Regulations prescribed for such purpose by the Secretary of the Treasury if pension benefits commence prior to the Participant's "social security retirement age" (as defined below). If a Participant's pension benefits commence after the Participant attains his or her social security retirement age, such dollar amount shall be increased to the actuarial equivalent thereof pursuant to Regulations prescribed for such purpose by the

Secretary of the Treasury, by using the lesser of the interest rate provided under this Plan and 5% per annum. A Participant's "social security retirement age" shall be the age used as the retirement age for a Participant under Section 216(1) of the Federal Social Security Act, except that such section shall be applied without regard to the age increase factor and as if the early retirement age under Section 216(1)(2) of such Act was 62.

If the current accrued benefit (as defined in the following sentence) of a Participant who was participating as of January 1, 1987 in a defined benefit plan or plans maintained by the Employer exceeds the number computed in the first paragraph of this Section 7.1, as adjusted by the second paragraph of this Section 7.1, then the current accrued benefit of such Participant shall be substituted for the number computed in the first paragraph of this Section 7.1. For purposes of the preceding sentence, "current accrued benefit" shall mean a Participant's accrued pension under the plan determined as if the Participant has separated from service as of December 31, 1986, when expressed as an annual benefit within the meaning of Section 415(b)(2) of the Code; provided, however, that in determining a Participant's accrued benefit, the following shall be disregarded: (1) any change in the terms and conditions of the Plan after May 5, 1986, and (2) any cost of living adjustment occurring after May 5, 1986.

If the limitation set forth in clause (ii) of the first paragraph of this Section 7.1 would otherwise be exceeded for a Plan Year, then the excess shall be eliminated by reducing the aggregate projected annual benefit of the Participant being funded for such Plan Year under this Plan and any other defined benefit plan maintained by his or her Employer to the extent necessary to eliminate such remaining excess.

A Participant's "projected annual benefit" under this Plan for any Plan Year is the annual Service Annuity which such Participant will be entitled to receive from this Plan

assuming the Participant continues to be an Employee until the Participant is entitled to a Service Annuity, the Participant's compensation continues at the same rate in future Plan Years as in effect at the time of reference and all other relevant factors used to determine the Participant's Service Annuity under this Plan remain in future Plan Years as in effect at the time of reference. The "projected annual benefit" of a person who was previously an Employee and who is eligible to receive a Service Annuity is the annual amount of such Service Annuity. If a Service Annuity is or will be in a form other than a single life annuity or a qualified joint and survivor annuity (within the meaning of Section 417(b) of the Code), then for purposes of determining a person's projected annual benefit and applying the above limitations, such Service Annuity shall be adjusted to a single life annuity which is the actuarial equivalent of such other form of pension. A person's "projected annual benefit" under any other defined benefit plan maintained by the Participant's Employer shall be as determined pursuant to the provisions of Section 415 of the Code and the terms of such plan.

For purposes of this Section 7.1, the terms "annual addition," "compensation," "defined contribution plan," "defined benefit plan" and "year of service" shall have the meanings set forth in Section 415 of the Code and the Regulations promulgated thereunder.

Section 7.2. Temporary Restrictions on Benefits in Case of Termination or Curtailment. This Section 7.2 sets forth restrictions required by the Internal Revenue Service on the Service Annuity payable for a Plan Year to a highly compensated employee or highly compensated former employee, as described in Section 414(q) of the Code and Regulations who is among the twenty-five highest paid nonexcludable employees in the service of the Employers for the Plan Year. The restrictions set forth in this Section 7.2 shall not become applicable if:

(1) after payment to such highly compensated employee of any Service Annuity, the value of Plan assets equals or exceeds 110 percent of the value of current liabilities (as defined in Section 412(l)(7) of the Code),

(2) the value of the Service Annuity paid to such highly compensated employee is less than one percent of the value of current liabilities of the Plan, or

(3) the value of the Service Annuity payable to or on behalf of such highly compensated employee does not exceed the amount described in Section 411(a)(11)(A) of the Code.

If the Service Annuity payable to a Participant is subject to the restrictions set forth in this Section 7.2, the Service Annuity provided from the Plan shall not exceed the payments that would be made on behalf of such Participant under a single life annuity that is the actuarial equivalent of the sum of the Participant's Service Annuity and the Participant's other benefits under the Plan.

The foregoing conditions do not restrict the full payment of any death or survivor's benefits on behalf of a Participant who dies while the Plan is in full effect and its full current costs have been met.

Any amounts that become due but because of the limitations of this Section 7.2, if applicable, cannot be made available to or for the Participant (either currently or later) shall be applied to reduce subsequent contributions of the Employers; but if the Employers have ceased contributions to the Plan, such amounts shall be applied for the benefit of Participants not affected by this Section 7.2 in an equitable and nondiscriminatory manner.

This Section 7.2 is inserted solely for the purpose of complying with the requirements of the Internal Revenue Service and shall not be applied except to the extent necessary to comply with such requirements.

ARTICLE 8
SERVICE ANNUITY FUND

The Service Annuity Fund is the Service Annuity Fund created by the Company for the payment of Service Annuities. All contributions under this Plan shall be paid to the Trustee. The Trustee shall hold all monies and other property received by it and shall invest and reinvest the same, together with the income therefrom, on behalf of the Participants collectively in accordance with the provisions of the Service Annuity Fund. The Trustee shall be a "named fiduciary" under the Plan for purposes of ERISA and, as such, may, in its discretion, delegate to one or more investment managers, as defined in ERISA, the authority to hold, manage, acquire and dispose of all or any part of the Service Annuity Fund. Any investment manager appointed by the Trustee pursuant to this Article 8 which is a bank or trust company supervised by a State or Federal agency is authorized and empowered to invest and reinvest all or any part of the Service Annuity Fund allocated to it for investment in any common, collective or commingled trust qualified under the provisions of Section 401(a) and exempt from tax under Section 501(a) of the Code which is maintained by such investment manager ("common Trust"). During such period of time as all or any portion of the Service Annuity Fund shall be invested in a common trust, the trust document governing such common trust shall govern any investment therein and such trust document shall be a part hereof. Investment of the common trust in deposits of the trustee of the common trust is hereby expressly authorized.

In addition, the Trustees of the Service Annuity Fund are authorized and empowered to invest and reinvest all or any part of the Service Annuity Fund in the Commonwealth Edison Pooled Fund (the "Pooled Fund"). During such period of time as all or any portion of the Service Annuity Fund is invested in the Pooled Fund, the trust document

governing the Pooled Fund shall govern any investment therein and such trust document shall be a part hereof. The trustees of the Pooled Fund who are members of the Investment Committee established thereunder shall be "named fiduciaries" under the Plan for purposes of ERISA and, in their discretion, may delegate to one or more investment managers, as defined in ERISA, the authority to hold, manage, acquire and dispose of all or any part of the Service Annuity Fund invested in the Pooled Fund.

The Trustee shall make distributions from the Service Annuity Fund at such time or times to such person or persons and in such amounts as the Committee shall direct in accordance with this Plan.

ARTICLE 9
SPECIAL RULES RELATING TO PARTICIPATION OF AND DISTRIBUTION TO CERTAIN TERMINATED EMPLOYEES

Section 9.1. Employment After Commencement of Service Annuity. A retired Employee or former Employee, other than an Employee described in the next following paragraph, receiving a Service Annuity may be employed in any business, including that of an Employer or an Affiliate, without in any way affecting the payment to him or her of his or her Service Annuity, provided however, that his or her service with an Employer or an Affiliate shall be temporary and under such rules as the Committee may adopt.

A retired bargaining unit Employee or former bargaining unit Employee, if such bargaining unit Employee was a member of Local Union 15 (or a predecessor union), International Brotherhood of Electrical Workers, receiving a Service Annuity may be employed in any business, other than that of the Company, without in any way affecting the payment to him or her of his or her Service Annuity. Such retired bargaining unit Employee, or former

bargaining unit Employee, receiving a Service Annuity may be employed in the temporary service of an Employer or an Affiliate, but, except as otherwise provided in paragraph (b) of Section 5.2, during the term of such employment, he or she shall not receive any Service Annuity payments unless such employment is for less than 40 Hours of Service per calendar month. Upon the conclusion of such temporary service employment, Service Annuity payments shall again be made to him or her in the same basis as before his or her temporary service employment.

Section 9.2. Social Security Increases. The Service Annuity of a Retiree or a Participant who has terminated employment under circumstances that entitle the Participant to a deferred Service Annuity under Section 5.7 (relating to deferred vested termination) shall not be recomputed to reflect any change in the benefit levels payable under Title II of the Federal Social Security Act or any change in the wage base under such Title II if such change takes place after the earlier of the date payment of such Service Annuity commences or the date of such termination, as the case may be.

Section 9.3. Leased Employees. A leased employee (within the meaning of section 414(n)(2) of the Code) shall not be eligible to participate in the Plan. If a person who performed services as a leased employee (within the meaning of Section 414(n)(2) of the Code) of any Employer or Affiliate becomes an Employee, or if an Employee becomes such a leased employee, then any period during which such services were so performed shall be taken into account solely for the purposes of determining whether and when such person is eligible to participate in this Plan under Article 3 (relating to participation), measuring such person's years of Vesting Service and determining when such person has terminated his or her employment for purposes of Article 5 (relating to Service Annuities) and Article 6 (relating to Service Annuity

forms) to the same extent it would have been had such service been as an Employee. This Section 9.3 shall not apply to any period of service during which such a leased employee was covered by a plan described in Section 414(n)(5) of the Code and during which the total number of leased employees did not constitute more than 20% of the Employer's non-highly compensated work force within the meaning of Section 414(n)(1)(C)(ii) of the Code.

Section 9.4. Suspension of Service Annuities for Participants who Remain Employed After Normal Retirement Age. Notwithstanding anything contained in the Plan to the contrary and except as provided in paragraph (b) of Section 5.2 (relating to special rule for Participants who attain age 70-1/2 while employed), a Participant who remains an Employee after the Participant's Normal Retirement Age without having any Termination of Employment that results in the Participant beginning to receive his or her Service Annuity shall be notified by the Committee, in writing by personal delivery or certified mail, during the calendar month during which the Participant's Normal Retirement Age occurs, that the Participant shall not be entitled to receive any Service Annuity for any calendar month of employment by an Employer or an Affiliate during which the Participant completes at least 40 Hours of Service. The Service Annuity of such a Participant or the Participant's Beneficiary shall be actuarially increased to reflect the Service Annuity payable to such Participant pursuant to Article 5 (relating to Service Annuities), determined without regard to this Section 9.4, for any calendar month during which the Participant does not complete 40 Hours of Service, but shall not be actuarially adjusted for any delay in the commencement of payment of the Participant's Service Annuity.

Section 9.5. Reemployment Before Commencement of Service Annuity. (a) Employees Represented by IBEW Local Union 15. The following rules shall apply to an Eligible Employee who is a member of a collective bargaining unit represented by IBEW Local

Union 15 who incurs a Termination of Employment and who is rehired by an Employer prior to commencing his or her Service Annuity or any benefits under the Exxon Corporation Cash Balance Pension Plan for Bargaining Unit Employees:

(i) Rehire Date Before Absence of 5 Years. If an Employee terminates employment and is later rehired by an Employer before having an absence from employment with the Employers and their Affiliates of five years and, on the date of such Employee's rehire, the Employee is a member of a collective bargaining unit represented by IBEW Local Union 15, then either: (1) if such Employee was a Participant on the date his or her employment terminated, such Employee shall become a Participant in the Plan as of his or her rehire date or (2) if such Employee was not a Participant on the date his or her employment terminated, such Employee shall not be an Eligible Employee and shall not become a Participant.

(ii) Rehire Date After Absence of at Least 5 Years. If an Eligible Employee terminates employment, regardless of whether such Eligible Employee was a Participant on the date that his or her employment terminated, and is later rehired by an Employer after having an absence from employment with the Employers and their Affiliates of at least five years and, on the date of such Employee's rehire, the Employee is a member of a collective bargaining unit represented by IBEW Local Union 15, such Eligible Employee shall (A) if he or she was a Participant with a vested Service Annuity as of his or her termination date, become a Participant as of his or her rehire date, (B) if he or she was not a Participant as of his or her termination date and was a participant entitled to a vested benefit under the Exxon Corporation Cash Balance Pension Plan for Bargaining Unit Employees as of his or her termination date, he or she shall not be an Eligible Employee and shall not become a Participant, or (C) if he or she was neither a Participant with a vested Service Annuity nor a participant entitled to a vested benefit under the Cash Balance Pension Plan for Bargaining Unit Employees as of his or her termination date, be permitted to elect, in accordance with procedures established by the Committee, to participate in the Plan or the Exelon Corporation Cash Balance Pension Plan for Bargaining Unit Employees as of his or her rehire date.

(b) Management Employees. The following rules shall apply to an Eligible Employee who is not a member of a collective bargaining unit represented by IBEW Local Union 15 and who is rehired by an Employer after a Termination of Employment and prior to commencing his or her Service Annuity or any benefits under the Exelon Corporation Cash Balance Pension Plan, as applicable:

(i) Rehire Date Before Absence of 5 Years. If an Employee terminates employment and is later rehired by an Employer before having an absence from employment with the Employers and their Affiliates of five years and, on the date of his or her rehire, such Employee is not a member of a collective bargaining unit represented by IBEW Local Union 15, then either: (1) if such Employee was a Participant on the date his or her employment terminated, such Employee shall be Participant in the Plan as of his or her rehire date if he or she is then an Eligible Employee or (2) if such Employee was not a Participant on the date his or her employment terminated, such Employee shall not be an Eligible Employee and shall not become a Participant. Notwithstanding clause (1) of the preceding sentence, if an Eligible Employee described in the preceding sentence was not at any time permitted to make the election described in Section 3.2(a) or was permitted to make such election and elected to participate in the Exelon Corporation Cash Balance Pension Plan but such election was not given effect as a result of such Employee's Termination of Employment, such Eligible Employee shall be permitted to elect, in the time and manner prescribed by the Committee, to either (1) participate in the Plan as of his or her rehire date or (2) participate in the Exelon Corporation Cash Balance Pension Plan at the time prescribed therein and have his or her Service Annuity and related assets transferred to such plan in the manner described in Section 3.2(b).

(ii) Rehire Date After Absence of at Least 5 Years. If an Employee terminates employment with the Employers and their Affiliates and the Employee was not a Participant or was a Participant who did not have a vested Service Annuity as of the date his or her employment terminated, and such Employee is rehired by an Employer after having an absence from employment with the Employers and their Affiliates of at least five years and, on the date of his or her rehire, such Employee is not a member of a collective bargaining unit represented by IBEW Local Union 15, such Employee shall not be an Eligible Employee and shall not become a Participant upon such rehire. If a Participant with a vested Service Annuity terminates employment with the Employers and their Affiliates and the Participant is rehired after having an absence from employment with the Employers and their Affiliates of at least five years, such Participant shall remain a Participant upon his or her rehire. Notwithstanding the preceding sentence if a Participant described in the preceding sentence was not at any time permitted to make the election described in Section 3.2(a) or was permitted to make such election and elected to participate in the Exelon Corporation Cash Balance Pension Plan but such election was not given effect as a result of such Employee's Termination of Employment, such Eligible Employee shall be permitted to elect, in the time and manner prescribed by the Committee, to either (1) participate in the Plan as of his or her rehire date or (2) participate in the Exelon Corporation Cash Balance Pension Plan at the time prescribed therein and have his or her Service Annuity and related assets transferred to such plan in the manner described in Section 3.2(b).

Section 9.6. Employees whose Representation by IBEW Local Union 15 Changes. If an Employee who, on the day he or she first performed an Hour of Service with an Employer, was not a member of a collective bargaining unit represented by IBEW Local Union 15 and was not an Eligible Employee later becomes an Eligible Employee as a result of becoming a member of a collective bargaining unit represented by IBEW Local Union 15 and being employed at a facility that, as of October 19, 2000, was owned by Commonwealth Edison Company, Unicom Corporation or any affiliate of Unicom Corporation, such Employee shall become a Participant as of the date he or she first becomes a member of a collective bargaining unit represented by IBEW Local Union 15, provided that such Employee does not elect, in the time and manner prescribed by the Committee for such an election, to participate in the Exelon Corporation Cash Balance Plan for Bargaining Unit Employees. If an Employee who was a member of a collective bargaining unit represented by IBEW Local Union 15 and who first became employed by an Employer prior to January 1, 2001 later ceases to be a member of a collective bargaining unit represented by IBEW Local Union 15, such Employee shall be permitted to elect, in the time and manner prescribed by the Committee, to either (a) continue to participate in the Plan as of the date he or she ceases to be a member of a collective bargaining unit represented by IBEW Local Union 15 or (b) participate in the Exelon Corporation Cash Balance Pension Plan at the time prescribed therein and have his or her Service Annuity and related assets transferred to such plan in the manner described in Section 3.2(b).

Section 9.7. Transfer of Employment to or Reemployment in Positions Eligible for Participation in the Plan or the Service Annuity Plan of PECO Energy Company by Certain Individuals Who Were Participants in Such a Plan on December 31, 2000. If a Participant who was a Participant on December 31, 2000 transfers employment to or is reemployed by an

Employer or an Affiliate in a job classification with respect to which similarly situated employees of such Employer or Affiliate are not eligible to participate in the Plan but are instead eligible to participate in the Service Annuity Plan of PECO Energy Company (or would be so eligible but for their election to participate in the Exelon Corporation Cash Balance Pension Plan), then such individual shall upon such transfer or reemployment remain a Participant in the Plan and shall not participate in the Service Annuity Plan of PECO Energy Company. If a participant in the Service Annuity Plan of PECO Energy Company who was a participant in such plan on December 31, 2000 transfers employment to or is reemployed by an Employer or an Affiliate in a management job classification with respect to which similarly situated employees of such Employer or Affiliate are not eligible to participate in such plan but are instead eligible to participate in the Plan (or would be so eligible but for their election to participate in the Exelon Corporation Cash Balance Pension Plan), then such individual shall upon such transfer or reemployment remain a participant in the Service Annuity Plan of PECO Energy Company and shall not participate in the Plan.

ARTICLE 10
ADMINISTRATION

Section 10.1. The Committee. (a) the Company shall be the "administrator" and a "named fiduciary" of this Plan within the meaning of such terms as used in ERISA. The board of directors of the Company shall choose annually at least three persons, one of whom shall be named Chairman, who shall act and be known as the Service Annuity Committee. The members of the Committee shall be "named fiduciaries" under the Plan for purposes of ERISA and shall have general responsibility, except for duties specifically vested in the Trustee, for the administration of the Plan. The Committee shall make to the board of directors of the Company

such reports of the operations of the Plan, at such time and in such form, as the board may direct. The board of directors of the Company shall have the right at any time, with or without cause, to remove any member or members of the Committee. A member of the Committee may resign and such member's resignation shall be effective upon delivery of such member's written resignation to the Company. Upon the resignation, removal or failure or inability for any reason of any member of the Committee to act hereunder, the board of directors of the Company shall appoint, for the unexpired term, a successor member, provided that the Committee shall at all times consist of at least five members. All successor members of the Committee shall have all the rights, privileges and duties of their predecessors, but shall not be held accountable for the acts of their predecessors.

(b) No member of the Committee who is a Participant shall take part in any action of the Committee or any matter involving solely such member's rights under this Plan.

(c) Promptly after the appointment of the members of the Committee and from time to time thereafter and promptly after the appointment of any successor member of the Committee, the Trustee shall be notified as to the names of the persons appointed as members or successor members of the Committee by delivery to the Trustee of a certified copy of the resolution of the board of directors of the Company making such appointment or by such other instrument as may be acceptable to the Trustee.

(d) The Committee shall have the duty and authority to interpret and construe this Plan in regard to all questions of eligibility, the status and rights of Participants, Retirees, Beneficiaries and other persons under this Plan, and the manner, time, and amount of payment of any distributions under this Plan. The determination of the Committee with respect to an Employee's years of Credited Service, the amount of the Employee's Earnings, Highest Average

Annual Pay, Federal Benefit and any other matter affecting payments under the Plan shall be final and binding. Benefits under the Plan shall be paid to a Participant or Beneficiary only if the Committee, in its discretion, determines that such person is entitled to benefits.

(e) Each Employer shall, from time to time, upon request of the Committee, furnish to the Committee such data and information as the Committee shall require in the performance of its duties.

(f) The Committee shall direct the Trustee to make payments of amounts to be distributed from the Trust under Article 6 (relating to Service Annuity forms). In addition, it shall be the duty of the Committee to certify to the Trustee the names and addresses of all Retirees, the amounts of all Service Annuities, the dates of death of Retirees and all proceedings and acts of the Committee necessary or desirable for the Trustees to be fully informed as to the Service Annuities to be paid out of the Service Annuity Fund.

(g) The members of the Committee may allocate their responsibilities among themselves and may designate any person, partnership or corporation to carry out any of their responsibilities. Any such allocation or designation shall be reduced to writing and such writing shall be kept with the records of the meetings of the Committee.

(h) The Committee may act at a meeting, or by writing without a meeting, by the vote or written assent of a majority of its members. The Committee shall select a Secretary and the Secretary shall be this Plan's agent for service of legal process, keep records of all meetings of the Committee, and forward all necessary communications to the Trustee. Subject to the approval of the board of directors of the Company, the Committee shall have the power to adopt and enforce such rules, regulations and procedures as it deems desirable for the conduct of its

affairs and the efficient administration of this Plan and that are consistent with the provisions of this Plan and ERISA.

(i) The members of the Committee, and each of them, shall discharge their duties with respect to this Plan (i) solely in the interest of the Participants and Beneficiaries, (ii) for the exclusive purpose of providing benefits to Employees participating in this Plan and their beneficiaries and of defraying reasonable expenses of administering this Plan, and (iii) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. The Employers hereby jointly and severally indemnify the members of the Committee, and each of them, from the effects and consequences of their acts, omissions and conduct in their official capacity, except to the extent that such effects and consequences shall result from their own willful misconduct.

(j) No member of the Committee shall receive any compensation or fee for services, unless otherwise agreed between such member of the Committee and the Employers, but the Employers shall reimburse the Committee members for any necessary expenditures incurred in the discharge of their duties as Committee members.

(k) The Committee may employ such counsel (who may be of counsel for any Employer) and agents and may arrange for such clerical and other services as it may require in carrying out the provisions of this Plan.

Section 10.2. Claims Procedure. Any Participant or distributee who believes he or she is entitled to benefits in an amount greater than those which he or she is receiving or has received may file a claim with the Committee. Such a claim shall be in writing and state the nature of the claim, the facts supporting the claim, the amount claimed, and the address of the

claimant. The Committee shall review the claim and, unless special circumstances require an extension of time, within 90 days after receipt of the claim, give notice to the claimant, either in writing by registered or certified mail or in an electronic notification, of the Secretary's decision with respect to the claim. Any electronic notice delivered to the claimant shall comply with the standards imposed by applicable Regulations. If the Committee determines that special circumstances require an extension of time for processing the claim, the claimant shall be so advised in writing within the initial 90-day period and in no event shall such an extension exceed 90 days. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Committee expects to render the benefit determination. The notice of the decision of the Committee with respect to the claim shall be written in a manner calculated to be understood by the claimant and, if the claim is wholly or partially denied, the Committee shall notify the claimant of the adverse benefit determination and shall set forth the specific reasons for the adverse determination, the references to the specific Plan provisions on which the determination is based, a description of any additional material or information necessary for the claimant to perfect the claim, an explanation of why such material or information is necessary, and a description of the claim review procedure under the Plan and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502 of ERISA following an adverse benefit determination on review. The Committee shall also advise the claimant that the claimant or the claimant's duly authorized representative may request a review by the Chairman of the Committee of the adverse benefit determination by filing with the Chairman of the Committee, within 60 days after receipt of a notification of an adverse benefit determination, a written request for such review. The claimant shall be informed that, within the same 60-day period, he or she (a) may be provided, upon

request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits and (b) may submit to the Chairman written comments, documents, records and other information relating to the claim for benefits. If a request is so filed, review of the adverse benefit determination shall be made by the Chairman within, unless special circumstances require an extension of time, 60 days after receipt of such request, and the claimant shall be given written notice of the Chairman's final decision. If the Chairman determines that special circumstances require an extension of time for processing the claim, the claimant shall be so advised in writing within the initial 60-day period and in no event shall such an extension exceed 60 days. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Chairman expects to render the determination on review. The review of the Chairman shall take into account all comments, documents, records and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The notice of the final decision shall include specific reasons for the determination and references to the specific Plan provisions on which the determination is based and shall be written in a manner calculated to be understood by the claimant.

Section 10.3. Procedures for Domestic Relations Orders. If the Committee shall receive any judgment, decree or order (including approval of a property settlement agreement) pursuant to State domestic relations or community property law relating to the provision of child support, alimony or marital property rights of a spouse, former spouse, child or other dependent of a Participant and purporting to provide for the payment of all or a portion of the Participant's Service Annuity to or on behalf of one or more of such persons (such judgment, decree or order being hereinafter called a "domestic relations order"), the Secretary of the Committee shall

promptly notify the Participant and each other payee specified in such domestic relations order of its receipt and of the following procedures. After receipt of a domestic relations order, the Secretary of the Committee shall determine whether such order constitutes a "qualified domestic relations order" as defined in paragraph (b) of Section 13.2, and shall notify the Participant and each payee named in such order in writing of the Secretary's determination within a reasonable time after receipt of such order. Such notice shall be written in a manner calculated to be understood by the parties and shall contain an explanation of the review procedure under this Plan. If the Secretary of the Committee determines that the order is not a "qualified domestic relations order," such notice also shall set forth specific reasons for the Secretary's determination. The Secretary shall advise each party that each party or a duly authorized representative of such party may request a review by the full Committee of the Secretary's determination by filing with the Committee within 60 days of receipt of the Secretary's determination a written request for such review. The Secretary of the Committee shall give every party affected by any such request for review notice of such request. Each party also shall be informed that he or she may have reasonable access to pertinent documents and submit comments in writing to the Committee in connection with such request for review. Within 60 days after a request for review, each party shall be given written notice of the Committee's final determination, which notice shall be written in a manner calculated to be understood by the parties and shall include specific reasons for such final determination.

Section 10.4. Computation of Benefits. The benefit formula, factors contained in any Tables or Schedules and the Federal Benefit taken into account in determining the amount of a Participant's Service Annuity (including the amount paid under the applicable form of payment of such Service Annuity) or the amount of any surviving spouse or surviving child annuity

payable with respect to any Participant shall be the formula, factors and/or Federal Benefit, as applicable, in effect on the date of the Participant's Termination of Employment.

Section 10.5. Actuary to Be Employed. the Company or the Committee shall engage an actuary to do such technical and advisory work as the Company or the Committee may request, including analyses of the experience of this Plan from time to time, the preparation of actuarial tables for the making of computations thereunder, and the submission to the Company or the Committee of an annual actuarial report, which report shall show the financial condition of this Plan, a statement of the contributions to be made by the Employers for the ensuing year, and such other information as may be requested by the Company or the Committee.

Section 10.6. Funding Policy. The board of directors of the Company shall establish a funding policy and method consistent with the objectives of this Plan and the requirements of Title I of ERISA and shall communicate such policy and method, and any changes in such policy and method, to the Trustee.

Section 10.7. Notices to Participants, Etc. All notices, reports and statements given, made, delivered or transmitted to a Participant or any other person entitled to or claiming benefits under this Plan shall be deemed to have been duly given, made or transmitted when mailed by first class mail with postage prepaid and addressed to the Participant or such other person at the address last appearing on the records of the Committee.

Section 10.8. Notices to Employers or Committee. Written directions, notices and other communications from Participants or any other person entitled to or claiming benefits under this Plan to the Employers or Committee shall be deemed to have been duly given, made or transmitted either when delivered to such location as shall be specified upon the forms

prescribed by the Committee for the giving of such directions, notices and other communications or when mailed by first class mail with postage prepaid and addressed to the addressee at the address specified upon such forms.

Section 10.9. Records. The Committee shall keep a record of all of its proceedings and shall keep or cause to be kept all books of account, records and other data as may be necessary or advisable in its judgment for the administration of this Plan.

Section 10.10. Responsibility to Advise Committee of Current Address. Each person entitled to receive a payment under this Plan shall file with the Committee in writing such person's complete mailing address and each change therein. A check or communication mailed to any person at such person's address on file with the Committee shall be deemed to have been received by such person for all purposes of this Plan. Although neither the Committee nor the Trustee shall be obliged to search for or ascertain the location of any person, the Committee shall make reasonable efforts to locate any missing Participant or Beneficiary entitled to benefits hereunder. If the Committee is in doubt as to whether payments are being received by the person entitled thereto, it shall, by registered mail addressed to the person concerned at his or her last address known to the Committee, notify such person that all future payments will be withheld until such person submits to the Committee evidence of his or her continued life and proper mailing address.

ARTICLE 11
PARTICIPATION BY OTHER EMPLOYERS

Section 11.1. Adoption of Plan. With the consent of the Company, any entity may become a participating Employer under this Plan with respect to all or a designated group of its employees by taking such action as shall be necessary or desirable to adopt this Plan and

executing and delivering such instruments as may be necessary or desirable to put this Plan into effect with respect to such entity.

Section 11.2. Withdrawal from Participation. Any Employer may, with the consent of the Company, withdraw from participation in this Plan at any time by filing with the Committee a duly certified copy of a resolution of its board of directors to that effect and giving notice of its intended withdrawal to the Committee and the Trustee prior to the effective date of withdrawal.

Section 11.3. Company and Committee Agent for Employers. Each corporation which shall become a participating Employer pursuant to Section 11.1 (relating to adoption of the Plan) or Article 12 (relating to continuance by a successor) by so doing shall be deemed to have appointed the Company and the Committee its agent to exercise on its behalf all of the powers and authorities hereby conferred upon the Company and the Committee by the terms of this Plan, including, but not by way of limitation, the power to amend and terminate this Plan. The authority of the Company and the Committee to act as such agent shall continue unless and until the portion of the Service Annuity Fund held for the benefit of Employees of the particular Employer and their Beneficiaries is set aside in a separate trust as provided in Section 15.2 (relating to establishment of separate plan).

ARTICLE 12
CONTINUANCE BY A SUCCESSOR

In the event that any Employer shall be reorganized by way of merger, consolidation, transfer of assets or otherwise, so that a corporation, partnership or person other than an Employer shall succeed to all or substantially all of such Employer's business, such successor may be substituted for such Employer under this Plan by adopting this Plan and, if

necessary, becoming a party to the Service Annuity Fund. Contributions by such Employer shall be automatically suspended from the effective date of any such reorganization until the date upon which the substitution of such successor corporation for the Employer under this Plan becomes effective. If, within 90 days following the effective date of any such reorganization, such successor shall not have elected to become a party to this Plan, or if such successor shall adopt a plan of complete liquidation other than in connection with a reorganization, this Plan shall be automatically terminated with respect to employees of such Employer as of the close of business on the 90th day following the effective date of such reorganization or as of the close of business on the date of adoption of such plan of complete liquidation, as the case may be, and the Committee shall direct the Trustee to distribute the portion of the Service Annuity Fund applicable to such Employer in the manner provided in Section 15.2 (relating to establishment of separate plan).

ARTICLE 13
MISCELLANEOUS

Section 13.1. Expenses. The expenses of the Trustee in the administration of the Service Annuity Fund, including compensation, if any, to the Trustee for its services, shall be paid by the Company or the Employers. All costs and expenses incurred in the operation of the Service Annuity Fund, to the extent not described in the preceding sentence, and all costs and expenses incurred in the operation of the Plan and the Pooled Fund, including, but not limited to, the expenses of the Committee, the fees of counsel and any agents for the Trustee or the Committee, and the fees of investment managers that manage assets of the Pooled Fund shall be paid by the Trustee from the Service Annuity Fund or the Pooled Fund in such proportion as the Trustee, in its sole discretion, shall determine, to the extent such expenses are not paid by the

Employers and to the extent permitted under ERISA, Regulations and other applicable laws. Any such expenses that are borne by the Employers shall be paid out of their own funds in such proportions as the Committee shall determine. In the event that the Company or any other Employer advances money on behalf of the Service Annuity Fund for the payment of any expenses incurred in the operation of the Plan, the Trustee shall reimburse the Company or such other Employer from the Service Annuity Fund for any amount so advanced, without interest or fees.

Section 13.2. Non-Assignability. (a) It is a condition of this Plan, and all rights of each Participant, Beneficiary and Retiree shall be subject thereto, that no right or interest of any Participant, Beneficiary or Retiree in this Plan shall be assignable or transferable in whole or in part, either directly or by operation of law or otherwise, including, but not by way of limitation, execution, levy, garnishment, attachment, pledge or bankruptcy, but excluding devolution by death or mental incompetency, and no right or interest of any Participant, Beneficiary or Retiree in this Plan shall be liable for, or subject to, any obligation or liability of such Participant, Beneficiary or Retiree, including claims for alimony or the support of any spouse or child, except as provided in paragraph (b) of this Section 13.2 (relating to exception for qualified domestic relations orders).

(b) Exception for Qualified Domestic Relations Orders. Notwithstanding any provision of this Plan to the contrary, if a Participant's Service Annuity under this Plan, or any portion thereof, shall be the subject of one or more qualified domestic relations orders, as defined below, such Service Annuity or portion thereof shall be paid to the person at the time and in the manner specified in any such order. For purposes of this paragraph (b), "qualified domestic relations order" shall mean any "domestic relations order" as defined in Section 10.3 (relating to

procedures for domestic relations orders) which creates (or recognizes the existence of) or assigns to a person other than the Participant (an "alternate payee") rights to all or a portion of the Participant's Service Annuity under this Plan, and:

(A) clearly specifies

(i) the name and last known mailing address (if any) of the Participant and each alternate payee covered by such order,

(ii) the amount or percentage of the Participant's Service Annuity to be paid by this Plan to each such alternate payee, or the manner in which such amount or percentage is to be determined,

(iii) the number of payments to, or period of time for which, such order applies, and

(iv) each plan to which such order applies;

(B) does not require

(i) this Plan to provide any type or form of benefit or any option not otherwise provided under this Plan at the time such order is issued,

(ii) this Plan to provide increased benefits (determined on the basis of actuarial equivalence), or

(iii) the payment of benefits to an alternate payee which at the time such order is issued already are required to be paid to a different alternate payee under a prior qualified domestic relations order; and

(C) does not require the payment of benefits to any alternate payee before the first to occur of (i) the earliest date as of which payment of the Participant's Service Annuity could commence after his or her Termination of Employment, and (ii) the Participant's attainment of age 50,

all as determined by the Company pursuant to the procedures contained in Section 10.3 (relating to procedures for domestic relations orders). Any amounts subject to a domestic relations order prior to determination of its status as a qualified domestic relations order which but for such order would be paid to the Participant shall be segregated in a separate account or an escrow account pending such determination. If, within a reasonable time after receipt of written evidence of such order by the Company, it is determined that a domestic relations order

constitutes a qualified domestic relations order, the amount so segregated (plus any interest thereon) shall be paid to the alternate payee in accordance with the terms of the order. If, within a reasonable time after receipt of a domestic relations order by the Company, it is determined that a domestic relations order does not constitute a qualified domestic relations order, then the amount so segregated (plus any interest thereon) shall, as soon as practicable, be paid to the Participant. Any subsequent determination that such order constitutes a qualified domestic relations order shall apply only to payments made on or after the date of such subsequent determination.

Section 13.3. Employment Non-Contractual. Neither this Plan nor any action taken by the Committee confers any right upon any Employee to continue in employment with any Employer.

Section 13.4. Limitation of Rights. No Participant, Beneficiary or Retiree shall have any right, title, interest or claim in or to any part of the Service Annuity Fund at any time, but shall have the right only to distributions from the Service Annuity Fund on the terms and conditions herein provided. Neither this Plan nor any action taken by the Committee shall obligate any Employer to make contributions to the Service Annuity Fund in excess of the contributions authorized by the board of directors of the Company or create any liability on an Employer for the payment of Service Annuities under this Plan.

Section 13.5. Merger or Consolidation with or Transfer to Another Plan. A merger or consolidation with, or transfer of assets or liabilities to, any other Plan shall not be effected unless the terms of such merger, consolidation or transfer are such that each Participant, Beneficiary, Retiree or other person entitled to receive benefits from this Plan would, if this Plan were to terminate immediately after the merger, consolidation or transfer, receive a benefit equal

to or greater than the benefit such person would be entitled to receive if this Plan were to terminate immediately before the merger, consolidation, or transfer.

If an Employee or a group of Employees ceases to be an Employee or Employees of an Employer and becomes an employee or employees of an Affiliate that is not an Employer but that maintains its own pension plan, there shall be transferred from the Service Annuity Fund to the trust fund for the pension plan of such Affiliate assets in an amount equal to the proportion of the amount of the total assets of the Service Annuity Fund, after deducting therefrom the amount actuarially determined to be necessary for the payment in full of Service Annuities theretofore granted to all Retirees and Participants, which the actuarial reserve allocable to such Employee or such group of Employees, as the case may be, bears to the actuarial reserve allocable to all Employees. If, however, any such group of Employees shall include all of the Employees of all Employers, all of the assets of the Service Annuity Fund shall be so transferred.

If and when a separate pension plan and trust fund is created by the Company for supervisory, administrative and management Employees, there shall be transferred from the Service Annuity Fund to such separate trust fund assets in an amount equal to the sum of (a) that proportion of the amount of the total assets of the Service Annuity Fund, after deducting therefrom the amount actuarially determined to be necessary for the payment in full of Service Annuities theretofore granted to all Retirees and Participants, which the actuarial reserve allocable to such supervisory, administrative and management Employees bears to the actuarial reserve allocable to all Employees, and (b) the amount of assets actuarially determined to be necessary for the payment in full of Service Annuities theretofore granted to Retirees who were supervisory, administrative or management Employees at the time of the granting of such Service Annuities. If and when an Employee shall thereafter be transferred to or from the

management payroll, there shall be transferred from the Service Annuity Fund to such separate trust fund or from such separate trust fund to the Service Annuity Fund, as the case may be, assets in an amount determined in the same manner as described in the preceding sentence (and the Employee's Service Annuity or benefits in the nature of a service annuity shall subsequently be paid out of the Service Annuity Fund or such separate trust fund, as the case may be).

If and when an employee or a group of employees of an Affiliate that is not an Employer shall cease to be an employee or employees of such Affiliate and shall become an Employee or Employees of an Employer, the Trustee under the Service Annuity Fund shall accept, upon transfer from the trust fund of the pension plan of such Affiliate, assets in an amount equivalent to that proportion of the amount of the total assets of such trust fund, after deducting therefrom the amount actuarially determined to be necessary for the payment in full of benefits theretofore granted, which the actuarial reserve allocable to such Employee or such groups of Employees, as the case may be, bears to the actuarial reserve allocable to all employees. If, however, any such group of Employees shall include all of the employees of such Affiliate, all of the assets of such trust fund shall be so accepted.

In the case of each transfer of assets made or accepted pursuant to the provisions of this Section 13.5, the amount of the total assets and (if less than all assets are to be transferred) the proportion thereof to be transferred shall be determined as of a date not earlier than December 31 of the preceding calendar year.

All assets accepted, upon transfer, by the Trustee under the Service Annuity Fund, pursuant to the provisions of this Section 13.5, shall be held and applied in accordance with the provisions of the Trust Agreement relating to the Service Annuity Fund.

Section 13.6. Medical Examination. A Participant or Beneficiary for whom a determination or verification of physical or medical condition is in the opinion of the Committee relevant to the application of this Plan shall, if and when reasonably requested by the Committee, submit to medical examination by a physician appointed by the Committee.

ARTICLE 14
TOP-HEAVY PLAN REQUIREMENTS

Section 14.1. Top-Heavy Plan Determination. If, as of the determination date (as hereinafter defined) for any Plan Year, the aggregate present value of (a) the accrued Service Annuities under this Plan and the accrued benefits under all other defined benefit plans in the aggregation group (as defined below) and (b) the aggregate account balances under all defined contribution plans in such aggregation group, in each case with respect to all participants in such plans who are key employees (as defined in Section 416(i) of the Code) for such Plan Year, exceeds 60% of the aggregate of the present value of the Service Annuities, accrued benefits and account balances of all participants in such plans as of the determination date, then this Plan shall be a top-heavy plan for such Plan Year, and the requirements of Section 14.2 (relating to minimum benefit for top-heavy years), Section 14.3 (relating to top-heavy vesting requirements) and Section 14.4 (relating to special rules for applying statutory limitations on benefits) shall be applicable for such Plan Year as of the first day thereof. An employee's compensation, as defined in Section 416(i) of the Code, from the Company and its Affiliates for a Plan Year shall be used, where applicable, in determining whether such employee is a key employee.

For purposes of the first sentence of the preceding paragraph, for any Plan Year, the Service Annuity accrued in respect of any Employee shall be the amount calculated as of the determination date, and the present value of such amount shall be based on the actuarial

assumptions used in the actuarial valuation as of such determination date. The calculation of the present value of the Service Annuity accrued in respect of any Employee shall be subject to adjustments required under Section 416 of the Code.

If this Plan shall be a top-heavy plan for any Plan Year and not be a top-heavy plan for any subsequent Plan Year, the requirements of this Article shall not be applicable for such subsequent Plan Year except to the extent provided in Section 14.3 (relating to top-heavy vesting requirements).

For purposes of this Article, (a) the aggregation group shall consist of (i) if a key employee was a Participant in this Plan during the Plan Year containing the determination date (defined below) or any of the four preceding Plan Years, then this Plan and each other plan of an Employer which is qualified under Section 401(a) of the Code and in which a key employee is a participant during any of such Plan Years, (ii) this Plan and each other plan which enables this Plan to meet the requirements of Section 401(a)(4) or 410(b) of the Code during the Plan Year containing the determination date (defined below) or any of the four preceding Plan Years, and (iii) this Plan and each other plan of an Employer which it shall so designate and which together with this Plan shall satisfy the requirements of Sections 401(a)(4) and 410 of the Code; (b) the determination date for all plans in the aggregation group shall be the last day of the preceding plan year; and (c) the valuation date applicable to a determination date shall be (i) in the case of a defined benefit plan, the date as of which the most recent actuarial valuation for the plan year including the determination date is prepared, and (ii) in the case of a defined contribution plan, the date as of which account balances are determined which is coincident with or immediately precedes the determination date, except that if any such plan specifies a different determination or valuation date, such different date shall be used with respect to such plan. For the purpose of

determining the Service Annuity, accrued benefit or account balance of a participant, any person who received a distribution from a plan in the aggregation group during the five-year period ending on the last day of the preceding plan year shall be treated as a participant in such plan, and any such distribution shall be included in such participant's Service Annuity, accrued benefit or account balance as the case may be.

Section 14.2. Minimum Benefit for Top-Heavy Years. (a) Subject to paragraph (b) of this Section 14.2 and the applicable reductions set forth in Article 5 (relating to Service Annuities) and Article 6 (relating to Service Annuity forms), the annual amount of Service Annuity on a single life basis to which an eligible employee (other than an eligible employee who is a key employee as defined in Section 416(i) of the Code) is entitled at age 65 under Section 5.2 (relating to normal and deferred retirement), Section 5.3 (relating to early retirement), Section 5.4 (relating to disability retirement at or after age 45), Section 5.5 (relating to disability retirement before age 45) or Section 5.7 (relating to deferred vested termination) shall in no event be less than (i) the product of (A) 2% of such eligible employee's average compensation, as described in Section 416(c) of the Code, from the Company and its Affiliates during such eligible employee's five highest-paid consecutive calendar years of service beginning after January 1, 1983 and while the Plan is top-heavy, multiplied by (B) the number of such eligible employee's years of Credited Service (but not in excess of ten) ending after December 31, 1983 while the Plan is top-heavy less (ii) the annual actuarial equivalent of the eligible employee's vested portion of such eligible employee's account balances attributable to employer contributions and forfeitures, and earnings and losses thereon (including prior distributions thereof) and accrued benefits to which such eligible employee is entitled on

Termination of Employment under all other qualified plans maintained by the Company or its Affiliates.

For purposes of this Article 14 (relating to top-heavy plan requirements), "eligible employee" shall mean any employee other than an employee who is included in a unit of employees covered by a collective bargaining agreement between employee representatives and an Employer, if there is evidence that retirement benefits have been the subject of good faith bargaining between such employee representatives and such Employer.

(b) The provisions of paragraph (a) shall not apply with respect to an eligible employee if, for each year in which this Plan is top-heavy, (i) the eligible employee's Employer also maintains a defined contribution plan which is included in the aggregation group for such year, and (ii) contributions made on behalf of each eligible employee other than key employees and forfeitures allocated to such eligible employee during such Plan Year are at least 5% of such eligible employee's compensation.

Section 14.3. Top-Heavy Vesting Requirements. Not-withstanding any provision of this Plan to the contrary, if an eligible employee's Termination of Employment occurs during a Plan Year in which this Plan is top-heavy and after the eligible employee has completed at least two years of Vesting Service but before the eligible employee has completed five years of Vesting Service, or after this Plan has been top-heavy and during the time this Plan was top-heavy such eligible employee has completed three years of Vesting Service, then such eligible employee shall be entitled, subject to Article 6 (relating to Service Annuity forms) and Article 7 (relating to limitation on benefits), to receive, determined in accordance with the following table, the vested percentage of the eligible employee's Service Annuity computed pursuant to Section 5.7 (relating to deferred vested termination):

Years of Vesting Service	Vested Percentage
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 or more	100%

Section 14.4. Special Rules for Applying Statutory Limitations on Benefits. In any Plan Year for which this Plan is top-heavy, clauses (C)(I) and (D)(I) of the first paragraph of Section 7.1 (relating to maximum annual benefits) shall be applied by substituting "100%" for "125%" appearing therein unless, for such Plan Year (i) the percentage of Service Annuities accrued by Participants who are key employees does not exceed 90% of the Service Annuities accrued by all Participants, and (ii) the minimum accrued benefit of each Participant under all defined benefit plans in the aggregation group is at least 3% of such Participant's average compensation multiplied by each year of such Participant's Credited Service after 1983, not in excess of 10, while such plans are top-heavy.

ARTICLE 15
AMENDMENT AND TERMINATION

Section 15.1. Amendment. The board of directors of the Company may at any time and from time to time amend or modify this Plan in any manner deemed by the board of directors of the Company to be necessary or desirable, provided, however, that in the case of any amendment or modification that would not result in an aggregate cost to the Company of more than $250,000, the Plan may be amended or modified by action of the Senior Vice President of Human Resources of the Company or another executive officer holding title of equivalent or greater responsibility and, provided, further, that no amendment shall be made that affects Employees who are represented by Local 15 I.B.E.W. that is not consistent with that portion of the Company's collective bargaining agreements with Local 15 I.B.E.W. concerning the Plan.

Any such amendment or modification shall become effective on such date as the board of directors of the Company shall determine and may apply to Participants in this Plan at the time thereof as well as to future Participants, provided, however, that no such amendment or modification which reduces the basis for the computation of Service Annuities shall be retroactive as to service prior to the date of such amendment or modification.

In addition, the Committee may amend or modify subdivision (3) of Section 2.1 (relating to the definition of Basic Compensation) and subdivision (22) of Section 2.1 (relating to the definition of Incentive Pay) by changing such subdivisions as described therein.

Section 15.2. Establishment of Separate Plan. If an Employer shall withdraw from this Plan under Section 11.2 (relating to withdrawal from participation), the Committee shall determine the portion of the Service Annuity Fund held by the Trustee which is applicable to the Participants and Retirees of such Employer and direct the Trustee to segregate such portion in a separate trust. Such separate trust shall thereafter be held and administered as a part of the separate plan of such Employer.

Section 15.3. Termination of the Plan by an Employer. the Company may at any time, by resolution adopted by its board of directors, terminate this Plan in its entirety. In addition, any Employer may at any time terminate its participation in this Plan by resolution adopted by its board of directors to that effect. If the Internal Revenue Service shall refuse to issue an initial favorable determination letter that this Plan and the Service Annuity Fund as adopted by the Company meets the requirements of Section 401(a) of the Code and that the Service Annuity Fund is exempt from tax under Section 501(a) of the Code, any Employer may terminate its participation in this Plan and direct the Trustee to pay and deliver to that Employer the portion of the Service Annuity Fund applicable to its contributions.

Section 15.4. Distribution upon Termination or Partial Termination. Upon termination or partial termination of this Plan, the Service Annuities accrued as of the date of termination or partial termination, as the case may be, of all affected Participants shall be fully vested. After providing for any expenses of the termination of this Plan, or, in the event of the partial termination of this Plan, any expenses of such partial termination which are to be borne by the portion of the Service Annuity Fund applicable to those Employees affected by the partial termination, the remainder of such portion of the Service Annuity Fund (the "asset value") shall be allocated pursuant to the priority categories set forth in Section 4044 of ERISA and PBGC Regulations. In the event that after the termination of this Plan there is any asset value remaining after such allocation, the assets representing such asset value shall be paid over and applied for the benefit of the Employees of the Employers. The portion of the asset value allocated to provide Service Annuities to any person or group of persons may be applied for the benefit of such person or persons by the distribution of cash, continuance of the Service Annuity Fund, establishment of a new trust fund, purchase of annuities from an insurance company, or otherwise, as determined by the Company in its sole discretion. Notwithstanding the preceding sentences, if the Plan is terminated, the Service Annuity of each highly compensated employee as defined in Section 414(q) of the Code (and any former highly compensated employee) is limited to a Service Annuity that is nondiscriminatory under Section 401(a)(4) of the Code.

Section 15.5. Trust to Be Applied Exclusively for Participants and Their Beneficiaries. Subject only to the provisions of Section 4.2 (relating to return of contributions), Section 15.3 (relating to termination of the Plan by an Employer), Section 15.4 (relating to distribution upon termination or partial termination of the Plan) and any other provision of this Plan to the contrary notwithstanding, it shall be impossible for any part of the Service Annuity

Fund to be used for or diverted to any purpose not for the exclusive benefit of Participants and their Beneficiaries either by operation or termination of this Plan, power of amendment or other means.

IN WITNESS WHEREOF, Commonwealth Edison Company has caused this instrument to be executed by its Chairman and its corporate seal to be hereunto affixed, and attested by its Secretary on this _____ day of ________________ 1997.

COMMONWEALTH EDISON COMPANY

By ______________________________________
Chairman

Exhibit 1

Items Included as Basic Compensation

Effective on and after April 1, 1995, the payments to Participants which shall be included in "Basic Compensation" for purposes of subdivision (3) of Section 2.1 of the Plan shall be as follows:

1. Regular earnings,
2. Nuclear license bonuses, and
3. Meter reader bonuses.
4. Payroll deductions for any commuter benefit offered to management employees pursuant to Section 132(f)(4) of the Code.

In addition, to the extent they relate to but are not a part of regular earnings for a given period which otherwise have been used in calculating Basic Compensation, the following items shall be included in the determination of "Basic Compensation" for purposes of subdivision (3) of Section 2.1 of the Plan:

1. Payments for disability absences,
2. Back pay included that is not subject to FICA,
3. Paid and unpaid absences,
4. Permissible rest period payments,
5. Credit for service by union officials on union business,
6. Payments allowed for military duty and
7. Credits allowed upon return from a military leave of absence.

Exhibit 2

Plans Included for Incentive Pay

Payments under the following plans shall be considered in determining a Participant's Incentive Pay, as defined in subdivision (22) of Section 2.1 of the Plan:

1. the Commonwealth Edison Company 1994 Variable Compensation Award for Management Employees Under the 1993 Long-Term Incentive Plan,

2. the Unicom Corporation 1995 Variable Compensation Award for Management Employees Under the Unicom Corporation Long-Term Incentive Plan,

3. any annual incentive award provided under the Unicom Corporation Long Term Incentive Plan or any other successor or other plan that provides annual incentive awards to Participants; provided, however that awards payable under any such plans with respect to any period beginning on or after January 1, 2001 to a Participant who is a member of IBEW Local Union 15 shall not be Incentive Pay for Plan purposes,

4. the Commonwealth Edison Pension Fund Management Incentive Pay Plan (effective January 1, 1993),

5. the Pension Fund Management Deferred Incentive Pay Plan (effective January 1, 1994),

6. the Commonwealth Edison Company Bulk Power Marketing Incentive Plan (effective April 1, 1994),

7. any variable pay plan negotiated by the Company with respect to its union Employees, and

8. Quarterly Incentive Awards paid to a management Employee pursuant to the Exelon Corporation Quarterly Incentive Award.

SUPPLEMENT 1

EARLY RETIREMENT WINDOW FOR CERTAIN EMPLOYEES

This Supplement 1 sets forth the early retirement benefits available to each "Eligible Participant" (as defined below) who is at least age 50 and has completed at least 5 years of Credited Service (after taking into account the grant of any "Service Equivalent" under Section II below) and who submits a signed election and waiver and release of claims to the Company no earlier than the date of the Eligible Participant's "Termination Date" (as defined below), or, if later, 45 days after the Participant receives a summary of the benefits provided hereunder, on forms prescribed by the Company, electing one of the Options set forth below and waiving all employment-related claims against the Employers.

I. Definitions. As used in this Supplement 1, the following words and phrases shall have the following respective meanings when capitalized unless the context clearly indicates otherwise:

A. Cause. Willful commission of acts or omissions which have, have had, or are likely to have, a material adverse effect on the business, operations, financial condition or reputation of an Employer; or conviction (including a plea of guilty or nolo contendere) of a felony or any crime of fraud, theft, dishonesty or moral turpitude.

B. Eligible Participant. A Participant (i) whose employment with the Employers is terminated other than for Cause as a result of either (A) his or her Employer's restructuring related to the merger or pending merger of Unicom Corporation and PECO Energy or (B) the Participant's rejection of an offer of a Significant Transfer, (ii) who is notified that his or her Termination Date shall occur on or before December 31, 2002 and is eligible for the normal retirement benefits or early retirement benefits set forth in this Supplement 1, (iii) who continues employment with the Employers until the Termination Date set forth in the Participant's notification of eligibility (or until such earlier date permitted by the Employers) and who does not accept before such Termination Date (or, if later, the date the Eligible Employee's waiver of claims becomes effective) another position with any Employer, Exelon Corporation or any of their respective affiliates and (iv) who maintains an acceptable level of performance during the period ending on his or her Termination Date.

C. Service Equivalent. An amount equal to 12 months plus, if applicable, one additional week for each year of an Eligible Participant's Credited Service in excess of 10; provided, however, that only that portion of the Service Equivalent necessary to satisfy the eligibility requirements for an early retirement Service Annuity (granted under Section 5.3 or under the pension enhancement described in Section III B.2.b.) shall be taken into account for purposes of determining the amount of an Eligible Participant's early retirement Service Annuity.

D. Significant Transfer. An offer of a position with Exelon Corporation or a transfer (between or within business units) that, in either case, results in one or more of the following;

1. an increase in the Participant's one-way commuting distance of more than 50 miles;

2. a substantial change in the Participant's major position responsibilities and duties (as determined by the head of the Participant's business unit);

3. a salary band for the Participant that is lower than the salary band for the Participant's previous position; or

4. a reduction in the Participant's annual base salary or hourly compensation rate, as applicable.

E. Termination Date. The date on which an Eligible Participant's Termination of Employment occurs.

F. Week of Base Salary. In the case of an Eligible Participant who is a full-time Employee, a "Week of Base Salary" shall be determined by dividing (i) the Participant's annual base salary in effect on the his or her Termination Date, excluding any additives, premiums or other adjustments, by (ii) 52. In the case of an Eligible Participant who is a part-time Employee, a "Week of Base Salary" shall equal the product of (i) his or hourly compensation rate in effect on his or her Termination Date multiplied by (ii) the number of hours each week that such Participant is regularly scheduled to work with an Employer.

II. Grant of Service Equivalent. An Eligible Participant shall be granted a Service Equivalent only if, after addition of the Service Equivalent, the Participant would become eligible for an early retirement Service Annuity under Section 5.3 or would be deemed to be age 50 with at least 5 years of Credited Service. The Service Equivalent shall not be granted to a Participant if such Participant, as of his or her Termination Date, is eligible, without the addition of the Service Equivalent, for an early retirement Service Annuity under Section 5.3 or, as of his or her Termination Date, he or she has attained age 50 and has at least 5 years of Credited Service, unless in the latter case, the grant of the Service Equivalent would qualify the Eligible Participant for an early retirement Service Annuity under Section 5.3 pursuant to Section IIIb hereof.

III. Benefits.

A. Eligible Participants who are Age 50 with at Least 10 Years of Credited Service. Notwithstanding anything contained in the Plan to the contrary, if an Eligible Participant, after taking into account the Service Equivalent granted to such Eligible Participant under Section II hereof, is at least age 50 on his or her Termination Date and has at least 10 years of Credit Service as of such date or would be deemed to be age 50 with at least 10 years of Credited Service as of such date, such Eligible Participant shall be entitled to an early retirement Service Annuity under Section 5.3. Payment of the Eligible Participant's early retirement Service

Annuity under Section 5.3 shall commence at the time elected by the Eligible Participant, provided that the Eligible Participant has had a Termination of Employment and has attained at least age 50 (determined, for this purpose, by disregarding any Service Equivalent granted to the Eligible Participant). Payment shall be made in any form provided under the Plan.

B. Eligible Participants who are Age 50 with at Least 5, but Less than 10, Years of Credited Service. Notwithstanding anything contained in the Plan to the contrary, if an Eligible Participant, after taking into account the Service Equivalent granted to such Eligible Participant under Section II hereof, is at least age 50 on his or her Termination Date and has completed at least 5 but less than 10 years of Credited Service as of such date or would be deemed to be age 50 with at least 5 but less than 10 years of Credited Service as of such date, such Eligible Participant shall be entitled to elect one of the following normal or early retirement benefit under the Plan:

1. Option 1 - Unreduced Additional Benefit. An additional benefit equal to 52 weeks of Base Salary. An Eligible Participant may elect to receive the additional benefit in the form of a lump sum distribution (which shall be paid in the same manner and subject to the terms provided under Section 6.7) or in any other form provide under the Plan. An Eligible Participant who elects this Option 1 shall not be eligible for an early retirement Service Annuity under Section 5.3.

2. Option 2 - Reduced Additional Benefit and Pension Enhancement. An Eligible Participant who elects Option 2 shall be entitled to the following two benefits:

a. Reduced Additional Benefit. An additional benefit equal to 26 Weeks of Base Salary. An Eligible Participant may elect to receive the additional benefit in the form of a lump sum distribution (which shall be paid in the same manner and subject to the terms provided under Section 6.7) or in any other form provided under the Plan.

b. Pension Enhancement. In lieu of a deferred Service Annuity under Section 5.7, a normal retirement Service Annuity under Section 5.2 or an early retirement Service Annuity under Section 5.3, using the Eligible Participant's age and years of Credited Service (including any Service Equivalent granted to the Eligible Participant under Section II hereof) as of his or her Termination Date (or, if later, the date that the Eligible Participant begins receiving his or her normal retirement Service Annuity under Section 5.2 or early retirement Service Annuity under Section 5.3). Payment of the Eligible Participant's normal retirement or early retirement Service Annuity shall commence at the time elected by the Eligible Participant,

provided that the Eligible Participant has had a Termination of Employment and has attained at least age 50 or age 65, as applicable (determined, for this purpose, by disregarding an Service Equivalent granted to the Eligible Participant). Payment shall be made in any form provided under the Plan.

C. Eligible Participants who are not Age 50 or who do not have at Least 5 Years of Credited Service. An Eligible Participant who, (after the addition of any Service Equivalent) as of his or her Termination Date, is not age 50 or does not have at least 5 years of Credited Service shall not be entitled to any benefits under this Supplement 1.

D. Adjustments to Comply with Nondiscrimination Rules. If payment of the benefits described in this Supplement 1 to any Eligible Participant who is a "highly compensated employee," as defined in section 414(q) of the Code would cause the Plan to fail any nondiscrimination requirements of section 401(a) of the Code, the benefits otherwise payable under this Supplement 1 shall be restricted in any manner determined by the Committee so as to permit the Plan to satisfy such nondiscrimination requirements.

EXHIBIT A

TABLE B
EARLY RETIREMENT SERVICE FACTORS
APPLICABLE MONTHLY PAYMENTS TO AGE 65

THE FOLLOWING FACTORS SHALL BE APPLIED (A) TO DETERMINE THE REDUCTIONS APPLICABLE TO THE EARLY RETIREMENT SERVICE ANNUITY OF ANY PARTICIPANT WHO IS NOT A MEMBER OF IBEW LOCAL UNION 15, AND WHOSE TERMINATION OF EMPLOYMENT OCCURS ON OR AFTER APRIL 1, 1995, AND (B) TO DETERMINE THE REDUCTIONS APPLICABLE TO THE EARLY RETIREMENT SERVICE ANNUITY OF ANY PARTICIPANT WHO IS A MEMBER OF IBEW LOCAL UNION 15 AND WHOSE TERMINATION OF EMPLOYMENT OCCURRED AFTER APRIL 1, 1995 AND BEFORE OCTOBER 1, 1999:

AGE	0	1	2	3	4	5	6	7	8	9	10	11
50	.7200	.7225	.7250	.7275	.7300	.7325	.7350	.7375	.7400	.7425	.7450	.7475
51	.7500	.7525	.7550	.7575	.7600	.7625	.7650	.7675	.7700	.7725	.7750	.7775
52	.7800	.7825	.7850	.7875	.7900	.7925	.7950	.7975	.8000	.8025	.8050	.8075
53	.8100	.8125	.8150	.8175	.8200	.8225	.8250	.8275	.8300	.8325	.8350	.8375
54	.8400	.8425	.8450	.8475	.8500	.8525	.8550	.8575	.8600	.8625	.8650	.8675
55	.8700	.8725	.8750	.8775	.8800	.8825	.8850	.8875	.8900	.8925	.8950	.8975
56	.9000	.9025	.9050	.9075	.9100	.9125	.9150	.9175	.9200	.9225	.9250	.9275
57	.9300	.9325	.9350	.9375	.9400	.9425	.9450	.9475	.9500	.9525	.9550	.9575
58	.9600	.9617	.9633	.9650	.9667	.9683	.9700	.9717	.9733	.9750	.9767	.9783
59	.9800	.9817	.9833	.9850	.9867	.9883	.9900	.9917	.9933	.9950	.9967	.9983

60 1.0000

EXHIBIT B

TABLE B1
EARLY RETIREMENT SERVICE FACTORS
APPLICABLE MONTHLY PAYMENTS TO AGE 65

THE FOLLOWING FACTORS SHALL BE APPLIED TO DETERMINE THE REDUCTIONS APPLICABLE TO THE EARLY RETIREMENT SERVICE ANNUITY OF ANY PARTICIPANT WHO IS A MEMBER OF IBEW LOCAL UNION 15 WHOSE TERMINATION OF EMPLOYMENT OCCURS ON OR AFTER OCTOBER 1, 1999:

AGE	0	1	2	3	4	5	6	7	8	9	10	11
50	.7900	.7925	.7950	.7975	.8000	.8025	.8050	.8075	.8100	.8125	.8150	.8175
51	.8200	.8225	.8250	.8275	.8300	.8325	.8350	.8375	.8400	.8425	.8450	.8475
52	.8500	.8525	.8550	.8575	.8600	.8625	.8650	.8675	.8700	.8725	.8750	.8775
53	.8800	.8825	.8850	.8875	.8900	.8925	.8950	.8975	.9000	.9025	.9050	.9075
54	.9100	.9125	.9150	.9175	.9200	.9225	.9250	.9275	.9300	.9325	.9350	.9375
55	.9400	.9425	.9450	.9475	.9500	.9525	.9550	.9575	.9600	.9625	.9650	.9675
56	.9700	.9725	.9750	.9775	.9800	.9825	.9850	.9875	.9900	.9925	.9950	.9975
57	1.0000											

EXHIBIT C

TABLE B2
EARLY RETIREMENT SUPPLEMENTAL FACTORS
APPLICABLE MONTHLY PAYMENTS TO AGE 65

THE FOLLOWING FACTORS SHALL BE APPLIED (A) TO DETERMINE SUPPLEMENTAL MONTHLY PAYMENTS TO AGE 65 FOR ANY PARTICIPANT WHO IS NOT A MEMBER OF IBEW LOCAL UNION 15 AND WHOSE TERMINATION OF EMPLOYMENT OCCURS ON OR AFTER APRIL 1, 1995, AND (B) TO DETERMINE THE SUPPLEMENTAL MONTHLY PAYMENTS TO AGE 65 FOR ANY PARTICIPANT WHO IS A MEMBER OF IBEW LOCAL UNION 15 WHOSE TERMINATION OF EMPLOYMENT OCCURRED AFTER APRIL 1, 1995 AND BEFORE OCTOBER 1, 1999:

AGE	0	1	2	3	4	5	6	7	8	9	10	11
50	.4200	.4175	.4150	.4125	.4100	.4075	.4050	.4025	.4000	.3975	.3950	.3925
51	.3900	.3875	.3850	.3825	.3800	.3775	.3750	.3725	.3700	.3675	.3650	.3625
52	.3600	.3575	.3550	.3525	.3500	.3475	.3450	.3425	.3400	.3375	.3350	.3325
53	.3300	.3275	.3260	.3225	.3200	.3175	.3150	.3125	.3100	.3075	.3050	.3025
54	.3000	.2975	.2950	.2925	.2900	.2875	.2850	.2825	.2800	.2775	.2760	.2725
55	.2700	.2675	.2650	.2625	.2600	.2575	.2550	.2525	.2500	.2475	.2450	.2425
56	.2400	.2375	.2350	.2325	.2300	.2275	.2250	.2225	.2200	.2175	.2150	.2125
57	.2100	.2075	.2050	.2025	.2000	.1975	.1950	.1925	.1900	.1875	.1850	.1825
58	.1800	.1775	.1750	.1725	.1700	.1675	.1650	.1625	.1600	.1575	.1550	.1525
59	.1500	.1479	.1458	.1438	.1417	.1396	.1375	.1354	.1333	.1313	.1292	.1271
60	.1250	.1229	.1208	.1188	.1167	.1146	.1125	.1104	.1083	.1063	.1042	.1021
61	.1000	.0979	.0958	.0938	.0917	.0896	.0875	.0854	.0833	.0813	.0792	.0771
62	.0750	.0729	.0708	.0688	.0667	.0646	.0625	.0604	.0583	.0563	.0542	.0521
63	.0500	.0479	.0458	.0438	.0417	.0396	.0375	.0354	.0333	.0313	.0292	.0271
64	.0250	.0229	.0208	.0188	.0167	.0146	.0125	.0104	.0083	.0063	.0042	.0021

EXHIBIT D

TABLE B3
EARLY RETIREMENT SUPPLEMENTAL FACTORS
APPLICABLE MONTHLY PAYMENTS TO AGE 65

THE FOLLOWING FACTORS SHALL BE APPLIED TO DETERMINE THE SUPPLEMENTAL MONTHLY PAYMENTS TO AGE 65 FOR ANY PARTICIPANT WHO IS A MEMBER OF IBEW LOCAL UNION 15 WHOSE TERMINATION OF EMPLOYMENT OCCURS ON OR AFTER OCTOBER 1, 1999:

AGE	0	1	2	3	4	5	6	7	8	9	10	11
50	.4100	.4075	.4050	.4025	.4000	.3975	.3950	.3925	.3900	.3875	.3850	.3825
51	.3800	.3775	.3750	.3725	.3700	.3675	.3650	.3625	.3600	.3575	.3550	.3525
52	.3500	.3475	.3450	.3425	.3400	.3375	.3350	.3325	.3300	.3275	.3250	.3225
53	.3200	.3175	.3150	.3125	.3100	.3075	.3050	.3025	.3000	.2975	.2950	.2925
54	.2900	.2875	.2850	.2825	.2800	.2775	.2750	.2725	.2700	.2675	.2650	.2625
55	.2600	.2575	.2550	.2525	.2500	.2475	.2450	.2425	.2400	.2375	.2350	.2325
56	.2300	.2275	.2250	.2225	.2200	.2175	.2150	.2125	.2100	.2075	.2050	.2025
57	.2000	.1979	.1958	.1938	.1917	.1896	.1875	.1854	.1833	.1803	.1782	.1761
58	.1750	.1729	.1708	.1688	.1667	.1646	.1625	.1604	.1583	.1563	.1542	.1521
59	.1500	.1479	.1458	.1438	.1417	.1396	.1375	.1354	.1333	.1313	.1292	.1271
60	.1250	.1229	.1208	.1188	.1167	.1146	.1125	.1104	.1083	.1063	.1042	.1021
61	.1000	.0979	.0958	.0938	.0917	.0896	.0875	.0854	.0833	.0813	.0792	.0771
62	.0750	.0729	.0708	.0688	.0667	.0646	.0625	.0604	.0583	.0563	.0542	.0521
63	.0500	.0479	.0458	.0438	.0417	.0396	.0375	.0354	.0333	.0313	.0292	.0271
64	.0250	.0229	.0208	.0188	.0167	.0146	.0125	.0104	.0083	.0063	.0042	.0021

EXHIBIT 10-4 APPENDIX B

SERVICE ANNUITY PLAN

OF

PECO ENERGY COMPANY

As Amended and Restated Effective December 31, 2001

TABLE OF CONTENTS

		PAGE
ARTICLE I	DEFINITIONS	1
ARTICLE II	PARTICIPATION	9
ARTICLE III	ACCRUAL OF BENEFITS	12
3.1	Accrued Benefit	12
3.2	Minimum Accrued Benefit	14
3.3	Application of Section 401(a)(17) Compensation Limit	15
3.4	Transferred Employees	15
3.5	Overall Permitted Disparity Limits	15
ARTICLE IV.	BENEFITS	16
4.1	Normal Retirement	16
4.2	Postponed Retirement	16
4.3	Early Retirement	17
4.4	Deferred Annuity	18
4.5	Disabled Eligible Employees	19
4.6	Maximum Annuity	19
4.7	Early Retirement Supplement	23
4.8	Benefit Commencement Date	23
4.9	Post-Retirement Adjustment	23
4.10	Special Early Retirement Benefit	25
4.11	Minimum Annuity	25
4.12	Suspension of Benefits	25
ARTICLE IVA.	SPECIAL LIMITED DURATION EARLY RETIREMENT BENEFIT	26
4A.1	Eligibility	26
4A.2	Special Early Retirement Election	27
4A.3	Benefits	27
4A.4	Special Rules	29
ARTICLE IVB.	NUCLEAR VOLUNTARY RETIREMENT INCENTIVE PLAN	30
4B.1	Eligibility	30
4B.2	Voluntary Early Retirement Election	30
4B.3	Benefits	31

TABLE OF CONTENTS
(CONTINUED)

		PAGE
4B.4	Special Rules	32
ARTICLE IVC.	VOLUNTARY RETIREMENT INCENTIVE PROGRAM	32
4C.2	Voluntary Early Retirement Election	33
4C.3	Benefits	35
4C.4	Special Rules	36
ARTICLE IVD.	1998 WORKFORCE REDUCTION PROGRAM	36
4D.1	Purpose	36
4D.2	Definitions	36
4D.3	Elections of the Retirement and Separation Benefits	40
4D.4	Computation of Retirement Benefits Under the Program	40
4D.5	Computation, Payment and Form of Separation Benefits Under the Program	41
ARTICLE IVE.	MERGER SEPARATION PROGRAM	42
4E.1	Purpose	42
4E.2	Definitions	42
4E.3	Elections of the Retirement and Separation Benefits	46
4E.4	Computation of Retirement Benefits Under the Program	46
4E.5	Computation of Separation Benefits Under the Program	47
4E.6	Payment and Form of Annuities Under the Program	48
ARTICLE V.	FORM OF PENSIONS	49
5.1	Unmarried Participants	49
5.2	Married Participants	49
5.3	Contingent Annuity Option	49
5.4	Death Benefits for Other Vested Participants	52
5.5	Notice to Participants	54
5.6	Cash-Outs	55
5.7	Spousal Consent	55
5.8	Minimum Distribution Requirements	55
5.9	Application for Benefits	56
5.10	Direct Rollovers	56

TABLE OF CONTENTS
(CONTINUED)

		PAGE
ARTICLE VI.	BREAKS IN SERVICE	56
ARTICLE VII.	CONTRIBUTIONS	58
7.1	Contributions by the Company	58
7.2	Source of Benefits	58
ARTICLE VIII.	ADMINISTRATION	59
ARTICLE IX.	AMENDMENT AND TERMINATION	60
9.1	Amendment	60
9.2	Termination	61
9.3	Limitation on Benefits	61
ARTICLE X.	MISCELLANEOUS	62
10.1	Forfeitures	62
10.2	Mergers, Etc	62
10.3	Nonalienation of Benefits	62
10.4	Effect on Employment	62
10.5	Facility of Payment	62
10.6	Lost Payees	63
10.7	Applicable Law	63
10.8	Effective Date	63
ARTICLE XI.	TOP-HEAVY PROVISIONS	63
11.1	Definitions	63
11.2	Top-Heavy Operating Rules	64
ARTICLE XII.	POST RETIREMENT HEALTH BENEFITS	65
12.1	Eligibility	65
12.2	Benefits Provided	66
12.3	Establishment of Accounts	66
12.4	Funding	67

SERVICE ANNUITY PLAN

OF

PECO ENERGY COMPANY

As Amended and Restated Effective December 31, 2001

Article I Definitions.

Whenever used in this Plan:

1.1 "Accrued Benefit" means the amount of pension payable in the form of a Single Life Annuity commencing on a Participant's Normal Retirement Date (or, immediately, if the Participant has passed his Normal Retirement Date) accrued by a Participant under Article III as of the date of reference. Accrued Benefits shall only be payable in accordance with Articles IV and V.

1.2 "Active Participant" means a Participant who is an Eligible Employee.

1.3 "Actuarial Equivalent" means a benefit of equal actuarial value under the assumptions set forth in Appendix A.

1.4 "Affiliate" means, as of any time of reference: (a) any corporation included with the Company in a controlled group of corporations within the meaning of Section 414(b) of the Code, (b) any trade or business (whether or not incorporated) which is under common control with the Company within the meaning of Section 414(c) of the Code, (c) any member of any affiliated service group of which the Company is a member within the meaning of Section 414(m) of the Code, and (d) any other entity required to be aggregated with the Company pursuant to regulations under Section 414(o) of the Code; provided, however, that for purposes of Section 4.6, when applying Sections 414(b) and (c) of the Code, the phrase "more than 50%" shall be substituted for the phrase "at least 80%" each place it appears in Section 1563(a)(1) of the Code.

1.5 "Age" means age on last birthday, except that an individual attains age 70-1/2 on the corresponding date in the sixth calendar month following the month in which his seventieth birthday occurs (or the last day of such sixth month if there is no such corresponding date therein).

1.6 "Benefit Accrual Computation Period" means the portion of a calendar year that begins on the latest of (a) January 1, (b) the date on which an Employee becomes an Eligible Employee or (c) the date an Active Participant resumes work after receiving benefits under the Company's Disabilitant Plan (or June 1, 1992, for an Active Participant who is receiving benefits under the Company's Disabilitant Plan on June 1, 1992) and ends on the earliest of (1) December 31, (2) the date an Employee ceases to be an Eligible Employee, (3) the date an Active Participant commences receiving benefits under the Company's Disabilitant Plan (except with respect to Participants described in the proviso to the last sentence of Section

1.8(b)), (4) an Employee's Normal Retirement Date (in the case of an Employee who does not complete an Hour of Service on or after January 1, 1988), or (5) the date of an Employee's death.

1.7 "Benefit Commencement Date" means, for any Participant, the date as of which his first periodic benefit payment or single sum payment is due. "Benefit Commencement Date" also means, with respect to a surviving spouse or other beneficiary, the date on which the survivor's benefit under Section 5.3 or 5.4 commences to the surviving spouse or other beneficiary.

1.8 "Benefit Year" means a credit awarded as follows, subject to Article VI:

(a) Each Employee as of December 31, 1975 shall be credited with a number of Benefit Years equal to his years of service under the Plan as of that date;

(b) Each Active Participant shall be credited with one Benefit Year for each 12 month Benefit Accrual Computation Period after December 31, 1975 during which he completes 1,000 or more Hours of Service and 1/12th of a Benefit Year for each month or part of a month of a Benefit Accrual Computation Period of less than 12 months during which his Hours of Service equal or exceed 83 1/3 times the number of full months in the period. Benefit Years are not credited with respect to any period during which an Active Participant is receiving benefits under the Company's Disabilitant Plan; provided, however, that Benefit Years shall be credited to an Active Participant who is receiving benefits under the Company's Disabilitant Plan on June 1, 1992, with respect to any period after May 31, 1992 for which such benefits are received.

(c) A Power Team Employee shall not receive credit for any Benefit Year that accrues while he or she is a Power Team Employee. Notwithstanding the foregoing, for the purposes of Section 5.3 only, a Power Team Employee shall be deemed to receive credit for Benefit Years to the extent such Power Team Employee otherwise would have earned such credit but for the provisions of this Section 1.8(c).

(d) An EIS Senior Management Employee shall not receive credit for any Benefit Year, or portion of a Benefit Year, that accrues after October 31, 1999, or the date on which such Participant becomes an EIS Senior Management Employee, if later, and the Benefit Accrual Computation Period for such Participant that would otherwise include such date shall end on such date. Notwithstanding the foregoing, for the purposes of Section 5.3 only, an EIS Senior Management Employee shall be deemed to receive credit for Benefit Years to the extent such EIS Senior Management Employee otherwise would have earned such credit but for the provisions of this Section 1.8(d).

(e) Notwithstanding the foregoing, for purposes of calculating a Participant's Benefit Years, each period of Qualified Military Service served by a Participant is, upon reemployment by the Company or an Affiliate within the time during which the Participant's right to reemployment is protected by applicable law, deemed to constitute service with the Company for such purposes.

1.9 "Code" means the Internal Revenue Code of 1986, as amended, or any superseding provision of law.

1.10 "Company" means, (i) prior to the Merger Date, PECO Energy Company, a Pennsylvania corporation (known prior to January 1, 1994 as the "Philadelphia Electric Company"), and any Affiliate of PECO Energy Company which adopts this Plan, and (ii) on and after the Merger Date, Exelon Corporation, PECO Energy Company, and any Affiliate of Exelon Corporation which adopts this Plan.

1.11 "Compensation" means:

(a) for service prior to January 1, 1939 - normal full-time wages or salary at the established payroll rates;

(b) for service subsequent to December 31, 1938 wages, salary, and any other remuneration actually paid or credited to the Employee in recompense for his services as an Employee, including such amounts contributed at the direction of the Employee to the PECO Energy Company Employee Savings Plan or Employees' Section 125 Plan or, effective January 1, 2002, amounts contributed on a pre-tax basis to a qualified transportation fringe benefit plan under Code section 132(f)(4);

(c) effective for plan years beginning on or after December 12, 1994, for purposes of subsection (b) above, a Participant's Compensation shall include the Compensation that the Participant would have received during a period of Qualified Military Service (or, if the amount of such Compensation is not reasonably certain, the Participant's average earnings from the Company or an Affiliate for the twelve-month period immediately preceding the Participant's period of Qualified Military Service); provided, however, that the Participant returns to work within the period during which his right to reemployment is protected by law.

The remuneration of an Employee who is absent for the purposes described in one of Sections 1.17(a) through 1.17(e) shall be deemed to continue at his base rate in effect immediately prior to the start of his absence; provided, however, that no Compensation shall be imputed under this sentence for any period prior to June 1, 1992 during which the Employee is receiving benefits under the Company's Disabilitant Plan. Effective January 1, 1990, Compensation shall not include any lump sum payment of an Employee's vacation pay or sick pay, nor any severance payment made by the Company or an Affiliate or pursuant to any plan maintained by the Company or an Affiliate. Compensation shall include annual incentive award payments under the Exelon Corporation Annual Incentive Award Program and quarterly incentive payments under the Exelon Corporation Quarterly Incentive Award Program payable with respect to years beginning on or after January 1, 2002.

Notwithstanding the foregoing, (i) Compensation for a Power Team Employee shall not include any Compensation earned while such Employee is a Power Team Employee; (ii) for an individual who retires after December 31, 1993 and prior to January 1, 1996, "Compensation" shall include all accrued vacation, accrued sick pay and severance payments for purposes of Section 3.1(a)(2) and 4C.3(a)(1)(A)(II); and (iii) Compensation for an EIS Senior Management Employee shall not include any Compensation earned after October 31, 1999 or the date on which such Participant becomes an EIS Senior Management Employee, if later.

1.12 "Covered Compensation" means, as of any date of reference, the average of the taxable wage base in effect under the Social Security Act, as amended, in each of the thirty-five (35) consecutive years ending with the year prior to such Plan Year; provided however, that (i) for any Participant who has attained Age 65, "Covered Compensation" will at all times thereafter be "Covered Compensation" for the Plan Year in which the Participant attained Age 65, (ii) for any Participant who retires after December 31, 1993 and on or before January 1, 1995, Covered Compensation will be determined as of the year-end 1993, and (iii) for any Participant who retires after December 31, 1994 and on or before January 1, 1996, Covered Compensation will be determined as of year-end 1994.

1.12A "EIS" means Exelon Infrastructure Services, Inc.

1.12B "EIS Senior Management Employee" means an Employee of PECO Energy Company who is assigned to perform services for EIS on a full-time basis in a position that is eligible to participate in the EIS Long Term Incentive Plan.

1.13 "Eligibility Computation Period" means, with respect to any Employee, the twelve-month period beginning on his Employment Date and all calendar years beginning after his Employment Date.

1.14 "Eligibility Year" means a credit awarded as follows, subject to Article VI:

(a) Each Employee as of December 31, 1975, shall be credited with a number of Eligibility Years equal to the greater of:

(1) one Eligibility Year for each full year of the Employee's service as of that date under the Plan as then in effect; or

(2) one Eligibility Year for each Eligibility Computation Period beginning before January 1, 1976, in which the Employee completed at least 1,000 Hours of Service, disregarding any Eligibility Computation Period that would have been disregarded under Article VI if it had applied at the time in question.

(b) Each Employee shall be credited with one Eligibility Year for each Eligibility Computation Period beginning after December 31, 1975, in which he completes 1,000 or more Hours of Service.

1.15 "Eligible Employee" means an Employee employed by the Company or on leave during a period of Qualified Military Service and, for the time period beginning on the Merger Date, who (a) was an Eligible Employee prior to the Merger Date or (b) first becomes an Employee on or after the Merger Date and is employed initially at a facility owned immediately before the Merger Date by PECO Energy Company or an Affiliate that was an Affiliate of PECO Energy Company immediately before the Merger Date.

Notwithstanding the foregoing, an Eligible Employee shall not include (i) an Employee who is employed by a joint venture in which the Company is a joint venturer, (ii) an Employee whose wages are subject to collective bargaining except to the extent a collective bargaining agreement

relating to him so provides, (iii) a probationary Employee, (iv) an Employee who is an Employee solely by reason of being a leased employee within the meaning of Section 414(n) or 414(o) of the Code, or (v) an individual who is an independent contractor or any other person who is not treated by the Company or an Affiliate as an Employee for the purposes of withholding federal employment taxes, regardless of any contrary governmental or judicial determination relating to such employment status or tax withholding.

Notwithstanding the foregoing, an Eligible Employee shall not include any Power Team Employee while he is a Power Team Employee, or any Employee of the Exelon Generation Company, LLC Power Team division who is a participant in the Commonwealth Edison Company Service Annuity System.

Notwithstanding the foregoing, effective October 31, 1999, an Eligible Employee shall not include any EIS Senior Management Employee. EIS Senior Management Employees hired on or after October 1, 1999 shall not be eligible to participate in the Plan.

Notwithstanding anything herein to the contrary, subject to the provisions relating to rehired employees in Section 2.10, no Employee who was not a Participant before January 1, 2001 shall be eligible to participate in the Plan after December 31, 2000.

1.16 "Employee" means a person who is employed by the Company or an Affiliate or is absent under circumstances included in his Employment. An individual shall be deemed to be actively employed by the Company or an Affiliate if such individual is employed directly by the Company or an Affiliate or is a leased employee within the meaning of Section 414(n) or 414(o) of the Code with respect to whose services the Company or Affiliate is the recipient and to whom Section 414(n)(5) of the Code does not apply. An individual who receives a back pay award from the Company or an Affiliate shall be deemed to be an Employee for the period for which back pay is awarded. An Employee shall cease to be such on his retirement, resignation, discharge, or death. Notwithstanding the foregoing, the term "Employee" shall not include independent contractors or any other persons who are not treated by the Employer as employees for purposes of withholding federal employment taxes, regardless of any contrary governmental or judicial determination relating to such employment status or tax withholding.

1.17 "Employment" means active employment by the Company or an Affiliate. In addition, any of the following types of absence shall be counted as Employment (on the same work schedule under which the Employee was employed by the Company or Affiliate immediately prior to the absence) if it immediately follows a period of active employment with the Company or an Affiliate:

(a) absence due to a period of Qualified Military Service, if the Employee resumes work with the Company or an Affiliate, following discharge, within the time specified by then applicable laws.

(b) absence resulting from disability on account of illness or accident during which the Employee is eligible for and receives disability benefits under a disability benefit plan sponsored by the Company or an Affiliate.

(c) absence which the Company or an Affiliate certifies was for good cause.

(d) leave of absence granted by the Company or an Affiliate.

(e) lay-off, if the Employee returns to work within such period as may be specified in the rules of the Company or Affiliate in effect at the time of reference.

(f) absence during which regular remuneration is paid.

1.18 "Employment Date" means the day on which an Employee completes his first Hour of Service.

1.19 "Fund" means the assets accumulated for purposes of the Plan.

1.20 "Highly Compensated Employee" means, effective January 1, 1997, an Employee who performs services for the Company or an Affiliate during the current Plan Year who was:

(a) an Employee who was, at any time during the current Plan Year or in the immediately preceding Plan Year, a 5% owner, as defined in Section 416(i)(1) of the Code; or

(b) an Employee who, during the immediately preceding Plan Year, received compensation (as defined in Section 415(c)(3) of the Code plus, for the 1997 Plan Year, amounts excluded from income under Sections 125 and 402(e)(3) of the Code, and for Plan Years beginning after December 31, 2000, amounts excluded from income under Section 132(f)(4) of the Code) from the Company or an Affiliate in excess of $80,000, as adjusted by the Secretary of the Treasury in accordance with Section 415(d) of the Code.

1.21 "Hour of Service" means, for each Employee, a credit used to measure his service for various purposes under the Plan. Hours of Service are credited as follows:

(a) Each hour which is not included in a period described in Paragraph (b), below, but for which the Employee is directly or indirectly paid or entitled to payment by the Company or an Affiliate, for the performance of duties or otherwise, including back pay, without regard to mitigation of damages, shall count as one Hour of Service. Notwithstanding the preceding sentence, no Hours of Service shall be credited under this Paragraph (a) to the extent such credit will cause the Employee to be credited with more than 501 Hours of Service (including Hours of Service credited under Paragraph (b)) with respect to any single continuous period during which the Employee performs no duties; provided, however, that this limit shall not apply in the case of an award of back pay to the extent the award so specifies.

(b) Each week of absence for Qualified Military Service from which the Employee returns to the Company or an Affiliate with legally protected reemployment rights shall count as a number of Hours of Service determined under subsection (e) if the

Employee was employed in a position designated as full-time immediately before the period of Qualified Military Service or, if subsection (e) does not apply, a number of Hours of Service equal to the number of hours of work in the Employee's customary week of work at the time the absence began.

(c) Hours of Service for the performance of duties shall be credited to the Employee for the computation period or periods in which the services are performed. Hours of Service for non-performance of duties shall be credited to the Employee for the computation period or computation periods in which the non-performance of duties occurs. Hours of Service for back pay shall be credited to the Employee for the computation period or computation periods to which the award or agreement pertains rather than the computation period or periods in which it was made.

(d) Solely for purposes of determining whether a One-Year Break in Service (as defined in Article VI) has occurred in an Eligibility Computation Period or a Vesting Computation Period, an Employee who is absent from work for Maternity/Paternity Leave shall receive credit for the Hours of Service which would otherwise have been credited to such Employee but for such absence, or in any case in which such Hours of Service cannot be determined, eight Hours of Service per day of such absence. An Employee shall be credited with Hours of Service under this Paragraph (d) in the computation period in which the absence begins if necessary to prevent a Break in Service in that period, or, in all other cases, in the following computation period.

(e) An Employee who is employed by the Company or an Affiliate in a position designated by the Company or an Affiliate as full-time shall be credited with forty-five (45) Hours of Service for each week during which he is otherwise entitled to be credited with at least one Hour of Service. Paragraphs (a)-(c) notwithstanding, Hours of Service shall be credited at least as liberally as required by Department of Labor Regulation Section 2530.200b-2(b) and (c).

(f) In the case of an Employee who is such solely by reason of service as a leased employee (within the meaning of Section 414(n) or 414(o) of the Code), Hours of Service shall be credited as if such Employee were employed and paid with respect to such service (or with respect to any related absences or entitlement) by the Company or the Affiliate that is the recipient thereof.

1.22 "Maternity/Paternity Leave" means, for any Employee, an absence:

(a) by reason of the Employee's pregnancy;

(b) by reason of the birth of the child of the Employee;

(c) by reason of placement of the child with the Employee in connection with the adoption of such child by the Employee; or

(d) for purposes of caring for such child for a period immediately following such birth or placement.

1.22A "Merger Date" means the effective date of the merger of Unicom Corporation with and into Exelon Corporation.

1.23 "Normal Retirement Date" means, for each Employee, the first day of the calendar month coincident with or next following the date he attains Age 65, except that the Normal Retirement Date of an Employee who becomes an Active Participant in the Plan after attaining Age 60 shall be the first day of the calendar month coincident with or next following the fifth anniversary of the date on which the Employee became an Active Participant.

1.24 "Participant" means (a) an Employee who has become an Active Participant under Article II, and (b) a former Active Participant whose Accrued Benefit and Benefit Years have not been canceled under Section 6.2 or have been restored under Section 6.5.

1.25 "Plan" means the Service Annuity Plan set forth herein, provided that, on and after January 1, 1994, the Plan shall be known as the "Service Annuity Plan of PECO Energy Company."

1.26 "Plan Year" means a calendar year after 1975. The Plan Year shall be the limitation year for purposes of computing limitations on contributions, benefits and allocations.

1.26A "Power Team Employee" means an Employee who is employed by the Exelon Generation Company, LLC Power Team division or its successor, and (i) who was not eligible to participate in the Plan before January 1, 2001, or (ii) who was eligible to participate in the Plan before January 1, 2001 but is eligible to participate in the performance share award program for Power Team employees under the Exelon Corporation Long Term Incentive Plan or any predecessor or successor incentive compensation program applicable to employees of the Power Team division. An Employee who is described in clause (ii) of the preceding sentence will be a Power Team Employee only during the period in which he satisfies clause (ii).

1.27 "Qualified Joint and Survivor Annuity" means the form of pension benefit described in this Section. Under a Qualified Joint and Survivor Annuity payments begin on the date provided in Article IV and continue until the first day of the month following the month in which the Participant's death occurs. On the first day of the second month following the month of the Participant's death, payments in an amount equal to 50% of the amount payable to the Participant begin to his surviving spouse, but only if the spouse was married to the Participant on the Participant's Benefit Commencement Date. Such payments to the spouse shall end on the first day of the month following the month in which the spouse's death occurs. The anticipated payments under a Qualified Joint and Survivor Annuity shall be the Actuarial Equivalent of a pension in the form of a Single Life Annuity in the amount set forth in Article IV.

1.27A "Qualified Military Service" means any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) where the Participant's right to reemployment is protected by law.

1.28 "Required Beginning Date" means April 1 of the calendar year following the later of (a) the calendar year in which the Participant attains Age 70-1/2; or (b) in the case of a Participant who is not a 5% owner (within the meaning of Section 416(i) of the Code), the calendar year in which the Participant's Separation from Service occurs. Notwithstanding the

foregoing, a Participant who is not a 5% owner (as defined above), reached age 70-1/2 in 1999 or 2000, and has not incurred a Separation from Service may elect April 1, 2000 or April 1, 2001, respectively, as his Required Beginning Date.

1.29 "Separation from Service" means the termination of an Employee's status as an Employee or any absence of an Employee in Employment which is not described in Section 1.17.

1.30 "Single Life Annuity" means a form of pension benefit under which payments begin on the date provided in Article IV and end on the first day of the month following the month in which the Participant's death occurs.

1.31 "Social Security Retirement Age" means (a) for any individual born before January 1, 1938, Age 65, (b) for any individual born after December 31, 1937, but before January 1, 1955, Age 66, or (c) for any individual born after December 31, 1954, Age 67.

1.32 "Vesting Computation Period" means a calendar year.

1.33 "Vesting Year" means a credit awarded as follows, subject to Article VI:

(a) Each Employee as of December 31, 1975, shall be credited with a number of Vesting Years equal to his years of service (with fractions rounded to the next full year) under the Plan as in effect on that date.

(b) Each Employee shall be credited with one Vesting Year for each Vesting Computation Period after 1975 in which he completes 1,000 or more Hours of Service.

(c) If an Employee is credited with an Eligibility Year for an Eligibility Computation Period that overlaps two Vesting Computation Periods, but he is not credited with a Vesting Year for either of those Vesting Computation Periods, the Employee shall be credited with one Vesting Year. An Employee may have only one Vesting Year to his credit under this Paragraph at any time.

(d) An Employee shall be deemed to have completed a Vesting Year when he completes his one-thousandth Hour of Service in the relevant Vesting Computation Period.

1.34 The masculine gender shall include the feminine.

ARTICLE II Participation.

2.1 Each Eligible Employee who is covered by the Plan as of December 31, 1975 shall be an Active Participant as of January 1, 1976.

2.2 Each other Eligible Employee shall become an Active Participant on the later of January 1, 1976 or January 1 of the first Eligibility Computation Period in which he completes 1,000 Hours of Service.

2.3 If a former Eligible Employee is not an Eligible Employee on the date on which he would otherwise become an Active Participant under Section 2.2, he shall not then become an Active Participant but shall become an Active Participant on the first day thereafter on which he is an Eligible Employee, provided that if he has a Separation from Service before becoming an Active Participant, Section 6.4 shall apply.

2.4 Participation Freeze for Power Team Employees. Notwithstanding the foregoing, all participation in the Plan by Power Team Employees shall be frozen as of the date the Employee becomes a Power Team Employee.

2.5 Participation Freeze for EIS Senior Management Employees. Notwithstanding the foregoing, all participation in the Plan by EIS Senior Management Employees shall be frozen as of October 31, 1999, or the date such Participant becomes an EIS Senior Management Employee, if later, and no Employee who is an EIS Senior Management Employee shall be eligible to become a Participant in the Plan after October 31, 1999.

2.6 Participation Freeze for all Employees after December 31, 2000. Notwithstanding anything herein to the contrary, but subject to the provisions of Section 2.10, no Employee who is not a Participant on December 31, 2000 shall be eligible to participate in the Plan after December 31, 2000.

2.7 Transfer of Employment to or Reemployment in Positions Eligible for Participation in the Plan or the Commonwealth Edison Company Service Annuity System by Certain Individuals Who Were Participants in Such a Plan on December 31, 2000. If a Participant who was a Participant on December 31, 2000 transfers employment to or is reemployed by the Company or an Affiliate in a job classification with respect to which similarly situated employees of the Company or Affiliate are not eligible to participate in the Plan but are instead eligible to participate in the Commonwealth Edison Company Service Annuity System (or would be so eligible but for their election to participate in the Exelon Corporation Cash Balance Pension Plan), then such individual shall upon such transfer or reemployment remain a Participant in the Plan and shall not participate in the Commonwealth Edison Company Service Annuity System. If a participant in the Commonwealth Edison Company Service Annuity System who was a participant in such plan on December 31, 2000 transfers employment to or is reemployed by the Company or an Affiliate in a management job classification with respect to which similarly situated employees of the Company or Affiliate are eligible to participate in the Plan (or would be so eligible but for their election to participate in the Exelon Corporation Cash Balance Pension Plan), then such individual shall upon such transfer or reemployment remain a participant in the Commonwealth Edison Company Service Annuity System and shall not participate in the Plan.

2.8 Pension Choice Election.

(a) In General. Each Participant who is, as of January 1, 2002, an Eligible Employee shall be permitted to elect, in the time and manner prescribed by the Administrator, to either (i) continue participating in the Plan on and after January 1, 2002 or (ii) cease participating in the Plan as of December 31, 2001 and begin participating in the Exelon Corporation Cash Balance Pension Plan as of January 1, 2002. Each Eligible

Employee who elects to continue participating in the Plan or who is offered and fails to make any such election shall continue to be a Participant as of January 1, 2002. Each Eligible Employee who elects to participate in the Exelon Corporation Cash Balance Pension Plan in lieu of participation in this Plan shall cease participation in the Plan as of December 31, 2001 and shall not be entitled to any benefit under the Plan, unless such Participant receives a notification (the "Notice") from the Company that his or her employment with the Company and the Affiliates will be terminated on or before December 31, 2002 and that such Participant is eligible for benefits under Article IVE of the Plan or any severance plan maintained by the Company or an Affiliate. An Eligible Employee who receives a Notice shall continue to be a Participant in the Plan until his or her Separation from Service, notwithstanding such Eligible Employee's election to participate in the Exelon Corporation Cash Balance Pension Plan. An Eligible Employee (i) who receives a Notice, but whose employment does not terminate on or before December 31, 2002, or (ii) whose employment terminates before December 31, 2002 without the Employee receiving a Notice, shall cease participation in the Plan as of December 31, 2001 if such Employee elects, in the time and manner prescribed by the Administrator, to participate in the Exelon Corporation Cash Balance Pension Plan.

(b) Transfer of Benefits and Assets to Cash Balance Pension Plan. If an Eligible Employee described in paragraph (a) above elects to participate in the Exelon Corporation Cash Balance Pension Plan in lieu of participating in the Plan, the Employee's pension, determined as of December 31, 2001 based on the Employee's Benefit Years, Compensation and average annual base salary as of such date, shall be transferred to the Exelon Corporation Cash Balance Pension Plan, and such Employee shall not accrue any additional benefit under the Plan. An amount of assets that is equal to the present value of the Participant's pension described in the preceding sentence, determined using the methods and assumptions prescribed by Section 4044 of ERISA, shall also be transferred to the Exelon Corporation Cash Balance Pension Plan. Such transfer of benefits and assets related thereto shall occur as soon as administratively practicable after the Eligible Employee makes the election described in paragraph (a) above. In the event that an Eligible Employee whose pension and related assets are transferred to the Exelon Corporation Cash Balance Pension Plan receives a Notice and has a Separation from Service on or before December 31, 2002, the pension and related assets that were transferred to the Exelon Corporation Cash Balance Pension Plan shall be transferred back to the Plan and the amount of the pension benefit accrued by such Employee during 2002 (if any) shall be determined under the terms of this Plan rather than the Exelon Corporation Cash Balance Pension Plan. Such transfer shall occur as soon as administratively practicable.

2.9 Cessation of Participation. An individual's participation in the Plan shall cease upon the first to occur of (i) the date the individual is no longer eligible to receive a benefit from this Plan or (ii) the individual's Separation from Service if the individual has not completed at least five Vesting Years upon the date of his or her Separation from Service.

2.10 Rehire of Employees. The following rules shall apply to an Eligible Employee who is rehired by the Company after a Separation from Service and prior to

commencing his or her pension or any benefits under the Exelon Corporation Cash Balance Pension Plan, as applicable:

(a) Rehire Date Before Absence of 5 Consecutive One-Year Breaks in Service. If an Employee terminates employment and is later rehired by the Company before having an absence from employment with the Company and the Affiliates of five consecutive One-Year Breaks in Service, then either: (1) if such Employee was a Participant on the date his or her employment terminated, such Employee shall be a Participant in the Plan as of his or her rehire date if he or she is then an Eligible Employee, or (2) if such Employee was not a Participant on the date his or her employment terminated, such Employee shall not be an Eligible Employee and shall not become a Participant. Notwithstanding clause (1) of the preceding sentence, if an Eligible Employee described in the preceding sentence was not at any time permitted to make the election described in Section 2.8(a) or was permitted to make such election and elected to participate in the Exelon Corporation Cash Balance Pension Plan but such election was not given effect as a result of such Employee's Separation from Service, such Eligible Employee shall be permitted to elect, in the time and manner prescribed by the Administrator, to either (1) participate in the Plan as of his or her rehire date or (2) participate in the Exelon Corporation Cash Balance Pension Plan at the time prescribed therein and have his or her pension and related assets transferred to such plan in the manner described in Section 2.8(b).

(b) Rehire Date After Absence of at Least 5 Consecutive One-Year Breaks in Service. If an Employee terminates employment with the Company and the Affiliates and the Employee was not a Participant or was a Participant who did not have a vested pension as of the date his or her employment terminated, and such Employee is rehired by the Company after having an absence from employment with the Company and the Affiliates of at least five consecutive One-Year Breaks in Service, such Employee shall not be an Eligible Employee and shall not become a Participant upon such rehire. If a Participant with a vested pension terminates employment with the Company and the Affiliates and the Participant is rehired after having an absence from employment with the Company and the Affiliates of at least five consecutive One-Year Breaks in Service, such Participant shall remain a Participant upon his or her rehire. Notwithstanding the preceding sentence if a Participant described in the preceding sentence was not at any time permitted to make the election described in Section 2.8(a), or was permitted to make such election and elected to participate in the Exelon Corporation Cash Balance Pension Plan but such election was not given effect as a result of such Employee's Separation from Service, such Eligible Employee shall be permitted to elect, in the time and manner prescribed by the Administrator, to either (1) participate in the Plan as of his or her rehire date or (2) participate in the Exelon Corporation Cash Balance Pension Plan at the time prescribed therein and have his or her pension and related assets transferred to such plan in the manner described in Section 2.8(b).

ARTICLE III Accrual of Benefits.

3.1 Accrued Benefit. Except as otherwise provided in this Article or in Article VI, each Participant shall have an Accrued Benefit equal to one-twelfth of the greater of:

(a) The sum of (1) 2% of his average annual Compensation during the period of his service, if any, between January 1, 1930 and December 31, 1938, inclusive, multiplied by his Benefit Years before January 1, 1939, and (2) 2% of his aggregate Compensation for employment as an Eligible Employee after December 31, 1938, or

(b) The sum of (1) a percentage of his average annual base salary plus payments under the Exelon Corporation Annual Incentive Award Program for Management Employees, and the Exelon Corporation Quarterly Incentive Award Program (but excluding payments under any other business or group incentive or bonus programs) during his 60 consecutive months of employment with the Company that yield the highest twelve month average equal to 5% plus 1.2% for each of his first forty Benefit Years, and (2) 0.35% of such highest average in excess of Covered Compensation as of the date of reference, multiplied by his Benefit Years (up to a maximum of 14%). (For the purposes of this Paragraph (b), (A) employment during the most recent 5 years shall include absences which are included in Employment, except an absence prior to June 1, 1992 during which an Employee receives benefits under the Company's Disabilitant Plan, and the average annual base salary of an Employee on an included absence shall be calculated as if his base salary continued during any period of such absence for which he did not receive compensation, such salary to be that in effect when such period began, adjusted for increases applicable to his job classification which occur prior to the end of such period, (B) with respect to a Participant who is employed by the Company for less than 60-consecutive months, the Participant's average annual base salary shall be determined by averaging the Participant's annual base salary for each calendar year in which the Participant was at any time an Employee, determined as if the Participant had remained an Employee for the entire year, provided, that, if there are more than 5 such calendar years, the 5 years which result in the highest average will be used, (C) for purposes of determining consecutive months of employment, months in which the Participant performs no services, other than months for which salary is imputed under (A) above, shall be disregarded, (D) annual base salary shall be determined prior to reduction by amounts contributed at the direction of the Employee to the PECO Energy Company Employee Savings Plan or Employees' Section 125 Plan, or for Plan Years beginning after December 31, 2001, amounts contributed to a qualified transportation fringe benefit plan under Section 132(f)(4) of the Code, (E) effective January 1, 1990, a Participant's annual base salary shall not include any lump sum payment of his accrued vacation pay or sick pay, nor any severance payment made by the Company or an Affiliate or pursuant to any plan maintained by the Company or any Affiliate.) and (F) effective January 1, 1996 for purposes of calculating average annual base salary, any raise received during the month shall be deemed to have been received on the first of such month.

A Participant's Accrued Benefit, however, shall not be less than the largest early retirement benefit that he could at any time elect to receive under the Plan. For purposes of the preceding sentence, the early retirement benefit that a Participant may elect to receive at any time of reference is the monthly annuity which, assuming he had a Separation from Service on the date of reference, would be payable to him in the form of a Single Life Annuity beginning as of the later of the day ten years prior to his Normal Retirement Date or the first day of the month following the date of reference.

Notwithstanding the foregoing, the Accrued Benefit of a Power Team Employee shall be frozen as of the date the Employee becomes a Power Team Employee and no Power Team Employee shall earn any additional Accrued Benefit under the Plan while the Employee is a Power Team Employee. The calculation of the benefit of a Power Team Employee under subsection (a) and (b) shall be made without regard to any Compensation, annual base salary or earnings attributable to any period while the Employee is a Power Team Employee.

Notwithstanding the foregoing, an EIS Senior Management Employee's Accrued Benefit shall be frozen as of October 31, 1999, or the date such Participant becomes an EIS Senior Management Employee, if later, and no EIS Senior Management Employee shall earn any additional Accrued Benefit under the Plan after such date. The calculation of an EIS Senior Management Employee's benefit under subsection (a) and (b) shall be made without regard to any Compensation, annual base salary or earnings attributable to any period after October 31, 1999, or the date such Participant becomes an EIS Senior Management Employee, if later.

3.2 Minimum Accrued Benefit. Except as provided in Section 6.5:

(a) as a result of the imposition of the $200,000 cap on compensation under Section 401(a)(17) of the Code effective January 1, 1989 pursuant to Section 3.3, the Accrued Benefit of a Section 401(a)(17) Employee determined as of any date on or after January 1, 1989 and prior to January 1, 1994 shall not be less than the sum of:

(1) his Accrued Benefit determined as of December 31, 1988 under the provisions of the Plan as in effect through December 31, 1988; plus

(2) the Participant's Accrued Benefit determined under Section 3.1 based on the Participant's Benefit Years earned on and after January 1, 1989 and before January 1, 1994;

(b) as a result of the reduction of the $200,000 cap on compensation under Section 401(a)(17) of the Code to $150,000 effective January 1, 1994 pursuant to Section 3.3, the Accrued Benefit of a Section 401(a)(17) Employee determined as of any date on or after January 1, 1994 shall not be less than the sum of:

(1) his Accrued Benefit under Section 3.1 as of December 31, 1993 or, to the extent applicable, his Accrued Benefit under Section 3.2(a) as of December 31, 1993, if greater, determined in each case under the provisions of the Plan as in effect through December 31, 1993; provided, however, that, notwithstanding any provision of the Plan to the contrary, base salary for any determination period (as defined in Section 3.3) that is taken into account in determining an Employee's average annual base salary as of December 31, 1993 shall be subject to the Section 401(a)(17) Compensation Limit (as defined in Section 3.3) in effect for 1993; plus

(2) the Participant's Accrued Benefit determined under section 3.1 based on the Participant's Benefit Years earned on and after January 1, 1994.

For purposes of Section 3.2(a), a 'Section 401(a)(17) Employee' means an Eligible Employee who completes an Hour of Service on or after January 1, 1989 and whose

Accrued Benefit as of a date on or after January 1, 1989 and prior to January 1, 1994 is based on annual Compensation or base salary for a determination period (as defined in Section 3.3) beginning prior to January 1, 1989 that exceeds $200,000. For purposes of Section 3.2(b), a 'Section 401(a)(17) Employee' means an Eligible Employee who completes an Hour of Service on or after January 1, 1994 and whose Accrued Benefit as of a date on or after January 1, 1994 is based on annual Compensation or base salary for a determination period (as defined in Section 3.3) beginning prior to January 1, 1994 that exceeds $150,000.

3.3 Application of Section 401(a)(17) Compensation Limit. Annual Compensation taken into account for purposes of Section 3.1(a) (and Articles IVA, IVB and IVC) and annual base salary taken into account for purposes of Section 3.1(b) (and Articles IVA, IVB and IVC) shall not exceed $200,000 ($150,000, effective January 1, 1994), or such other amount as may be applicable under Code Section 401(a)(17) (the 'Section 401(a)(17) Compensation Limit'). Except as provided below, the Section 401(a)(17) Compensation Limit in effect for a calendar year applies to any period, not exceeding 12 months, over which Compensation or base salary is determined ('determination period') and which begins in such calendar year. Annual base salary for any determination period beginning prior to 1989 that is taken into account in determining an Employee's average annual base salary for purposes of determining the Employee's Accrued Benefit as of a date on or after January 1, 1989 but prior to January 1, 1994 shall be subject to the Section 401(a)(17) Compensation Limit in effect for 1989. Annual base salary for any determination period beginning prior to 1994 that is taken into account in determining an Employee's average annual base salary for purposes of determining the Employee's Accrued Benefit as of a date on or after January 1, 1994 shall be subject to the Section 401(a)(17) Compensation Limit in effect for 1994.

If a determination period consists of fewer than 12 months, the Section 401(a)(17) Compensation Limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12. For Plan Years beginning before January 1, 1997, the family aggregation rules of Sections 401(a)(17)(A) of the Code, as in effect on December 31, 1996, shall apply.

3.4 Transferred Employees. The Accrued Benefit of a Participant who has ceased to be an Eligible Employee but who is still an Employee shall be calculated on the basis of his Compensation, average annual base salary, Benefit Years, and the formula in effect under this Article III as of the last date on which he is an Eligible Employee.

3.5 Overall Permitted Disparity Limits. Notwithstanding any provision in the Plan to the contrary, the overall permitted disparity limits set forth in Treas. Reg. Section 1.401(l)-5 shall not be exceeded with respect to any Participant when all qualified plans of the Company and any Affiliate are taken into account. For purposes of applying the overall permitted disparity limits:

(a) the annual permitted disparity limit shall be satisfied without reducing the disparity provided under this Plan; and

(b) the benefit under Section 3.1(b) of a Participant who reaches his cumulative permitted disparity limit described in Treas. Reg. Section 1.401(l)-5(c) prior to accruing a total of 40 Benefit Years shall equal the sum of:

(1) the sum of (A) a percentage of his average annual base salary during his consecutive months of employment with the Company that yield the highest twelve month average equal to 5% plus 1.2% for each of his Benefit Years earned prior to the date the Participant reaches the cumulative permitted disparity limit, and (B) 0.35% of such highest average annual base salary in excess of Covered Compensation as of the date of reference, multiplied by his Benefit Years earned prior to the date the Participant reaches the cumulative permitted disparity limit; plus

(2) A percentage of his average annual base salary during his 60 consecutive months of employment with the Company that yield the highest twelve month average equal to 1.55% for each of his Benefit Years earned after the date the Participant reaches his cumulative permitted disparity limit, provided that the Benefit Years taken into account under this Section 3.4(b)(2) when added to the Benefit Years taken into account under Section 3.4(b)(1) do not exceed a total of 40 years.

ARTICLE IV. Benefits.

4.1 Normal Retirement. If an Active Participant has not already become vested pursuant to Section 4.4, he shall become fully vested in his Accrued Benefit when he attains Age 65, or, if later, upon the fifth anniversary of the date upon which he first became an Active Participant and may retire on his Normal Retirement Date. Upon retiring, the Participant shall be entitled to a monthly annuity that begins as of the first day of the month following the month in which his Normal Retirement Date occurs and is equal to his Accrued Benefit.

4.2 Postponed Retirement.

(a) An employee may continue in service after his Normal Retirement Date. Except as provided in Section 4.12, an Active Participant who continues in service after his Normal Retirement Date shall receive an annuity commencing as of the first day of the month following actual retirement, or as of his Required Beginning Date, if earlier. Such annuity shall be based upon service, Compensation, average annual base salary and Covered Compensation measured as of the date he retires or his Required Beginning Date, whichever applies, and the benefit formula under Section 3.1 in effect as of such date. Effective as of January 1, 2000, the annuity for an Employee whose Retirement Beginning Date is April 1 of the calendar year following the year in which he incurs a Separation from Service shall include an Actuarial Equivalent adjustment to reflect commencement of payments after April 1 following the calendar year in which he attained age 70 1/2. The Actuarial Equivalent adjustment described in the preceding sentence shall be made to Participant's Accrued Benefit as of each December 31 following his Required Beginning Date and preceding his Separation from Service, with the last such adjustment made as of his Separation from Service, and for each such year or portion of a year, shall reduce (but not below zero) any increase in the Participant's Accrued Benefit for the year or portion of a year attributable to Benefit Years,

Compensation, annual base salary, or changes in Covered Compensation for that year or portion of a year.

(b) Notwithstanding Paragraph (a), effective January 1, 1994, an executive shall continue as an Employee after his Normal Retirement Date only with the consent of the Company or an Affiliate. For purposes of this Paragraph (b), an "executive" means a Participant who:

(1) Is (A) bona fide executive as defined in Title 29 Code of Federal Regulations Sections 541.1 and 1625.12 or (B) employed in a high policy making position in the Company or an Affiliate within the meaning of Title 29 Code of Federal Regulations Section 1625.12;

(2) Has attained Age 65;

(3) Has been in a position described in Paragraph (1) for the two-year period immediately prior to his retirement; and

(4) Is entitled to an immediate vested annual retirement pension, commencing at Age 65 (or retirement, if later), from all employee pension, profit sharing, savings and deferred compensation plans sponsored by the Company and all Affiliates which equals, in the aggregate, at least $44,000 (or such other amount as may be prescribed pursuant to Title 29 Code of Federal Regulations Section 541.1 from time to time). In calculating the annual retirement pension, (A) all benefits shall be adjusted in accordance with regulations prescribed by the Equal Employment Opportunity Commission so that the benefit is the equivalent of a Single Life Annuity (with no ancillary benefits) under a plan to which employees do not contribute and under which no rollover contributions have been made and (B) there shall be excluded from the calculation of the retirement pension amounts attributable to Social Security, employee contributions, contributions of prior employers, rollover contributions, and contributions described in Code Section 402(e)(3).

(c) If a Participant's Benefit Commencement Date precedes his actual retirement, the pension payable to the Participant shall be determined as of the December 31 preceding his Benefit Commencement Date and adjusted as of January 1 in each calendar year following his Benefit Commencement Date, with the final adjustment to be made as of the date of his actual retirement. Such annual adjustment shall include any increase (but not any decrease) in the Participant's Accrued Benefit, determined in accordance with Article III, as a result of additional Benefit Years and Compensation and changes to average annual base salary, since the Participant's Benefit Commencement Date or the last such annual adjustment, whichever applies.

4.3 Early Retirement.

(a) Effective August 1, 2000, an Active Participant who terminates after he has attained Age 50 and has to his credit at least 10 Vesting Years may retire and shall upon so retiring be entitled to a monthly annuity that begins, at his election, as of the first day of the month following his retirement or as of the first day of any subsequent

month, but not after the first month following his Normal Retirement Date. Such election may be made no earlier than 90 days prior to the Benefit Commencement Date elected by the Participant and in no event earlier than the date on which the Participant receives the notice described in Section 5.5(a). The amount of the annuity under this Subsection 4.3(a) shall be equal to the Participant's Accrued Benefit determined as of his Separation from Service reduced as follows:

Attained Age at Separation from Service	Reduction Factor
64-60	1.00
59	0.98
58	0.96
57	0.93
56	0.90
55	0.87
54	0.84
53	0.81
52	0.78
51	0.75
50	0.72

Notwithstanding the foregoing provisions of this subsection (a), effective January 1, 2002, there shall be no reduction to the Accrued Benefit of an Active Participant who is an hourly, nonexempt Eligible Employee and who has attained age 59 at the time of his Separation from Service.

(b) Notwithstanding any other provision of the Plan to the contrary, a Participant who has ceased to be an Active Participant because he is an EIS Senior Management Employee, or because he has ceased to be an Employee of the Company and has thereupon become an Employee of EIS, shall continue to be treated as an Active Participant for purposes of this Section 4.3 and, effective January 1, 2002, Section 5.3, but not for any other provision of the Plan, so long as (i) he continuously remains an Employee of EIS or a wholly owned subsidiary of EIS and (ii) EIS continuously remains an Affiliate.

(c) Notwithstanding any other provision of the Plan to the contrary, a Participant who has ceased to be an Eligible Employee and Active Participant because he is a Power Team Employee, shall continue to be treated as an Active Participant for purposes of this Section 4.3 and, effective December 31, 1996, Section 5.3, but not for any other provision of the Plan, so long as he continuously remains a Power Team Employee.

4.4 Deferred Annuity. Effective as of August 1, 2000, any Participant who has a Separation from Service prior to satisfying the requirements for retirement under Sections 4.1-4.3 but at a time when he has to his credit at least five Vesting Years shall upon his Separation from Service be entitled to receive a monthly annuity that begins as of the first day of

the month following his Normal Retirement Date and is equal to his Accrued Benefit determined as of his Separation from Service. Alternatively, a Participant described in the preceding sentence may, at his election, receive a monthly annuity that begins as of the first day of the month following his fiftieth birthday or, at his option, on the first day of any month thereafter but not after the first month following his Normal Retirement Date that is equal to the Actuarial Equivalent of the Participant's Accrued Benefit determined as of his Separation from Service. Any election of a Benefit Commencement Date prior to Normal Retirement Date made under this Section may be made no earlier than 90 days prior to the Benefit Commencement Date elected by the Participant and in no event earlier than the date on which the Participant receives the notice described in Section 5.5(a).

4.5 Disabled Eligible Employees. A Participant who has become disabled within the meaning of the Company's Disabilitant benefit plans while an Eligible Employee shall continue to be credited with Benefit Years and Vesting Years during his period of Disabilitant to the extent set forth in Sections 1.6, 1.8, 1.17 and 1.33. If a disabled Participant has met the requirements to receive a pension under any Section of this Article IV (determined as if his Separation from Service had occurred on the date of reference), such Participant may elect as his Benefit Commencement Date any date as may be provided under the applicable Section. If a disabled Participant continues to be credited with Benefit Years after his Benefit Commencement Date, the amount of annuity payable to the Participant shall be determined as of his Benefit Commencement Date and shall be adjusted annually as of January 1 in each calendar year following his Benefit Commencement Date, up to and including the January 1 next following the date the disabled Participant ceases to be credited with Benefit Years. Such annual adjustment shall include any increase (but not any decrease) in the Participant's Accrued Benefit, determined in accordance with Article III, as a result of additional Benefit Years and Compensation and changes to average annual base salary, since the Participant's Benefit Commencement Date or the last such annual adjustment, whichever applies. In addition, such annual adjustment shall be reduced (but not below zero) by the Actuarial Equivalent of any benefit paid to the Participant since his Benefit Commencement Date during any period (a) prior to Normal Retirement Date or (b) after Normal Retirement Date that would have constituted "Section 202(a)(3)(B) Service" under Title 29 Code of Federal Regulations Section 2530.203-3(c)(1), to the extent not previously taken into account under this Section; provided, however, that the amount, if any, of the benefits paid to the Participant which exceeds the amount the Participant would have received if distribution had been made in the normal form of benefits described in Section 5.1 or 5.2(a), whichever applies to the Participant, shall be disregarded in determining the Actuarial Equivalent of such benefits for purposes of the reduction described in this sentence.

4.6 Maximum Annuity. The annuity of a Participant shall be subject to the following rules:

(a) The aggregate annual annuity to which any Participant may become entitled under this Plan and the qualified defined benefit plan of any Affiliate shall be a Qualified Joint and Survivor Annuity, or another form of annuity Actuarially Equivalent to a lifetime annuity (without death benefits), in an amount equal to the lesser of (1) $90,000 (or such other figure applicable under Section 415(b)(1)(A) of the Internal Revenue Code), or (2) 100% of his average annual Earnings from the Company or an Affiliate in the thirty-six consecutive months which yield the highest average.

(b) For a Participant who has to his credit fewer than ten Vesting Years, the limitations described in Paragraphs (a)(2) above and (e) below shall be one-tenth of the applicable limit multiplied by the number of his Vesting Years. For a Participant who has been an Active Participant for fewer than 10 full years at the time that retirement benefits begin, the dollar limitation described in Paragraph (a)(1) above shall be one-tenth of the applicable limit multiplied by the Participant's years as an Active Participant.

(c) The dollar limitation referred to in Paragraphs (a)(1) and (d)(1) shall be increased by using an interest rate equal to 5% per year and the mortality table described in Section 417(e)(3)(A)(ii)(I) for benefits commencing after Social Security Retirement Age. In the event that the Participant's benefits become payable before the Social Security Retirement Age, the dollar limitation shall be decreased to provide the Actuarial Equivalent of an annuity equal to such limitation commencing at the Age at which benefit payments begin in accordance with Section 415(b)(2)(C) of the Code. For purposes of this decrease, the reduction is the same as the reduction in Social Security benefits for benefits that begin to be paid on or after Age 62, and in reducing benefits commencing prior to Age 62, the interest rate used shall be 5%, except as may otherwise be provided in Section 4A.3(a)(2)(D) or 4B.3(a)(2)(C), and the mortality table used shall be as described in Section 417(e)(3)(A)(ii)(I) of the Code. If a Participant's benefits are payable in a form subject to Section 417(e)(3) of the Code, such benefits shall be adjusted, for purposes of applying the limitations under this Section 4.6, to their Actuarial Equivalent in the form of a straight life annuity with no ancillary benefits, using the interest and mortality assumption described in the second paragraph of Appendix A to this Plan.

(d) This Section 4.6(d) applies to Participants who, as of January 1, 2000: (i) had an Accrued Benefit and (ii) were not Active Participants, and shall continue to apply to such Participants until such time as they again become Active Participants. The benefits for any such Participant under this Plan shall not exceed the amount that would cause the sum of his defined benefit and his defined contribution fraction for the year to equal 1.0.

(1) A Participant's defined benefit fraction for a given limitation year is a fraction, the numerator of which is his projected annual benefit under this Plan and any other defined benefit plan maintained by the Company or an Affiliate and the denominator of which is the lesser of (A) 1.25 multiplied by $90,000 (or such other dollar limitation as in effect for the limitation year under Section 415(b)(1)(A) of the Code, reduced in accordance with Section 415(b)(2) and 415(b)(5) of the Code, if applicable), or (B) 1.4 multiplied by 100% of his average annual Earnings from the Company or any Affiliate in the thirty-six consecutive months of active participation which yield the highest average.

(2) A Participant's defined contribution fraction for a given limitation year is a fraction, the numerator of which is the sum of his annual additions for all limitation years and the denominator of which is the sum of his maximum aggregate amounts for all limitation years in which he is an Employee. A Participant's maximum

aggregate amounts for any limitation year shall equal the lesser of 1.25 multiplied by the dollar limitation applicable under Section 415(c) of the Code for such limitation year or 1.4 multiplied by the percentage limitation under Section 415(c) of the Code for such limitation year. Except as otherwise provided in Section 415(c) of the Code, the maximum annual addition to a Participant's account for any limitation year is the lesser of $30,000 (or such other amount as may be permitted for qualified defined contribution plans), or 25% of the Participant's Earnings for that year from the Company or an Affiliate. For all limitation years ending before January 1, 1976, the maximum annual addition shall be deemed to be the lesser of $25,000 or 25% of the Participant's Earnings for that year from the Company or an Affiliate.

(3) Notwithstanding the above, if the Plan satisfied Section 415 of the Code as in effect for the last limitation year beginning prior to January 1, 1987, an amount shall be permanently subtracted from the numerator of the defined contribution fraction (not exceeding such numerator) as prescribed by the Secretary of the Treasury so that the sum of the defined benefit and defined contribution fractions computed under Section 415(e)(1) of the Code as amended effective January 1, 1987, does not exceed 1.0 for such limitation year.

(e) The annual annuity payable with respect to a Participant may exceed 100% of his average annual Earnings in the 36 consecutive months of active participation which yield the highest average, if (1) the annual annuity does not exceed $10,000 for the current Plan Year or any prior Plan Year, and (2) the Participant has at no time participated in a defined contribution plan maintained by the Company or an Affiliate.

(f) For purposes of this Section:

(1) "Earnings" means wages for Federal tax withholding purposes, as defined in Section 3401(a) of the Code, but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed. Effective December 22, 1994, Earnings shall include amounts that a Participant would have received during a period of Qualified Military Service (or, if such amounts are not reasonably certain, the Participant's average Compensation for the twelve-month period immediately preceding the Participant's Qualified Military Service); provided, however, that the Participant returns to work with a Company or an Affiliate. Effective for Plan Years beginning on or after January 1, 1998, Earnings shall include "elective deferrals" as defined in section 402(g)(3) of the Code and amounts that are excluded from gross income under Section 125 or 457 of the Code, and effective for Plan Years beginning after December 31, 2000, amounts that are excluded from gross income under Section 132(f)(4) of the Code.

(2) The annual addition to a Participant's account for any limitation year is the sum, determined with respect to all qualified defined contribution plans of the Company and all Affiliates (including the voluntary contributions feature of any defined benefit plan thereof), of:

(A) Company contributions and forfeitures allocated to the Participant's account; plus

(B) for limitation years beginning prior to January 1, 1987, the lesser of (i) 50% of his contributions, or (ii) (a) for each calendar year after 1975 the amount by which the Participant's contributions exceed 6% of his cash remuneration or (b) for each limitation year before 1976 during which he was a Participant, the excess of the aggregate amount of his contributions for all such years over 10% of his aggregate cash remuneration from the Company or an Affiliate for all such years, multiplied by a fraction the numerator of which is one and the denominator of which is the number of such years; for limitation years beginning on or after January 1, 1987, the total amount of the Participant's contributions; plus

(C) amounts allocated to any Participant after March 31, 1984 in an individual medical account (within the meaning of Code Section 415(l)(2)) which is part of a pension or an annuity plan maintained by the Company or an Affiliate; plus

(D) amounts derived from contributions paid or accrued after December 31, 1985, in taxable years ending after such date which are attributable to post-retirement medical benefits allocated to a separate account of a Participant who is a key employee, as defined in Section 419A(d)(3) of the Code, under a welfare benefit fund maintained by the Company or an Affiliate.

(g) The limitations described in this Section shall become effective with respect to the Plan and Participants as is required to comply with Section 415 of the Code as amended by the Tax Reform Act of 1986 and subsequent legislation, but shall not reduce any benefit which was accrued by a Participant under the Plan prior to the first day of the limitation year beginning in 1987, using the applicable maximum dollar limitations then in effect; provided, however, that this sentence shall not apply to any Participant who was not a Participant as of the first day of the first limitation year that began in 1987. For purposes of this Paragraph (g), no change in the Plan after May 5, 1986 and no cost of living adjustment after May 5, 1986 shall be taken into account.

(h) If a Participant's benefit is otherwise limited by this Section, the benefit payable to the Participant and/or the Participant's surviving spouse under Section 5.2(a), 5.3 or 5.4 shall be based upon the Participant's benefit determined without regard to this Section, and the limitations of this Section shall apply to the resulting benefit payable to the Participant and/or his surviving spouse.

(i) Effective January 1, 1990, the limitation of Section 415(b)(1)(A) of the Code in Paragraph (a)(1) will be automatically adjusted for former Active Participants by multiplying such limit by the cost of living adjustment factor prescribed by the Secretary of the Treasury under Section 415(d) of the Code in such manner as the Secretary shall prescribe. The limitation of Section 415(b)(1)(B) of the Code shall be automatically adjusted for former Active Participants who have separated from service to reflect the cost of living adjustment factor prescribed by the Secretary of the Treasury

under Section 415(d) of the Code in such manner as the Secretary shall prescribe. The new limitation will apply to limitation years ending within the calendar year of the date of the adjustment. Subject to subsection 4.6(d), the pension paid to any retired Participant shall be automatically adjusted to reflect the maximum amount allowable under Section 415(b) of the Code for such limitation year. Notwithstanding the above, the adjustment described in this Paragraph (i) shall not be made for a Participant who has received a single sum benefit payment from a nonqualified deferred compensation plan sponsored by the Company to the extent that such adjustment would provide benefits for which the Participant has previously been compensated by virtue of the single sum payment.

4.7 Early Retirement Supplement. A Participant whose Employment Date is prior to January 1, 1972, and who retires under Section 4.3 at or after Age 55 with 20 or more Benefit Years shall be entitled to a benefit equal to the greater of:

(a) that provided in Section 4.3; or

(b) (1) with respect to such a Participant who retires prior to January 1, 1994, the benefit the Participant would have received under the provisions of the Plan as in effect on December 31, 1971, assuming the Participant's "normal retirement date" under the Plan as then in effect was Age 60; or

(2) with respect to such a Participant who retires after December 31, 1993, the benefit the Participant would have accrued as of December 31, 1993 if the provisions of the Plan as in effect on December 31, 1971 had remained in effect until such date, reduced for early commencement under the provisions of the Plan as in effect on December 31, 1971 assuming the Participant's "normal retirement date" under the Plan as then in effect was Age 60.

4.8 Benefit Commencement Date. Unless the Participant elects otherwise, the pension to which he is entitled under this Article IV or Articles IVA or IVB shall begin within sixty days of the close of the Plan Year in which falls the later of his Normal Retirement Date or his Separation from Service. The failure of the Participant to apply for his benefit pursuant to Section 5.9 by the date prescribed in the preceding sentence shall be deemed an election to defer payment to a later date. Notwithstanding the above, payment of such pension shall begin no later than a Participant's Required Beginning Date, or the first day of the month following the date the Participant first becomes entitled to such pension, if later.

4.9 Post-Retirement Adjustment.

(a) Commencing with installments due September 1, 1978, benefit payments to Participants who retired under Sections 4.1, 4.2 or 4.3, or corresponding prior sections, prior to January 1, 1978 and their Contingent Annuity Option beneficiaries are increased by 2% for each calendar year of retirement to a maximum of 4%.

(b) Commencing with installments due September 1, 1980, benefit payments to Participants who retired under the foregoing provisions of the Plan prior to

January 1, 1980 and their Contingent Annuity Option beneficiaries are increased by 3% for each calendar year of retirement to a maximum of 6%.

(c) Commencing with installments due September 1, 1982, benefit payments to Participants who retired under the foregoing provisions of the Plan prior to January 1, 1982 and their Contingent Annuity Option beneficiaries are increased by 3% for each calendar year of retirement to a maximum of 6%.

(d) Commencing with installments due September 1, 1984, benefit payments to Participants who retired under the foregoing provisions of the Plan prior to January 1, 1984, and their Contingent Annuity Option beneficiaries are increased by 2% for each calendar year of retirement to a maximum of 4%.

(e) Commencing with installments due September 1, 1986, benefit payments to Participants who retired under the foregoing provisions of the Plan prior to January 1, 1986, and their Contingent Annuity Option beneficiaries are increased by 2% for each calendar year of retirement to a maximum of 4%.

(f) Commencing with installments due February 1, 1991, benefit payments to:

(1) Participants who retired under Section 4.1, 4.2 or 4.3 of the Plan (or corresponding prior sections) prior to January 1, 1990;

(2) Contingent Annuity Option beneficiaries of deceased Participants who died or retired under the foregoing provisions prior to January 1, 1990;

(3) Qualified Joint and Survivor Annuity beneficiaries of deceased Participants who retired under the foregoing provisions prior to January 1, 1990; and

(4) surviving spouses receiving benefits under Section 5.4 due to the death of a Participant while an Active Participant prior to January 1, 1990, are increased by a factor of 3/4 of 1% multiplied by the difference obtained by subtracting the Participant's year of retirement or death, as appropriate, from 1990. A Participant or beneficiary described in this Paragraph (f) may irrevocably elect to waive this increase in benefit payments by written notice to the Company made no later than 60 days after the Participant or beneficiary is first notified of the increase by the Company.

(g) Commencing with installments due February 1, 1997, benefit payments to Participants who retired under the foregoing provisions of the Plan prior to January 1, 1994, and Contingent Annuity Option beneficiaries of deceased Participants who died or retired under the foregoing provisions of the Plan prior to January 1, 1994, are increased by fifty dollars ($50) per month.

(h) Commencing with installments due January 1, 2000, benefit payments to Participants who retired under the foregoing provisions of the Plan prior to January 1, 1994, and Contingent Annuity Option beneficiaries of deceased Participants

who died or retired under the foregoing provisions of the Plan prior to January 1, 1994, are increased by fifty dollars ($50) per month.

4.10. Special Early Retirement Benefit. The annuity (and any Contingent Annuity Option benefit) of a Participant who retires under the early retirement provisions of Section 4.3 between February 1, 1978 and June 1, 1978, inclusive, shall be computed without the 4% per year reduction described in the last sentence of Section 4.3. In addition, the monthly benefit paid to such a Participant (but not the benefit to any Contingent Annuity Option beneficiary) shall be supplemented by a monthly payment equal to the Social Security old age insurance benefit to which the Participant would be entitled at Age 65 based on earnings received as an Employee of the Company, assuming he has no wages for Social Security purposes after his retirement and there is no change in the Social Security law or rates subsequent to his retirement. The supplemental benefit described in the preceding sentence shall end with the payment on the first day of the month preceding the month in which the Participant first receives (or could have received if he had applied) Social Security old age insurance benefits unreduced on account of age, or with the payment last preceding the Participant's death, if earlier. The special benefits described in this section shall also be paid with respect to a Participant who elects early retirement during the period February 1, 1978 through June 1, 1978, inclusive, but whose actual retirement is postponed at the request of the Company in order to provide for personnel replacement and training.

4.11 Minimum Annuity. The annuity of a Participant who retires or has retired under Sections 4.1, 4.2 or 4.3, or corresponding prior sections regardless of the form of his benefit under Article V, and who is not at any time a Highly Compensated Employee, shall not be less than $150 per month.

4.12 Suspension of Benefits. With respect to any Participant whose employment by the Company or an Affiliate continues past his Normal Retirement Date, or who is receiving benefits under the Plan and again becomes an Employee, the following rules shall apply:

(a) If the reemployed Participant has not reached his Normal Retirement Date, his pension shall be suspended and recomputed under the Plan upon his subsequent Separation from Service.

(b) If the Participant has reached his Normal Retirement Date, for each calendar month or for each four or five week payroll period ending in a calendar month during which the Participant either completes forty or more Hours of Service (counting each day of Employment as five Hours of Service), or receives payment for any such Hours of Service performed on each of eight or more days or separate work shifts in such month or payroll period, (referred to herein as "Suspension Service") no pension payment shall be made, and no adjustment to the Participant's pension shall be made on account of such non-payment. No payment shall be withheld pursuant to this Paragraph (b) until the Employee is notified by personal delivery or first class mail during the first calendar month or payroll period in which payments are suspended that his benefits are suspended. Such notification shall contain a description of the specific reasons why benefit payments are being suspended, a general description of the Plan provisions relating to the

suspension of payments and a copy of such provisions (or a reference to the relevant pages of the summary plan description providing such information), and a statement to the effect that applicable Department of Labor Regulations may be found in Section 2530.203-3 of the Code of Federal Regulations. In addition, the suspension notification shall inform the Employee of the Plan's procedure for affording a review of the suspension of benefits.

(c) The pension of a reemployed Participant whose benefits were suspended under this Section 4.12 shall begin again no later than the earlier of (1) the first day of the third month following the month in which the Participant first fails to satisfy the service requirements described in Paragraph (b) or has a Separation from Service or (2) his Required Beginning Date. The resumed pension shall be recalculated to reflect Compensation, average annual base salary and Benefit Years earned under the Plan as in effect during such period of reemployment and shall be reduced by the Actuarial Equivalent of any payment received by the Employee under the Plan prior to his Normal Retirement Date; provided, however, that in no event shall the Participant's monthly pension payable in the form of a single life annuity when reemployment ends be less than the monthly pension that was payable to the Participant in the form of a single life annuity prior to his period of reemployment. The full amount of the resumed pension shall be paid in the form determined pursuant to Article V at the time payments are resumed, without regard to the form of payment in effect for the Participant prior to his reemployment. The pension of any Participant whose employment continued past his Normal Retirement Date (and whose benefits are not suspended because of employment as described in Paragraph (b)) shall be paid pursuant to Section 4.2.

(d) Notwithstanding the foregoing provisions of this Section 4.12, a Participant who received a pension while the Participant worked for Linden Chapel Corporation (formerly known as VSI Group, Inc., a Maryland corporation) before the assets of Linden Chapel Corporation (formerly known as VSI Group, Inc., a Maryland corporation) were acquired by EIS or its Affiliate, shall not have his or her pension suspended under this Section 4.12 solely as a result of the acquisition of the assets of Linden Chapel Corporation (formerly known as VSI Group, Inc., a Maryland corporation) by EIS or its Affiliate, so long as the Participant remains continuously employed thereafter by the Company or an Affiliate.

ARTICLE IVA. Special Limited Duration Early Retirement Benefit.

4A.1 Eligibility.

(a) The special limited duration early retirement benefit described in Section 4A.3 shall be available to any Active Participant who:

(1) as of December 31, 1990, has attained Age 50 and has to his credit at least five Benefit Years; and

(2) makes a Special Early Retirement Election in accordance with the provisions of Section 4A.2 and does not withdraw such Election on or before September 15, 1990 as provided in Section 4A.2(b).

(b) The Accrued Benefit of an Active Participant who satisfies the requirements of Paragraph (a)(1) above and who dies after July 14, 1990, but before September 16, 1990, shall be calculated under Section 4A.3 as of the date of his death for purposes of determining any death benefit payable on behalf of the Participant pursuant to Section 5.3 or 5.4, notwithstanding his failure to satisfy the requirement of Paragraph (a)(2) above.

4A.2 Special Early Retirement Election.

(a) for the purposes of this Article, a "Special Early Retirement Election" is a written election that:

(1) is submitted to the Plan Administrator on or after July 15, 1990 and on or before September 15, 1990; and

(2) that indicates the Active Participant's intent to retire from employment with the Company:

(A) if the Active Participant elects to participate in the Company's Service Completion Plan, on his "Service Completion Date" (as defined in Section 4A.4(c)(2) below); or

(B) if the Active Participant does not elect to participate in the Company's Service Completion Plan, on August 1, 1990, September 1, 1990, or October 1, 1990;

provided, however, that the election described in Section 4A.2(a)(2)(A) shall not be available to an Active Participant described in Section 4A.4(c)(1)(B).

(b) An Active Participant's Special Early Retirement Election shall become irrevocable as of September 15, 1990 if it has not been withdrawn by the Active Participant on or before such date.

4A.3 Benefits. Notwithstanding anything to the contrary contained in the Plan, each Active Participant who satisfies the requirements of Section 4A.1 shall be entitled to retire on the following terms:

(a) (1) Notwithstanding the provisions of Section 3.1, each Active Participant who satisfies the requirements of Section 4A.1 shall have an Accrued Benefit equal to one-twelfth of the greater of:

(A) the sum of (i) 2% of his average annual Compensation during the period of his service, if any, between January 1, 1930 and

December 31, 1938, inclusive, multiplied by his Benefit Years before January 1, 1939, and (ii) 2% of his aggregate Compensation for employment after December 31, 1938, or

(B) the sum of (i) a percentage of his average annual base salary during his 60 consecutive months of employment with the Company that yield the highest twelve month average equal to 5%, plus 1.2% multiplied by the sum of five plus his number of Benefit Years determined as of his Separation from Service (to a maximum of 45), and (ii) 0.35% of such highest average annual base salary in excess of Covered Compensation as of the date of reference, multiplied by his Benefit Years (up to a maximum of 14%);

(2) Notwithstanding the above, the Accrued Benefit of an Active Participant who satisfies the requirements of Section 4A.1 shall not exceed the maximum amount permissible under Sections 401(l) and 415 of the Code when such limitations are applied as follows:

(A) The limitations of Sections 401(l) and 415 shall be applied in the following order of priority: (I) prior to August 3, 1992, the ten-year phase-in limitation applicable to changes in the benefit structure under Section 415(b)(1)(5)(D) of the Code; (II) the limitations on the maximum excess allowance applicable when unreduced benefits are payable prior to social security retirement age as described under Section 401(l)(5)(F)(i) of the Code; and (III) the limitation described in Section 415(b)(1) of the Code;

(B) The ten-year phase-in limitation described in Subsection (A)(I) above shall apply to changes in benefits resulting from the crediting of five additional Benefit Years under Section 4A.3(a)(1)(B)(I); provided, however, that such limitation shall cease to apply on and after August 3, 1992;

(C) The limitations on the maximum excess allowance described in Subsection (A)(II) above shall apply only to such Participants who are Highly Compensated Employees at any time after 1989 and prior to Separation from Service; and

(D) For purposes of the limitations described in Subsections (A)(I) and (A)(III) above, the following actuarial assumptions shall be used to determine adjusted limitations for Participants whose benefit payments commence prior to Age 55: (I) 5% interest; and (II) the 1971 Forecast Mortality Table with a one-year age rating.

(3) For the purposes of Section 4A.3(a)(1)(B) above:

(A) employment during the most recent five years shall include absences which are included in Employment, except an absence during which an Employee receives benefits under the Company's Disabilitant Plan, and the average annual base salary of an Employee on an included absence shall be calculated as if his base salary continued during any period of such absence for which he did not receive

Compensation, such salary to be that in effect when such period began, adjusted for increases applicable to his job classification which occur prior to the end of such period;

(B) for any 12-consecutive-month period taken into account in determining a Participant's average annual base salary, a Participant's annual base salary shall not exceed $200,000 (or such other amount as may apply under Section 401(a)(17) of the Code for the calendar year in which the last of such 12-consecutive-month periods ends.) In determining annual base salary, the family aggregation rules of Section 401(a)(17)(A) of the Code, as in effect prior to January 1, 1997, shall apply.

(C) a Participant's annual base salary shall not include any lump sum payment of accrued vacation or sick pay, nor any severance payment made by the Company or an Affiliate or pursuant to any plan maintained by the Company or an Affiliate.

(b) for the purposes of determining the date as of which the Active Participant may commence receiving his pension pursuant to Article IV, and his ability to elect a Contingent Annuity Option pursuant to Section 5.3, the Active Participant:

(1) shall be credited with his actual number of Vesting Years as of his Separation from Service, plus five Vesting Years; and

(2) shall be deemed to be his actual Age as of the later of his Separation from Service or December 31, 1990, plus five years; provided, however, that the Actuarial Equivalent of his Accrued Benefit shall be calculated based on his actual Age as of his Benefit Commencement Date.

(c) If the Participant's annuity (including any Contingent Annuity Option benefit) is paid pursuant to Section 4.3, such annuity shall be computed without regard to the 4% per year reduction described in the last sentence of such Section.

4A.4 Special Rules. Notwithstanding anything to the contrary contained in the Plan:

(a) The minimum pension payable to an Active Participant who makes a Special Early Retirement Election shall be equal to the pension otherwise payable to him under the Plan, determined without regard to the provisions of this Article IVA (other than the limitations described in Section 4A.3(a)(2)), multiplied by one hundred five percent (105%).

(b) If, at the time of making a Special Early Retirement Election under Section 4A.2, an Active Participant elects any Contingent Annuity Option, the election of such option shall become effective immediately.

(c) The following additional definitions shall apply for purposes of this Article IVA:

(1) An "Active Participant" shall mean an Active Participant as defined in Section 1.2, including (A) a Participant who is an Eligible Employee at least one day on or after July 15, 1990 and on or before September 15, 1990 and (B) a Participant not described in (A) who is absent from Employment by reason of his Disabilitant on account of illness or accident.

(2) An Active Participant's "Service Completion Date" shall be the date specified by the Company as the date as of which his services will no longer be required by the Company. In no event, however, will any Active Participant's Service Completion Date be later than December 1, 1992. Each Active Participant who makes a Special Early Retirement Election shall receive written notification from the Company on or before December 1, 1990 specifying the calendar quarter in which or the date on which his services will no longer be required by the Company.

ARTICLE IVB. Nuclear Voluntary Retirement Incentive Plan.

4B.1 Eligibility.

(a) The voluntary retirement incentive plan benefit described in Section 4B.3 shall be available to any Participant who:

(1) as of December 1, 1992 is on the Nuclear Group payroll;

(2) as of March 31, 1993, will have attained Age 50 and have to his credit at least 5 Benefit Years; and

(3) makes a Voluntary Early Retirement Election in accordance with the provisions of Section 4B.2 and does not withdraw such Election as provided in Section 4B.2(b).

(b) The Accrued Benefit of a Participant who satisfies the requirements of Paragraphs (a)(1) and (2) above and who dies after December 9, 1992, but before January 26, 1993, shall be calculated under Section 4B.3 as of the date of his death for purposes of determining any death benefit payable on behalf of the Participant pursuant to Section 5.3 or 5.4, notwithstanding his failure to satisfy the requirement of Paragraph (a)(3) above.

4B.2 Voluntary Early Retirement Election.

(a) For the purposes of this Article, a "Voluntary Early Retirement Election" is a written election that:

(1) is submitted to the Plan Administrator on or after December 10, 1992 and on or before January 25, 1993, together with a signed full waiver and release of claims form; and

(2) indicates the Participant's intent to retire from employment with the Company on March 1, 1993, May 1, 1993 or July 1, 1993, as prescribed for the Participant in the personal election form provided to the Participant by the Company.

(b) A Participant's Voluntary Early Retirement Election shall become irrevocable if it is not withdrawn by the Participant, in writing in a form acceptable to the Plan Administrator, within seven (7) days following the date such Voluntary Early Retirement Election is submitted to the Administrator by the Participant.

4B.3 Benefits. Notwithstanding anything to the contrary contained in the Plan, each Participant who satisfies the requirements of Section 4B.1 shall be entitled to retire on the following terms:

(a) (1) Notwithstanding the provisions of Section 3.1 (other than the last sentence of Section 3.1(b)), each Participant who satisfies the requirements of Section 4B.1 shall have an Accrued Benefit equal to one-twelfth of the greater of:

(A) the sum of (I) 2% of his average annual Compensation during the period of his service, if any, between January 1, 1930 and December 31, 1938, inclusive, multiplied by his Benefit Years before January 1, 1939, and (II) 2% of his aggregate Compensation for employment after December 31, 1938, or

(B) the sum of (I) a percentage of his average annual base salary during his 60 consecutive months of employment with the Company that yield the highest twelve month average equal to 5%, plus 1.2% multiplied by the sum of five plus his number of Benefit Years determined as of his Separation from Service (to a maximum of 45 Benefit Years), and (II) 0.35% of such highest average annual base salary in excess of Covered Compensation as of the date of reference, multiplied by his Benefit Years (up to a maximum of 14%);

(2) Notwithstanding the above, the Accrued Benefit of a Participant who satisfies the requirements of Section 4B.1 shall not exceed the maximum amount permissible under Sections 401(l) and 415 of the Code when such limitations are applied as follows:

(A) The limitations of Sections 401(l) and 415 shall be applied in the following order of priority: (I) the limitations on the maximum excess allowance applicable when unreduced benefits are payable prior to social security retirement age as described under Section 401(l)(5)(F)(i) of the Code; and (II) the limitation described in Section 415(b)(1) of the Code;

(B) The limitations on the maximum excess allowance described in Subparagraph (A)(I) above shall apply only to such Participants who are Highly Compensated Employees at any time after 1991 and prior to Separation from Service; and

(C) For purposes of the limitation described in Subparagraph (A)(II) above, the following actuarial assumptions shall be used to

determine the adjusted limitation for Participants whose benefit payments commence prior to Age 62: (I) 5% interest; and (II) the 1971 Forecast Mortality Table with a one-year age rating.

(3) For purposes of Section 4B.3(a)(1) above, for any 12-consecutive-month period taken into account in determining a Participant's average annual base salary, a Participant's annual base salary shall not exceed $200,000 (or such other amount as may apply under Section 401(a)(17) of the Code for the calendar year in which the last of such 12-consecutive-month periods ends). In determining annual base salary, the family aggregation rules of Section 401(a)(17)(A) of the Code, as in effect prior to January 1, 1997, shall apply.

(b) For the purposes of determining the date as of which the Participant may commence receiving his pension pursuant to Article IV, and his ability to elect a Contingent Annuity Option pursuant to Section 5.3, the Participant:

(1) shall be credited with his actual number of Vesting Years as of his Separation from Service, plus 5 Vesting Years; and

(2) shall be deemed to be his actual Age as of the later of his Separation from Service or March 31, 1993, plus 5 years; provided, however, that the Actuarial Equivalent of his Accrued Benefit shall be calculated based on his actual Age as of his Benefit Commencement Date.

(c) If the Participant's annuity (including any Contingent Annuity Option benefit) is paid pursuant to Section 4.3, such annuity shall be computed without regard to the 4% per year reduction described in the last sentence of such Section.

4B.4 Special Rules. Notwithstanding anything to the contrary contained in the Plan, if, at the time of making a Voluntary Early Retirement Election under Section 4B.2, a Participant elects any Contingent Annuity Option, the election of such option shall become effective immediately.

ARTICLE IVC. Voluntary Retirement Incentive Program.

4C.1 Eligibility.

(a) The voluntary retirement incentive program benefit described in Section 4C.3 shall be available to any Participant who:

(1) is an Eligible Employee employed on a regular, part-time or intermittent basis, whether actively employed or absent under circumstances included in Employment, during the period beginning on July 5, 1994 and ending on September 16, 1994, other than an Eligible Employee who is laid off due to loss of employment qualifications and whose recall period ends prior to the date described for the Eligible Employee in Section 4C.2(a)(2);

(2) was born before January 1, 1946, became an Eligible Employee before January 1, 1991, and, as of December 31, 1995, will have to his credit at least 5 Benefit Years;

(3) makes a Voluntary Early Retirement Election in accordance with the provisions of Section 4C.2 and does not withdraw such Election as provided in Section 4C.2(b); and

(4) continues in employment with the Company in the same position (unless transferred at the direction of the Company) until, but not beyond, the date described in Section 4C.2(a)(2); provided, however, that this requirement shall not apply in the event the Participant ceases active employment with the Company (which shall apply to both direct and indirect employment (e.g., a leased employee)) earlier (A) due to a Disabilitant on account of illness or accident during which the Participant is eligible for and receives Disabilitant benefits under a Disabilitant benefit plan sponsored by the Company; (B) because the Company declares the Participant excess before the date described for the Participant in Section 4C.2(a)(2); or (C) because the Company has discharged the Participant for any reason, other than for willful misconduct, on or after July 5, 1994.

(b) (1) The Accrued Benefit of a Participant who satisfies the requirements of Paragraphs (a)(1) and (a)(2) above and who dies after July 4, 1994, but before September 17, 1994, shall be calculated under Section 4C.3 as of the date of his death for purposes of determining any death benefit payable on behalf of the Participant pursuant to Section 5.3 (but not Section 5.4), notwithstanding his failure to satisfy the requirements of Paragraph (a)(3) and/or (a)(4) above.

(2) The Accrued Benefit of a Participant who satisfies the requirements of Paragraphs (a)(1), (a)(2) and (a)(3) above and who dies after July 4, 1994, but before the date described for the Participant in Section 4C.2(a)(2), shall be calculated under Section 4C.3 as of the date of his death for purposes of determining any death benefit payable on behalf of the Participant pursuant to Section 5.3 or 5.4, notwithstanding his failure to satisfy the requirements of Paragraph (a)(4) above.

4C.2 Voluntary Early Retirement Election.

(a) For the purposes of this Article, a "Voluntary Early Retirement Election" is a written election that:

(1) is submitted to and accepted by the Plan Administrator on or after July 5, 1994 and on or before September 16, 1994, together with a signed full waiver and release of claims form; and

(2) indicates the Participant's intent to retire from employment with the Company (including both direct and indirect employment (e.g., as a leased employee)) on the first of the month following the later of (A) the Participant's release date determined from the table below or (B) the date the Participant attains Age 50.

STRATEGIC BUSINESS UNIT		RELEASE DATE
CONSUMER ENERGY SERVICE GROUP		
- - Majority (except below	-	12/31/94
- - Gas Utilization Job Family	-	3/31/95
NUCLEAR		
- - Majority (except below)	-	12/31/94
- - Limerick (other than below)	-	12/31/94
- Operations		6/30/95
- Mtce/I&C		6/30/95
- - Station Support (other than below)	-	12/31/94
- Mtce/I&C		6/30/95
- - Peach Bottom (other than below	-	12/31/94
- Operations		12/31/95
- Mtce/I&C		12/31/95
POWER GENERATION GROUP		
- - Majority (except below)	-	12/31/94
- - Operations - Cromby Station	-	6/30/95
CENTRAL		
- - Information Systems	-	10/31/94
- - Human Resources-	-	12/31/94
Benefits Division		6/30/95
- - Corp. & Public Affairs	-	12/31/94
- - Quality Management	-	12/31/94
- - Finance	-	12/31/94
- - Legal	-	12/31/94
- - Support Services	-	12/31/94
- - Gas "Meter Shop"	-	12/31/94
- - Gas	-	6/30/95
- - Bulk	-	6/30/95

(b) A Participant's Voluntary Early Retirement Election shall become irrevocable if it is not withdrawn by the Participant, in writing in a form acceptable to the Plan Administrator:

(1) within seven (7) days following the date such Voluntary Early Retirement Election is submitted to the Administrator by the Participant, in the case of Elections submitted to the Administrator before September 2, 1994; or

(2) within seven (7) days following the date such Voluntary Early Retirement Election is accepted by the Administrator, in the case of Elections submitted to the Administrator on or after September 2, 1994.

4C.3 Benefits. Notwithstanding anything to the contrary contained in the Plan, each Participant who satisfies the requirements of Section 4C.1 shall be entitled to retire on the following terms:

(a) (1) Notwithstanding the provisions of Section 3.1 (other than the last sentence of Section 3.1(b)), each Participant who satisfies the requirements of Section 4C.1 shall have an Accrued Benefit equal to one-twelfth of the greater of:

(A) the sum of (I) 2% of his average annual Compensation during the period of his service, if any, between January 1, 1930 and December 31, 1938, inclusive, multiplied by his Benefit Years before January 1, 1939, and (II) 2% of his aggregate Compensation for employment after December 31, 1938, or

(B) the sum of (I) a percentage of his average annual base salary during his 60 consecutive months of employment with the Company that yield the highest twelve month average equal to 5%, plus 1.2% multiplied by the sum of three plus his number of Benefit Years determined as of his Separation from Service (to a maximum of 43 Benefit Years), and (II) 0.35% of such highest average annual base salary in excess of Covered Compensation as of the date of reference, multiplied by his Benefit Years (up to a maximum of 14%);

(2) Notwithstanding the above:

(A) the Accrued Benefit of a Participant who satisfies the requirements of Section 4C.1 shall not exceed the maximum amount permissible under Section 415 of the Code. For purposes of this limitation, the following actuarial assumptions shall be used to determine the adjusted limitation under Section 415(b)(1) of the Code for Participants whose benefit payments commence prior to Age 62: (I) 5% interest; and (II) the 1971 Forecast Mortality Table with a one-year age rating.

(B) Plan benefits provided under this Article IVC for Participants described in Section 4C.1 who are Highly Compensated Employees at any time after 1993 shall be limited to the extent necessary to satisfy the nondiscriminatory amount requirements of Section 401(a)(4) of the Code applying the general test described in Treas. Reg. Section 1.401(a)(4)-3(c) to the portion of the Plan covering Participants described in Section 4C.1.

(3) The Section 401(a)(17) Compensation Limit described in Section 3.3 of the Plan shall apply for purposes of determining benefits under Section 4C.3(a)(1) above; provided, however, that a Participant's Accrued Benefit shall in no event be less than the amount described in Section 3.2(b).

(b) For purposes of determining the date as of which the Participant may commence receiving his pension pursuant to Article IV, and his ability to elect a Contingent Annuity Option pursuant to Section 5.3, the Participant:

(1) shall be deemed to have completed 10 Vesting Years for purposes of Article IV and shall be deemed to have completed 14 Benefit Years for purposes of Section 5.3; and

(2) shall be deemed to be his actual Age as of his Separation from Service plus 5 years.

(c) If the Participant's annuity (including any Contingent Annuity Option benefit) is paid pursuant to Section 4.3, such annuity shall be computed without regard to the 4% per year reduction described in the last sentence of such Section.

4C.4 Special Rules. Notwithstanding anything to the contrary contained in the Plan, if, at the time of making a Voluntary Early Retirement Election under Section 4C.2, a Participant elects any Contingent Annuity Option, the election of such option shall become effective immediately.

ARTICLE IVD. 1998 Workforce Reduction Program.

4D.1 Purpose. This Article IVD is intended to provide certain Active Participants with additional benefits in recognition of the Company's need to reduce its workforce to address the competitive business conditions facing the Company and the Affiliates. In general, this Article IVD provides additional retirement benefits to Active Participants whose Employment with the Company terminates between June 1, 1998 and June 30, 2000, inclusive, because they have been declared "excess" by the Company.

4D.2 Definitions. The following capitalized terms, when used in this Article IVD, shall have the following meanings, notwithstanding any different definitions of such terms elsewhere in the Plan.

(a) "CTAC Employee" means an Active Participant employed by the Company in a craft, technical, administrative or clerical position.

(b) "Disabled Employee" means an Active Participant who is receiving benefits pursuant to the Company's Disabilitant Plan or Long Term Disabilitant Plan during the period from August 1, 1998, through June 30, 2000, inclusive.

(c) "Election Period" means the 14-day period beginning on the date an Eligible Participant receives a Program enrollment package.

(d) "Eligible Participant" means each PSM Employee, CTAC Employee or Disabled Employee who satisfies the following applicable requirements:

(1) In the case of a Disabled Employee, he is described in Schedule 1 to the Plan and terminates Employment on his Qualified Retirement Date or Qualified Separation Date, whichever is applicable, pursuant to his irrevocable written election to participate in the Program, which election shall be made in the form and manner provided by the Company and during the applicable Election Period.

(2) In the case of a PSM Employee or a CTAC Employee, he continues in Employment with the Company (or an Affiliate) in the same position (unless transferred at the direction of the Company) until, but not beyond, his Qualified Retirement Date or Qualified Separation Date, if any, whichever applies; provided, however, that this requirement shall not apply in the event the PSM Employee or CTAC Employee ceases active employment with the Company (or an Affiliate) earlier due to a Disabilitant on account of illness or accident for which such Employee is eligible for and receives Disabilitant benefits under a Disabilitant benefit plan sponsored by the Company.

(3) In the case of a PSM Employee, he satisfies both (A) and (B), below:

(A) He is declared "excess" by the Company based on the following criteria:

(i) his 1997 job performance; or

(ii) the elimination of his position or a position in his job classification; or

(iii) failure to be selected for an available position.

(B) He does not reject an offer from the Company or an Affiliate to work in a position that is within two salary grades of his current position.

A description of the PSM Employees who are declared "excess" by the Company in accordance with the foregoing criteria is set forth on Schedule 1 to the Plan.

(4) In the case of a CTAC Employee, he satisfies both (A) and (B), below:

(A) He is declared "excess" by the Company based on the following criteria:

(i) his 1997 job performance; or

(ii) the elimination of one or more positions in his job classification, and

(I) if there are multiple positions that are identified as excess in his job classification and the number of such CTAC Employees who elect to participate in the Program exceeds the number identified as excess, his seniority; or

(II) if there are multiple positions that are identified as excess in his job classification and the number of such CTAC Employees who elect to participate in the Program is less than the number identified as excess, the criteria described in the Company's suspended Reduction in Force Policy.

A description of the CTAC Employees who are declared "excess" by the Company in accordance with the foregoing criteria is set forth on Schedule 1 to the Plan.

(B) In the case of a CTAC Employee described in subclause (iv)(A)(ii) above, either:

(i) he elects in writing, in the form and manner provided by the Company and during the applicable Election Period, to participate in the Program and does not revoke such election within the time period prescribed by the Company; or

(ii) he irrevocably elects in writing not to participate in the Program and the Company subsequently terminates his Employment because he is declared "excess" in accordance with the criteria set forth in paragraph (4)(A) above;

(5) His Employment, if any, is not terminated prior to his Qualified Retirement Date or Qualified Separation Date, if any, because of unsatisfactory job performance or one or more violations of the Company's Disciplinary Guidelines or Code of Conduct.

(6) He executes a written release and waiver of claims in favor of the Company and the Affiliates in a form provided by the Company and within the time period required by the Company. Such release and waiver of claims shall become irrevocable if it is not withdrawn, in writing in a form acceptable to the Plan Administrator, within seven (7) calendar days following its submission to the Plan Administrator.

(7) His Employment, or his Employer's status as an Affiliate, is not terminated as a result of a sale of assets or stock, a merger or any other business transaction which provides him an opportunity to be employed by an employer that is not the Company or an Affiliate.

(e) "Program" refers to the enhanced benefits provided pursuant to this Article IVD.

(f) "PSM Employee" means an Active Participant employed by the Company in a professional, supervisory or managerial position.

(g) "Qualified Retirement Date" means the date between June 1, 1998 and June 30, 2000, inclusive, as set forth on Schedule 1 of the Plan, that a Retirement-Eligible Participant may retire from the Company and receive Retirement Benefits.

(h) "Qualified Separation Date" means the date between June 1, 1998 and June 30, 2000, inclusive, as set forth on Schedule 1 of the Plan, that a Separation-Eligible Participant may terminate his Employment and receive Separation Benefits.

(i) "Retirement Benefits" means the benefits described in Section 4D.4.

(j) "Retirement-Eligible Participant" means an Eligible Participant who, as of December 31, 1999:

(1) is Age 50 or older; and

(2) is credited with at least five (5) Vesting Years.

For purposes of this paragraph (j), the Age of an Eligible Participant shall be his actual Age (without regard to the provisions of Section 4D.4).

(k) "SEP Annuity" means an annuity that is the Actuarial Equivalent of the SEP Lump Sum, determined on the basis of the actuarial assumptions applicable under Section 5.6 of the Plan.

(l) "SEP Lump Sum" means a fixed dollar amount equal to the following:

(1) in the case of a Separation-Eligible Participant who has not received payment for the 90-day search period under the Company's Reduction in Force Policy prior to the suspension of that policy, a lump sum equal to the total amount such Separation-Eligible Participant would have received during the 90-day search period under the Company's suspended Reduction in Force Policy if such policy had remained in effect; and

(2) (A) for a Separation-Eligible Participant who has fewer than ten (10) Benefit Years, two (2) multiplied by the number of full or partial Benefit Years as of his Separation from Service, multiplied by his Weekly Base Pay; or

(B) for a Separation-Eligible Participant who has ten (10) or more Benefit Years, three (3) multiplied by the number of full or partial Benefit Years as of his Separation from Service multiplied by his Weekly Base Pay.

Notwithstanding the foregoing, no Separation-Eligible Participant shall be entitled to receive a SEP Lump Sum under clause (2)(A) above that is less than eight (8) multiplied by his Weekly Base Pay.

(m) "Separation Benefits" means the benefits described in Section 4D.5.

(n) "Separation-Eligible Participant" means an Eligible Participant who:

(1) is not a Retirement-Eligible Participant; or

(2) is a Retirement-Eligible Participant who, in accordance with Section 4D.3, elects to receive Separation Benefits.

(o) "Weekly Base Pay" means:

(1) in the case of an Eligible Participant who was compensated on a salaried basis as of May 26, 1998, the Eligible Participant's weekly base salary as of May 26, 1998, adjusted for any subsequent merit increases (or for a pro rata portion of such merit increases if such increases are based on a greater regularly scheduled workweek than the Eligible Participant's regularly scheduled workweek as of May 26, 1998);

(2) in the case of an Eligible Participant who was compensated on a non-salaried basis as of May 26, 1998, the number of hours per week such Eligible Participant was regularly scheduled to work as of May 26, 1998 multiplied by his regular hourly rate in effect on the day

4D.3 Elections of the Retirement and Separation Benefits. Any Retirement-Eligible Participant shall be entitled to elect to receive Retirement Benefits or Separation Benefits, but not both. A Retirement-Eligible Participant must submit to the Company's Human Resources Department a completed and signed election form, in such form and manner and at such time as may be required by the Administrator.

4D.4 Computation of Retirement Benefits Under the Program.

(a) Each Retirement-Eligible Participant who has not elected Separation Benefits in accordance with Section 4D.3 shall be entitled to early retirement benefits determined under Section 4.3 of the Plan, regardless of the number of Vesting Years with which he has been credited; provided, however, that for the purpose of determining any applicable reduction in the amount received upon early retirement, such Participant's Age on his Benefit Commencement Date shall be deemed to be his actual Age on such date plus 60 additional months.

(b) The Accrued Benefit of a Retirement-Eligible Participant who satisfies the requirements of an Eligible Participant, other than paragraphs 4D.2(d)(2) and 4D.2(d)(6), and who dies before his Qualified Retirement Date, shall be calculated by

applying paragraph 4D.4(a) as of the date of his death for purposes of determining any death benefit payable on behalf of such Participant pursuant to Sections 5.3 or 5.4, notwithstanding his failure to satisfy paragraphs 4D.2(d)(2) and/or 4D.2(d)(6).

4D.5 Computation, Payment and Form of Separation Benefits Under the Program.

(a) Each Separation-Eligible Participant shall be entitled to receive a SEP Annuity in addition to his Accrued Benefit.

(b) A Separation-Eligible Participant shall receive payment of his SEP Annuity in accordance with the following:

(1) A Separation-Eligible Participant shall receive the sum of (I) the Actuarial Equivalent of his SEP Annuity in the form of a Single Life Annuity commencing on his Normal Retirement Date (determined on the basis of the actuarial assumptions applicable under Appendix A of the Plan) and (II) his Accrued Benefit, with such sum payable at such time, in such form and subject to such adjustments as may otherwise be applicable under Articles IV and V of the Plan. In lieu of receiving such Actuarial Equivalent of his SEP Annuity at such time and in such form as he receives his Accrued Benefit, a Separation-Eligible Participant may instead elect to receive immediate payment of his SEP Annuity in accordance with paragraph (2) below or an immediate distribution of his SEP Lump Sum in accordance with paragraph (3) below.

(2) A Separation-Eligible Participant may elect, in accordance with the procedure described in Section 4.3, to receive his SEP Annuity immediately, with payment to begin as of his Qualified Separation Date in the following form:

(A) The SEP Annuity of a Separation-Eligible Participant who is unmarried on his Benefit Commencement Date shall be paid in the form of a Single Life Annuity.

(B) The SEP Annuity of a Separation-Eligible Participant who is married on his Benefit Commencement Date shall be paid in the form of a Qualified Joint and Survivor Annuity.

(3) In lieu of his SEP Annuity, a Separation-Eligible Participant may elect to receive an immediate payment of his SEP Lump Sum, with payment to be made as of his Qualified Separation Date in a single sum. Any such election by a Separation-Eligible Participant who is married on his Benefit Commencement Date shall be subject to the spousal consent requirements described in Section 5.7, shall be made in writing in a manner prescribed by the Company and may be made or revoked at any time within the 90-day period preceding the Benefit Commencement Date but in no event earlier than the date on which the Participant receives the notice described in Section 5.5(a).

(c) In the case of a Separation-Eligible Participant who satisfies the requirements of an Eligible Participant, other than paragraphs 4D.2(d)(ii) and

4D.2(d)(vi), and who dies before his Qualified Separation Date, the Actuarial Equivalent of such Participant's SEP Annuity in the form of a Single Life Annuity commencing on his Normal Retirement Date (determined on the basis of the actuarial assumptions applicable under Appendix A of the Plan) shall be added to his Accrued Benefit for the purpose of determining any death benefit payable on behalf of such Participant pursuant to Sections 5.3 or 5.4, notwithstanding his failure to satisfy paragraphs 4D.2(d)(ii) and/or 4D.2(d)(vi).

ARTICLE IVE. Merger Separation Program

4E.1 Purpose. This Article IVE is intended to provide certain Participants with additional benefits in recognition of the Company's need to reduce its workforce in connection with the merger of the Company and Unicom Corporation. In general, this Article IVE provides additional retirement benefits to certain Participants whose Employment with the Company terminates between 60 days after the Merger Date and December 31, 2002, inclusive.

4E.2 Definitions. The following capitalized terms, when used in this Article IVE, shall have the following meanings, notwithstanding any different definitions of such terms elsewhere in the Plan.

(a) "Annuity" means an annuity that is the Actuarial Equivalent of the Lump Sum, determined on the basis of the actuarial assumptions applicable under Section 5.6 of the Plan.

(b) "Disabled Employee" means an Active Participant who is receiving benefits pursuant to the Company's Disabilitant Plan or Long Term Disabilitant Plan at any time during the Merger Separation Period.

(c) "Election Period" means the 45-day period beginning on the date an Eligible Participant receives a Program enrollment package.

(d) "Eligible Participant" means each Participant, other than an intermittent employee, who satisfies the following applicable requirements:

(1) In the case of a Disabled Employee, he terminates Employment on his Qualified Retirement Date or Qualified Separation Date, whichever applies, pursuant to his irrevocable written election to participate in the Program, which election shall be made in the form and manner provided by the Company and during the applicable Election Period.

(2) In the case of a Participant other than a Disabled Employee or a Participant described in (3) below, he satisfies (A) or (B), and each of(C) and (D), below:

(A) His current position is eliminated as part of the restructuring program related to the merger between the Company and Unicom Corporation; or

(B) He is offered a position or a transfer (either between or within business units) as part of the merger between the Company and Unicom Corporation that results in one or more of the following:

(i) an increase in one-way commuting distance of more than 50 miles;

(ii) a substantial change in major position responsibilities and duties, as determined by the Company acting as employer and not as a fiduciary;

(iii) a lower job band; or

(iv) a lower annual base salary.

(C) His position is identified by the Company for elimination, transfer or change, whichever applies, he is notified of such elimination, transfer or change no later than sixty days before December 31, 2002 and, in the case of a transfer described in paragraph (2)(B) above, he elects in writing, in the form and manner provided by the Company and during the Election Period, to participate in the Program.

(D) He continues in Employment with the Company or an Affiliate in the same position (unless transferred at the direction of the Company) until, but not beyond, his Qualified Retirement Date or Qualified Separation Date, if any, whichever applies; provided, however, that this requirement shall not apply in the event the Participant ceases active employment with the Company or an Affiliate earlier due to a disability on account of illness or accident which such Employee is eligible and receives disability benefits under a disability benefit plan sponsored by the Company.

(3) In the case of an Active Participant who is a nonexempt, hourly craft employee, one or more positions in his job classification are eliminated as part of the restructuring program related to the merger between the Company and Unicom Corporation, and

(A) if there are multiple such positions that are eliminated in his job classification and the number of such Active Participants who elect to participate in the Program exceeds the number of positions eliminated, Eligible Participants will be identified based on seniority; or

(B) if there are multiple such positions that arc eliminated in his job classification and the number of such Active Participants who elect to participate in the Program is less than the number of positions eliminated, Eligible Participants will be identified based on the criteria described in the Company's suspended Reduction in Force Policy.

(4) His Employment, if any, is not terminated prior to his Qualified Retirement Date or Qualified Separation Date, whichever applies, for any reason not related to the merger between the Company and Unicom Corporation.

(5) He executes a written release and waiver of claims in favor of the Company and the Affiliates in a form provided by the Company and within the time period required by the Company. Such release and waiver of claims shall become irrevocable if it is not withdrawn, in writing in a form acceptable to the Plan Administrator, within seven (7) calendar days following its submission to the Plan Administrator.

(e) "Enhanced Age" means:

(1) in the case of a Retirement-Eligible Participant, his actual Age plus twelve (12) additional months; and

(2) in the case of a Separation-Eligible Participant, his actual Age plus the number of months included in his Special Payment Period.

(f) "Enhanced Benefit Years" means:

(1) in the case of a Retirement-Eligible Participant, his actual Benefit Years (up to a maximum of 40) plus twelve (12) additional months; and

(2) in the case of a Separation-Eligible Participant, his actual Benefit Years (up to a maximum of 40) plus the number of months equal to one-fourth of the number of weeks included in Section 4E.2(r)(2) (up to a maximum of twenty-four (24) weeks), rounded to the nearest whole number of months (with remainders of one-half(l/2) rounded to the next higher whole number).

(g) "Enhanced Vesting Years" means:

(1) in the case of a Retirement-Eligible Participant, his actual Vesting Years plus twelve (12) additional months; and

(2) in the case of a Separation-Eligible Participant, his actual Vesting Years plus the number of months equal to one-fourth of the number of weeks included in Section 4E.2(r)(2) (up to a maximum of twenty-four (24) weeks), rounded to the nearest whole number of months (with remainders of one-half (1/2) rounded to the next higher whole number).

(h) "Lump Sum" means a fixed dollar amount equal to the following:

(1) in the case of a Retirement-Eligible Participant, 26 multiplied by his Weekly Base Pay; and

(2) in the case of a Separation-Eligible Participant, the sum of (A) and (B) below:

(A) 52 multiplied by his Weekly Base Pay; and

(B) the number of full Vesting Years as of his Qualified Separation Date that are in excess often (10) but not in excess of thirty-six (36), if any, multiplied by his Weekly Base Pay.

(i) "Merger Separation Period" means the time period beginning sixty (60) days before the Merger Date and ending on December 31, 2002, inclusive.

(j) "Program" refers to the enhanced benefits provided pursuant to this Article IVE.

(k) "Qualified Retirement Date" means the date during the Merger Separation Period. as determined by the Company, that a Retirement-Eligible Participant may retire from the Company and receive Retirement Benefits.

(l) "Qualified Separation Date" means the date during the Merger Separation Period, as determined by the Company, that a Separation-Eligible Participant may terminate his Employment and receive Separation Benefits.

(m) "Retirement Benefits" means the benefits described in Section 4E.4.

(n) "Retirement-Eligible Participant" means an Eligible Participant who:

(1) is at least Age 50 with five (5) or more Vesting Years as of his Qualified Retirement Date; or

(2) satisfies the requirements of paragraph (1) above after taking into account his Enhanced Age and/or his Enhanced Vesting Years.

(o) "Separation Benefits" means the benefits described in Section 4E.5.

(p) "Separation-Eligible Participant" means an Eligible Participant who:

(1) is not a Retirement-Eligible Participant; or

(2) is a Retirement-Eligible Participant who, in accordance with Section 4E.3, elects to receive Separation Benefits.

(q) "Special Payment Period" means, for a Separation-Eligible Participant, the sum of (1) and (2) below:

(1) twelve (12) months; and

(2) one (1) week for each full Vesting Year as of his Qualified Separation Date in excess often (10) but not in excess of thirty-six (36), if any.

(r) "Weekly Base Pay" means:

(1) in the case of an Eligible Participant who was compensated on a salaried basis as of the later of his Employment Date or August 1, 2000, the Eligible Participant's weekly base salary as of such date, adjusted for any subsequent merit increases (or for a pro rata portion of such merit increases if such increases are based on a greater regularly scheduled workweek than the Eligible Participant's regularly scheduled workweek as of the later of his Employment Date or August 1, 2000);

(2) in the case of an Eligible Participant who was compensated on a non-salaried basis as of the later of his Employment Date or August 1, 2000, the number of hours per week such Eligible Participant was regularly scheduled to work as of such date multiplied by his regular hourly rate in effect on the day before his Separation from Service, and

(3) in the case of a Disabled Participant, the amount calculated in accordance with (1) or (2) above, whichever applies, determined as of the last day the Participant performed services for the Company immediately prior to the occurrence of his disability.

4E.3 Elections of the Retirement and Separation Benefits. Any Retirement-Eligible Participant shall be entitled to elect to receive Retirement Benefits or Separation Benefits, but not both. A Retirement-Eligible Participant must submit to the Company's Human Resources Department a completed and signed election form, in such form and manner and at such time as may be required by the Administrator.

4E.4 Computation of Retirement Benefits Under the Program.

(a) Each Retirement-Eligible Participant who has not elected Separation Benefits in accordance with Section 4E.3 shall be entitled to early retirement benefits regardless of the number of Vesting Years with which he has been credited. Such early retirement benefits shall be determined under Section 4.3; provided, however, that for purposes of calculating such Retirement-Eligible Participant's Accrued Benefit and determining any applicable reduction in the amount received upon early retirement: (1) such Participant's Age on his Benefit Commencement Date shall be deemed to be his Enhanced Age, (2) such Participant's Benefit Years on his Benefit Commencement Date shall he deemed to he his Enhanced Benefit Years for purposes of Section 3.1(b), (3) such Participant's aggregate Compensation for purposes of Section 3.l(a)(2) shall he deemed to include an additional amount equal to his annual Compensation for the calendar year ending on or immediately preceding his Qualified Retirement Date, and (4) such Participant's early retirement benefits shall be determined using the early retirement reduction factors set forth on Schedule A. The Benefit Commencement Date of a Retirement-Eligible Participant shall not bc earlier than the date he attains Age 50, determined without regard to his Enhanced Age.

(b) The Accrued Benefit of a Retirement-Eligible Participant who has not elected Separation Benefits, who satisfies the requirements of an Eligible Participant,

other than paragraphs 4E.2(d)(2)(D) and 4E.2(d)(5), and who dies before his Qualified Retirement Date shall be calculated by applying paragraph 4E.4(a) as of the date of his death for purposes of determining any death benefit payable on behalf of such Participant pursuant to Sections 5.3 or 5.4, notwithstanding his failure to satisfy paragraphs 4E.2(d)(2)(D) and/or 4E.2(d)(5).

(c) Each Retirement-Eligible Participant who has not elected Separation Benefits and who is not employed by the Company under a change in control agreement shall be entitled to receive an Annuity in addition to his Accrued Benefit, which Annuity shall be paid in accordance with Section 4E.6.

4E.5 Computation of Separation Benefits Under the Program

(a) Each Separation-Eligible Participant shall be entitled to pension benefits determined in accordance with the terms of the Plan; provided, however, that for purposes of calculating such Separation-Eligible Participant's Accrued Benefit: (1) such Participant's Age on his Benefit Commencement Date shall be deemed to be his Enhanced Age, (2) such Participant's Benefit Years on his Benefit Commencement Date shall be deemed to be his Enhanced Benefit Years for purposes of Section 3.1(b), and (3) such Participant's aggregate Compensation for purposes of Section 3.l(a)(2) shall be deemed to include an additional amount equal to the product of (i) one-twelfth (1/12) of his annual Compensation for the calendar year ending on or immediately preceding his Qualified Separation Date and (ii) the difference between the number of months included in his Enhanced Benefit Years and the number of months included in his actual Benefit Years (up to a maximum of 480).

For purposes of determining any reduction in the amount received by a Separation-Eligible Participant, if the Separation-Eligible Participant's Enhanced Age as of his Qualified Separation Date is at least 45, he is credited with at least ten (10) Enhanced Vesting Years as of his Qualified Separation Date and his Benefit Commencement Date occurs on or after the date he attains Age 50, determined without regard to his Enhanced Age, such Participant's pension benefits shall be determined using the enhanced vested pension factors set forth on Schedule B.

(b) The Accrued Benefit of a Separation-Eligible Participant who satisfies the requirements of an Eligible Participant, other than paragraphs 4E.2(d)(2)(D)and 4E.2(d)(5), and who dies before his Qualified Separation Date shall be calculated by applying paragraph 4E.5(a) as of the date of his death for purposes of determining any death benefit payable on behalf of such Participant pursuant to Sections 5.3 or 5.4, notwithstanding his failure to satisfy paragraphs 4E.2(d)(2)(D) and/or 4E.2(d)(5).

(c) Each Separation-Eligible Participant who is not employed by the Company under a change in control agreement shall be entitled to receive an Annuity in addition to his Accrued Benefit, which Annuity shall be paid in accordance with Section 4E.6.

4E.6 Payment and Form of Annuities Under the Program.

(a) Each Eligible Participant described in Sections 4E.4(c) and 4E.5(c) shall receive the sum of (l) the Actuarial Equivalent of his Annuity in the form of a Single Life Annuity commencing on his Normal Retirement Date (determined on the basis of the actuarial assumptions applicable under Appendix A of the Plan) and (2) his Accrued Benefit, with such sum payable at such time, in such form and subject to such adjustments as may otherwise be applicable under Articles IV, IVE and V of the Plan. In. lieu of receiving such Actuarial Equivalent of his Annuity at such time and in such form as he receives his Accrued Benefits, such Eligible Participant may instead elect to receive immediate payment of his Annuity in accordance with paragraph (b) below or an immediate distribution of his Lump Sum in accordance with paragraph (c) below.

(b) An Eligible Participant may elect) in accordance with the procedure described in Section 4.3, to receive his Annuity immediately, with payment to begin as of his Qualified Retirement Date or his Qualified Separation Date, whichever applies, in the following form:

(1) The Annuity of an Eligible Participant who is unmarried on his Benefit Commencement Date shall be paid in the form of a Single Life Annuity.

(2) The Annuity of an Eligible Participant who is married on his Benefit Commencement Date shall be paid in the form of a Qualified Joint and Survivor Annuity.

(3) In lieu of payment in the form described in (1) above, an Eligible Participant who is unmarried on his Benefit Commencement Date may elect to receive an immediate payment of his Annuity in the form of a contingent annuity, with 50% of the annuity payable upon his death to a contingent beneficiary designated by him. The annuity described in the preceding sentence will be actuarially reduced using the factors described in Appendix A to reflect the payments which may become payable to the beneficiary.

(4) In lieu of payment in the form described in (2) above, an Eligible Participant who is married on his Benefit Commencement Date may elect to receive an immediate payment of his Annuity in the form of a Single Life Annuity.

(c) In lieu of his Annuity, an Eligible Participant may elect to receive an immediate payment of his Lump Sum, with payment to be made as of his Qualified Separation Date or Qualified Retirement Date, whichever applies, in a single sum.

(d) Any election pursuant to paragraph (b)(3),(b)(4) or (c) above by an Eligible Participant shall be made in writing in a manner prescribed by the Company and may be made or revoked at any time within the 90-day period preceding the Benefit Commencement Date but in no event earlier than the date on which the Participant receives the notice described in Section 5.5(a) and, in the case of an Eligible Participant who is married on his Benefit Commencement Date, shall be subject to the spousal consent requirements described in Section 5.7.

(e) In the case of an individual who satisfies the requirements of an Eligible Participant, other than paragraphs 4E.2(d)(2)(D) and 4E.2(d)(5), and who dies before his Qualified Separation Date or Qualified Retirement Date, whichever applies, the Actuarial Equivalent of such Participant's Annuity in the form of a Single Life Annuity commencing on his Normal Retirement Date (determined on the basis of the actuarial assumptions applicable under Appendix A of the Plan) shall be added to his Accrued Benefit for the purpose of determining any death benefit payable on behalf of such Participant pursuant to Sections 5.3 and 5.4, notwithstanding his failure to satisfy paragraphs 4E.2(d)(2j(D) and/or 4E.2(d)(5).

ARTICLE V. Form of Pensions.

5.1 Unmarried Participants. The monthly annuity of a Participant who is unmarried on his Benefit Commencement Date shall be paid as a Single Life Annuity unless he elects an optional form of benefit under Section 5.3 or receives a lump sum distribution under Section 5.6.

5.2 Married Participants.

(a) The monthly annuity of a Participant who is married on his Benefit Commencement Date, shall be paid as a Qualified Joint and Survivor Annuity, unless he elects an optional form of benefit under Paragraph (b) or Section 5.3 or receives a lump sum distribution under Section 5.6.

(b) A Participant described in Paragraph (a) may elect to waive the Qualified Joint and Survivor Annuity and receive his annuity in the form of a Single Life Annuity. Any such election shall be subject to the spousal consent requirements described in Section 5.7, shall be made in writing in a manner prescribed by the Company and may be made or revoked at any time within the 90 day period preceding the Benefit Commencement Date elected by the Participant but in no event earlier than the date on which the Participant receives the notice described in Section 5.5(a).

5.3 Contingent Annuity Option.

(a) An Active Participant (including a Participant who is treated as an Active Participant for purposes of Section 4.3 and this Section 5.3, but not for any other provision of the Plan) who has at least 14 Benefit Years, or who has attained Age 65 and has at least 5 Benefit Years, or a Participant (including a Participant who continues to be treated as an Active Participant for purposes of Section 4.3 and Section 5.3, but not for any other provision of the Plan) who had a Separation from Service after becoming eligible for early retirement under Section 4.3 (hereinafter referred to as an "Eligible Participant"), may elect, in writing on a form prescribed by the Administrator, a Contingent Annuity Option under which he may designate a percentage of his annuity to be paid upon his death to a contingent beneficiary designated by him. The percentage so designated shall be 25%, 50%, 75% or 100%, as the Participant elects, and may be changed by an Eligible Participant at any time prior to the later of the Participant's Normal Retirement Date or Separation from Service. The annuity otherwise payable to a

Participant electing a Contingent Annuity Option or to his contingent beneficiary will be actuarially reduced using the factors described in Appendix A to reflect the payments which may become payable to the beneficiary. Notwithstanding the above, if the Eligible Participant's spouse is designated as contingent beneficiary, the actuarial reduction will not reflect the cost of a joint and survivor annuity option providing a survivor annuity to the Participant's spouse of (1) 50% of the amount payable to the Participant, if a 50%, 75% or 100% contingent annuity option is elected, or (2) 25% of the amount payable to the Participant, if a 25% contingent annuity option is elected; provided, however, that the subsidy described in this sentence shall not apply to a former spouse who is to be treated as a Participant's spouse pursuant to a qualified domestic relations order, unless the qualified domestic relations order specifically provides that such subsidy applies to the former spouse. If the contingent beneficiary is other than the spouse, the percentage payable to the contingent beneficiary after the Participant's death may not exceed the applicable percentage from Appendix B. The Contingent Annuity Option of an electing Participant who has a Separation from Service and is not eligible for early retirement under Section 4.3 shall be canceled.

(b) (1) An Eligible Participant's election or change in election under Paragraph (a) shall become effective on the first of the month next following the date such election or change is properly filed with the Administrator.

(2) An Eligible Participant's election under Paragraph (a) shall not be valid upon a Participant's Benefit Commencement Date if such election is not confirmed in writing by such Participant, with spousal consent as described in Section 5.7, within the 90 day period preceding the Benefit Commencement Date, and in no event earlier than the date on which the Participant receives the notice described in Section 5.5(a). If an Eligible Participant has made no election under Paragraph (a), or has made an invalid election, as of his Benefit Commencement Date, such Participant's pension shall be paid as described in Section 5.1 or 5.2, whichever applies.

(3) (A) The election under Paragraph (a) in effect for an Eligible Participant who is married on the date of his death shall not be valid upon the Participant's death unless (i) the spousal consent requirements of Section 5.7 are satisfied; (ii) if the Participant's death occurs after the first day of the Plan Year in which the Participant attains Age 35, the Participant's election was made or confirmed in writing (with the applicable spousal consent) on or after the first day of such Plan Year, and (iii) in the event that the election in effect under Paragraph (a) does not provide for a survivor benefit to the Participant's surviving spouse, the Participant has made no change to his election under Paragraph (a) that has not yet taken effect which would result in a survivor benefit payable to his spouse. If an Eligible Participant who is married at the time of his death has made no election, or has made an invalid election, the Participant's surviving spouse shall receive the benefit described in Section 5.4. No benefit shall be payable to any other contingent beneficiary or to the Participant's estate.

(B) If an Eligible Participant is unmarried at the time of

his death and has failed to make a valid election or is not survived by a contingent beneficiary, no benefit shall be paid under this Section.

(c) Except as provided in Paragraph (b):

(1) If an electing Participant who has had a Separation from Service whose Contingent Annuity Option has not been canceled dies on or after the effective date of the option, his contingent beneficiary, if surviving, will receive an annuity for life beginning as of the first day of the second month following his death and based upon the designated percentage of the annuity which the Participant was receiving or to which he would have been entitled; provided, however, that, if the contingent beneficiary is the Participant's surviving spouse and the designated percentage is at least 50%, payment to the spouse shall not begin prior to what would have been the Participant's Normal Retirement Date without the spouse's written consent made within the 90-day period preceding the Benefit Commencement Date.

(2) If an electing Active Participant dies on or after the effective date of the option, his contingent beneficiary, if living, shall receive an annuity, for life, beginning as of the first day of the second month following the month in which the Participant's death occurs, based upon the designated percentage of the benefit to which the Participant would have been immediately entitled if he had retired on the date of his death; provided, however, that, if the contingent beneficiary is the Participant's surviving spouse and the designated percentage is at least 50%, payment to the spouse shall not begin prior to what would have been the Participant's Normal Retirement Date without the spouse's written consent made within the 90-day period preceding the Benefit Commencement Date. For purposes of this Subparagraph only, the annuity to which a Participant would have been entitled shall be his Accrued Benefit reduced in accordance with Section 4.3 and, if applicable, reduced further by 4% per year (to the nearest one-twelfth year) for any period by which his age at the time of his death is less than 50.

(d) (1) If the contingent beneficiary dies after the effective date of the option and after the later of the Participant's Normal Retirement Date or his Separation from Service, the reduced annuity payable to the Participant will remain in effect.

(2) If the contingent beneficiary dies after the effective date of the option, but prior to the later of the Participant's Normal Retirement Date or his Separation from Service, the option shall be canceled upon receipt of proof of death. If the Participant has not then reached his Normal Retirement Date or has not had a Separation from Service, the Participant may elect a subsequent Contingent Annuity Option effective immediately upon notice to the Company, subject to the conditions stated herein. If he has reached his Normal Retirement Date and has had a Separation from Service, the Participant may not make any further elections.

(e) Subject to the conditions of Paragraph (a), an Eligible Participant may make or change his election and designate or change a beneficiary and/or designate a revised benefit percentage at any time prior to the later of the Participant's Normal

Retirement Date or Separation from Service. An Eligible Participant may, regardless of whether he has previously made a different election under this Section 5.3, elect in writing to receive his annuity in the form provided in Section 5.1 or 5.2, whichever applies, or in such other form as is permitted under Paragraph (a), subject to the provisions of Section 5.7. The Participant may make such an election at any time before the Benefit Commencement Date but such an election may not be revoked after the Benefit Commencement Date, except as provided in Paragraph (d)(2). Notwithstanding the foregoing, effective July 15, 1990, a Participant who has not reached his Normal Retirement Date and who elects a form of benefit under this Section 5.3 may waive any right to change his election in the future and irrevocably elect a specific Contingent Annuity Option as of his Benefit Commencement Date.

(f) Commencing with payments due September 1, 1986, the minimum monthly annuity to which a designated beneficiary under a Contingent Annuity Option described in this Section 5.3 shall be entitled is $150.

5.4 Death Benefits for Other Vested Participants.

(a) Eligibility. A death benefit shall be payable under this Section 5.4 with respect to a Participant who dies prior to his Benefit Commencement Date if on the date of his death he is married and:

(1) he does not meet the requirements for the Contingent Annuity Option described in Section 5.3, and

(A) he is an Employee who has met the requirements for early or normal retirement under the Plan; or

(B) he is a former Employee who has had a Separation from Service after meeting the requirements of Section 4.3; or

(C) he has been married for at least one year to the same spouse and has at least five Vesting Years to his credit, or

(2) he does meet the requirements described in Section 5.3 but has made no election, or has made an invalid election, under that Section.

(b) Amount of Benefit. Upon the death of a Participant described in Section 5.4(a), the Participant's surviving spouse, if living on the date set forth in Subparagraph (1)-(4) of this Section, whichever shall apply, shall receive a pension in accordance with the following rules:

(1) If the Participant is an Employee who has met the requirements for retirement under Sections 4.1-4.3, the pension to the surviving spouse shall begin, as elected in writing by the spouse not more than 90 days prior to the spouse's Benefit Commencement Date, on the first day of the month following the month in which the Participant's death occurs or the first day of any month thereafter, shall end with the payment on the first day of the month in which the spouse's death occurs, and

shall be in a monthly amount equal to the amount the spouse would have received if the Participant had a Separation from Service on the date of his death, had survived and retired on the Benefit Commencement Date elected by the spouse and had elected an immediate pension in the form of a Qualified Joint and Survivor Annuity; provided, however, that (A) the spouse's Benefit Commencement Date shall not be later than the later of (i) the Participant's Normal Retirement Date or (ii) the first day of the month following the month in which the Participant's death occurs and (B) the benefit payable to the spouse of a Participant described in Section 5.4(a)(2) shall be determined without regard to any otherwise applicable actuarial reduction reflecting the cost of the Qualified Joint and Survivor Annuity.

(2) If the Participant is an Employee who has not met the requirements for retirement under Sections 4.1-4.3, the pension to the surviving spouse shall begin, as elected in writing by the spouse not more than 90 days prior to the spouse's Benefit Commencement Date, on the first day of the month following the month in which the Participant would have first been eligible to receive his pension under Section 4.4 if he had a Separation from Service on the date of his death and had not died, or the first day of any month thereafter, shall end with the payment on the first day of the month in which the spouse's death occurs, and shall be in a monthly amount equal to the amount the spouse would have received if the Participant's Separation from Service had occurred on the day of his death and he had survived and elected to begin receiving his pension in the form of a Qualified Joint and Survivor Annuity on the Benefit Commencement Date elected by the spouse; provided, however, that (A) the spouse's Benefit Commencement Date shall not be later than what would have been the Participant's Normal Retirement Date and (B) the benefit payable to the spouse of a Participant described in Section 5.4(a)(2) shall be determined without regard to any otherwise applicable actuarial reduction reflecting the cost of the Qualified Joint and Survivor Annuity.

(3) If the Participant is a former Employee who retired under Sections 4.1-4.3, the pension to the surviving spouse shall begin, as elected in writing by the spouse not more than 90 days prior to the spouse's Benefit Commencement Date, on the first day of the month following the month in which the Participant's death occurs or the first day of any month thereafter, shall end with the payment on the first day of the month in which the spouse's death occurs, and shall be in a monthly amount equal to the amount the spouse would have received if the Participant had elected to begin receiving his pension in the form of a Qualified Joint and Survivor Annuity on the Benefit Commencement Date elected by the spouse; provided, however, that (A) the spouse's Benefit Commencement Date shall not be later than the later of (i) the Participant's Normal Retirement Date or (ii) the first day of the month following the month in which the Participant's death occurs and (B) the benefit payable to the spouse of a Participant described in Section 5.4(a)(2) shall be determined without regard to any otherwise applicable actuarial reduction reflecting the cost of the Qualified Joint and Survivor Annuity.

(4) If the Participant is a former Employee who did not meet the requirements for retirement under Sections 4.1-4.3, the pension to the surviving

spouse shall begin, as elected in writing by the spouse not more than 90 days prior to the spouse's Benefit Commencement Date, on the first day of the month following the month in which the Participant would have first been eligible to receive his pension under Section 4.4 if he had not died or the first day of any month thereafter, shall end with the payment on the first day of the month in which the spouse's death occurs, and shall be in a monthly amount equal to the amount the spouse would have received if the Participant elected to begin receiving his actual pension in the form of a Qualified Joint and Survivor Annuity on the Benefit Commencement Date elected by the spouse; provided, however, that the spouse's Benefit Commencement Date shall not be later than what would have been the Participant's Normal Retirement Date.

5.5 Notice to Participants.

(a) Each Participant shall receive in written nontechnical language a general description or explanation of (1) the forms of payment described in Sections 5.1, 5.2 and 5.3, including information explaining the relative values of each form of payment, (2) the Participant's right to waive the form of payment described in Section 5.1 or 5.2(a), whichever applies, and elect an optional form of payment and the financial effect of such an election on his pension, (3) the rights of the Participant's spouse, if any, with respect to the waiver and election, (4) the Participant's right to revoke an election to receive an optional form of payment and the effect of such revocation, and (5) if the Participant has not reached his Normal Retirement Date, the Participant's right to defer commencement of his pension until his Normal Retirement Date. Such information shall be furnished to the Participant not less than 30 days and not more than 90 days prior to the Participant's Benefit Commencement Date, and the time for an election under this Section shall begin no earlier than the date such information is furnished.

Notwithstanding the foregoing, effective for Plan Years beginning on or after January 1, 1997, the Participant's Benefit Commencement Date may precede or may be fewer than 30 days after the explanation described in this Section is provided if:

(1) the Participant is given notice of his right to a 30-day period in which to consider whether to (i) waive the normal form of benefit and elect an optional form and (ii) to the extent applicable, consent to the distribution;

(2) the Participant affirmatively elects a distribution and a form of benefit and the spouse, if necessary, consents to the form of the benefit elected;

(3) the Participant is permitted to revoke his affirmative election at any time prior to his Benefit Commencement Date, or if later, the expiration of a 7-day period beginning on the day after the explanation described in this Section is provided to the Participant;

(4) the Benefit Commencement Date is after the date the Administrative Committee receives written notice of the Participant's intent to begin receiving benefits; and

(5) distribution to the Participant does not commence before the expiration of the 7-day period described in paragraph (3) above.

(b) Each Eligible Participant described in Section 5.3(a) shall receive a written explanation of (1) the terms and conditions of the pre-retirement survivor annuity described in Section 5.4, (2) the Participant's right to waive such survivor annuity in favor of the death benefit under a Contingent Annuity Option and the effect of such waiver, (3) the rights of the Participant's spouse with respect to such waiver, and (4) the Participant's right to revoke such waiver and the effect of such revocation. Such explanation shall be provided when the Participant first becomes an Eligible Participant described in Section 5.3(a) and, if the Eligible Participant has not attained Age 32 at the time of the first notice, again within the three-year period that begins on the first day of the Plan Year in which the Participant attains Age 32.

5.6 Cash-Outs. Effective on such date as shall be determined by the Company, if the Actuarial Equivalent single-sum value, determined as of the date of distribution, of the vested Accrued Benefit of a Participant who has had a Separation from Service, or of the benefit payable to a spouse or other beneficiary under Section 5.3 or 5.4 by reason of the Participant's death prior to his Benefit Commencement Date, is $5,000 or less, the benefit shall be paid, as soon as administratively practicable following the later of (a) the Participant's Separation from Service or death, or (b) the effective date of this Section 5.6, as a single-sum in settlement of all liabilities of the Plan in connection with the Participant; provided, however, that no such payment shall be made after such benefit has commenced in any other form.

5.7 Spousal Consent. No Participant's election:

(a) to waive the Qualified Joint and Survivor Annuity in favor of a form of payment other than a Contingent Annuity Option providing for payment of at least 50% of the Participant's annuity to his surviving spouse, or

(b) to waive the death benefit described in Section 5.4 in favor of the death benefit payable under a form of payment other than a Contingent Annuity Option described in Paragraph (a), above, shall be effective with respect to a Participant who is married unless the Participant's spouse (as of the Benefit Commencement Date or date of death, whichever applies) consents thereto in writing, and such consent (1) acknowledges the effect of the election, (2) specifies the designated beneficiary or consents to such designation and consents prospectively to any subsequent designation of beneficiary made by the Participant, acknowledging the spouse's right to limit consent to a specific alternate beneficiary, (3) specifies the optional form of payment or consents to such election and consents prospectively to any subsequent choice of optional form made by the Participant, acknowledging the spouse's right to limit consent to a specific optional form, and (4) is witnessed by a Plan representative or by a notary public, or the Administrator finds that the spouse cannot be located.

5.8 Minimum Distribution Requirements. Notwithstanding anything in the Plan to the contrary, the form and timing of all distributions under the Plan to any Participant, including a Participant whose Separation from Service occurred prior to January 1, 1989, shall be

in accordance with Section 401(a)(9) of the Code and regulations issued thereunder, including the incidental death benefit requirements of Section 401(a)(9)(G) of the Code and Treas. Reg. Section 1.401(a)(9)-2.

5.9 Application for Benefits. Except as provided in Section 5.6 or in Section 5.3(c) for a non-spouse contingent beneficiary, benefit payments shall commence when properly written application for same is received by the Administrator. In the event that a Participant, or the spouse of a deceased Participant entitled to benefits under the Plan fails to apply to the Administrator by the earlier of (a) the Participant's Normal Retirement Date or the date of the Participant's Separation from service, if later, or (b) the end of the calendar year in which the Participant attains age 70-1/2, the Administrator shall make diligent efforts to locate such Participant or spouse and obtain such application. In the event the Participant or spouse fails to make application by the Participant's Required Beginning Date, subject to Section 10.6, the Administrator shall commence distribution as of the Required Beginning Date without such application. No payments shall be made for the period in which benefits would have been payable if the Participant or spouse had made timely application therefor; provided, however, that, if the Participant's Benefit Commencement Date or, if the Participant has died, his spouse's Benefit Commencement Date, has been delayed until after the Participant's Normal Retirement Date solely by reason of failure to make application, and not by reason of Suspension Service as described in Section 4.11(b), the benefit payable (i) to the Participant on and after his Benefit Commencement Date, or (ii) to the Participant's spouse on and after the spouse's Benefit Commencement Date, shall be equal to the Actuarial Equivalent of the benefit the Participant or the spouse would have received had benefits commenced on the Participant's Normal Retirement Date, as determined to reflect the deferral of benefit commencement.

5.10 Direct Rollovers. Effective January 1, 1993, in the event any payment or payments (excluding any amount not includible in gross income) to be made to an individual from the Plan would constitute an "eligible rollover distribution" within the meaning of Section 401(a)(31)(C) of the Code and Treasury regulations thereunder, such individual may request that, in lieu of payment to the individual, all or part of such eligible rollover distribution be transferred directly to the trustee or custodian of an "eligible retirement plan" within the meaning of Section 401(a)(31)(D) of the Code and Treasury regulations thereunder. Any such request shall be made in writing, on the form and subject to such requirements and restrictions as may be prescribed by the Administrator for such purpose in accordance with applicable Treasury regulations, at such time in advance of the date such payment would otherwise be made as may be required by the Administrator. For purposes of this Section, an "individual" shall include a Participant, or his surviving spouse, or his spouse or former spouse who is an alternate payee under a qualified domestic relations order within the meaning of Section 414(p) of the Code.

ARTICLE VI. Breaks in Service.

6.1 Whenever used in this Article:

(a) "One-Year Break in Service" means a calendar year in which an Employee completes 500 or fewer Hours of Service.

(b) "Reemployment Date" means the first day on which an Employee who has had a Separation from Service completes an Hour of Service in a calendar year that is not a One-Year Break in Service.

(c) "Reemployment Eligibility Computation Period" means an Eligibility Computation Period determined as if the Employee's Employment Date were his Reemployment Date.

6.2 If an Employee has a Separation from Service before he has met the requirements for retirement under Sections 4.1-4.3 or for a deferred annuity under Section 4.4, he shall be deemed to have received a distribution of his entire nonforfeitable Accrued Benefit of zero dollars upon such Separation from Service and his Eligibility Years, Accrued Benefit, Benefit Years, and Vesting Years shall be canceled.

6.3 If an Employee completes at least 1000 Hours of Service in a Reemployment Eligibility Computation Period he shall be credited with an Eligibility Year.

6.4 (a) The Eligibility Years of an Employee whose Eligibility Years have been canceled shall be restored if:

(1) he is credited with an Eligibility Year with respect to a Reemployment Eligibility Computation Period that begins on or after his Reemployment Date; and

(2) he again becomes an Employee at a time when the number of consecutive One-Year Breaks in Service he has incurred is less than the greater of five or the number of Eligibility Years the Employee had to his credit on account of his employment prior to the first One-Year Break in Service.

(b) If a former Employee whose Eligibility Years were not canceled under Section 6.2 or are restored under this Section becomes an Eligible Employee, he shall become an Active Participant as of the later of the day he so becomes an Eligible Employee or the day he would have become an Active Participant under Article II if he had been an Eligible Employee at all times since his prior Separation from Service. If a former Employee whose Eligibility Years were canceled under Section 6.2 and are not restored under this Section becomes an Eligible Employee, he shall become an Active Participant as provided in Article II, except that his Reemployment Date shall be treated as his Employment Date.

6.5 The Benefit Years and Accrued Benefit of an Employee whose Benefit Years have been canceled shall be restored upon his reemployment if his Eligibility Years are restored under Section 6.4. If a Participant's Benefit Years and Accrued Benefit were not canceled pursuant to Section 6.2 upon his prior Separation from Service, his Benefit Years earned prior to his Separation from Service shall be aggregated with his Benefit Years earned after his Reemployment Date for purposes of determining the Participant's Accrued Benefit; provided, however, that:

(a) if the Participant previously received a single-sum distribution under Section 5.6 on or before the close of the second Plan Year following the Plan Year in which the Participant's Separation from Service occurred, the Participant's Benefit Years earned prior to his Separation from Service shall be disregarded upon his reemployment; or

(b) if the Participant received a single-sum distribution under Section 5.6 on a date later than that described in Paragraph (a), the Participant's Accrued Benefit determined on and after his reemployment shall be reduced by the Actuarial Equivalent of the distribution received by the Participant under Section 5.6 upon his prior Separation from Service.

6.6 The Vesting Years of an Employee whose Vesting Years have been canceled shall be restored if:

(a) he is credited with a Vesting Year after his Reemployment Date; and

(b) he again becomes an Employee at a time when the number of consecutive One-Year Breaks in Service he has incurred is less than the greater of five or the number of Vesting Years the Employee had to his credit on account of his employment prior to the first One-Year Break in Service.

6.7 Notwithstanding any provision in the Plan to the contrary, effective January 1, 1996, an Employee who was transferred to COPCO and whose benefits were transferred from the Plan in connection with the sale of COPCO shall receive, upon such Employee's Reemployment Date, credit for years of service with the Company prior to such transfer for purposes of calculating Eligibility Years and Vesting Years (but not Benefit Years).

ARTICLE VII. Contributions.

7.1 Contributions by the Company. The Company shall contribute each year an amount actuarially determined to be sufficient to provide the benefits under the Plan. All Company contributions to the Plan are conditioned upon their deductibility for Federal income tax purposes. The Company reserves the right, however, to reduce, suspend or discontinue its contributions under the Plan for any reason at any time. Except as provided in this Section or Section 9.2, it shall be impossible for any part of the Company's contributions to revert to the Company, or to be used for, or diverted to, any purpose other than for the exclusive benefit of Participants, annuitants and their beneficiaries. In the case of a contribution (a) made by the Company as a mistake of fact, or (b) for which a tax deduction is disallowed, in whole or in part, by the Internal Revenue Service, the Company shall receive a refund of said contribution within one year after payment of a contribution as a mistake of fact, or within one year after disallowance of a tax deduction, to the extent of such disallowance, as the case may be.

7.2 Source of Benefits. All benefits under the Plan shall be paid exclusively from the Fund, and the Company shall have no duty to contribute thereto except as provided in this Article.

ARTICLE VIII. Administration.

8.1 Exelon Corporation shall be the Administrator of the Plan for purposes of the Employee Retirement Income Security Act of 1974, as amended.

8.2 The Administrator shall be the named fiduciary responsible for administration of the Plan. The Administrator may, however, by or pursuant to a resolution of its Board of Directors, delegate to any person or entity any of its powers or duties under the Plan. To the extent of any such delegation, the delegate shall become the named fiduciary responsible for administration of the Plan (if the delegate is a fiduciary by reason of the delegation), and references to the Administrator shall apply instead to the delegate. Any action by the Administrator assigning any of its responsibilities to specific persons who are all directors, officers, or employees of the Company shall not constitute delegation of the Administrator's responsibility but rather shall be treated as the manner in which the Administrator has determined internally to discharge such responsibility.

8.3 The Administrator shall adopt such rules for administration of the Plan as it considers desirable, provided they do not conflict with the Plan, and shall have full discretionary power and authority to make benefit eligibility determinations, make factual determinations, construe the Plan, correct defects, supply omissions and reconcile inconsistencies to the extent necessary to effectuate the Plan and such action shall be final, binding and conclusive upon the parties. Records of administration of the Plan shall be kept, and Employees and their beneficiaries may examine records pertaining directly to themselves.

8.4 The Administrator may arrange for trustee legal, actuarial, investment advisory, medical, accounting, clerical and other services to carry out the Plan. The costs of such services and other administrative expenses shall be paid by the Company or, at the option of the Company, from the Fund.

8.5 The Administrator shall annually review and determine the funding policy of the Plan, with the advice of such experts as it deems appropriate.

8.6 Any Participant or distributee who believes he or she is entitled to benefits in an amount greater than those which he or she is receiving or has received may file a claim with the Administrator (or its delegate). Such a claim shall be in writing and state the nature of the claim, the facts supporting the claim, the amount claimed, and the address of the claimant. The Administrator (or its delegate) shall review the claim and, unless special circumstances require an extension of time, within 90 days after receipt of the claim, give notice to the claimant, either in writing by registered or certified mail or in an electronic notification, of the decision with respect to the claim. Any electronic notice delivered to the claimant shall comply with the standards imposed by applicable regulations. If it is determined that special circumstances require an extension of time for processing the claim, the claimant shall be so advised in writing within the initial 90-day period and in no event shall such an extension exceed 90 days. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which it is expected that the benefit determination will be rendered. The notice of the decision with respect to the claim shall be written in a manner calculated to be understood by the claimant and, if the claim is wholly or partially denied, shall notify the

claimant of the adverse benefit determination and shall set forth the specific reasons for the adverse determination, the references to the specific Plan provisions on which the determination is based, a description of any additional material or information necessary for the claimant to perfect the claim, an explanation of why such material or information is necessary, and a description of the claim review procedure under the Plan and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502 of ERISA following an adverse benefit determination on review. The notice shall also advise the claimant that the claimant or the claimant's duly authorized representative may request a review by the Administrator (or its delegate) of the adverse benefit determination by filing, within 60 days after receipt of a notification of an adverse benefit determination, a written request for such review. The claimant shall be informed that, within the same 60-day period, he or she (a) may be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits and (b) may submit written comments, documents, records and other information relating to the claim for benefits. If a request is so filed, review of the adverse benefit determination shall be made by the Administrator (or its delegate) within, unless special circumstances require an extension of time, 60 days after receipt of such request, and the claimant shall be given written notice of the final decision. If it is determined that special circumstances require an extension of time for processing the claim, the claimant shall be so advised in writing within the initial 60-day period and in no event shall such an extension exceed 60 days. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the determination on review is expected to be rendered. The review shall take into account all comments, documents, records and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The notice of the final decision shall include specific reasons for the determination and references to the specific Plan provisions on which the determination is based and shall be written in a manner calculated to be understood by the claimant.

8.7 All rules, decisions and designations by the Company or the Administrator under the Plan shall be made in a non-discriminatory manner, and persons similarly situated shall be treated alike.

8.8 Neither the Company nor any of its directors, officers or employees shall be liable for any loss due to its or his error or omission in administration of the Plan unless the loss is due to the gross negligence or willful misconduct of the party to be charged or is due to the failure of the party to be charged to exercise a fiduciary responsibility with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

ARTICLE IX. Amendment and Termination.

9.1 Amendment. Exelon Corporation may amend the Plan at any time for any reason. Each amendment to the Plan shall be adopted by Exelon Corporation's Board of Directors through resolutions; provided, however, that the Senior Vice President and Chief Human Resources Officer of the Exelon Corporation, or such other appropriate officer of Exelon Corporation as shall be identified in a written delegation of amendment authority made by

Exelon's Board of Directors, may continue to make, in writing, all technical, administrative, regulatory, and compliance amendments to the Plan, and any other amendment that will not significantly increase the cost of the Plan to the Company as such officer shall deem necessary or appropriate without the approval of Exelon's Board of Directors. If an amendment changes the vesting provisions of the Plan, any person who is a Participant on the later of the date the amendment is adopted or becomes effective shall have at all times a vested interest in his Accrued Benefit as of that date determined without regard to the amendment. In addition, within a reasonable period determined by the Exelon Corporation in accordance with regulations issued by the Secretary of the Treasury, any Participant who has at least three Vesting Years to his credit on the last day of the election period may elect to have his vested interest in his entire Accrued Benefit determined without regard to the amendment. Except as otherwise permitted by law, no amendment shall reduce a Participant's Accrued Benefit nor result in the elimination or reduction of a benefit "protected" under Section 411(d)(6) of the Code.

9.2 Termination. Exelon Corporation may terminate or partially terminate the Plan through resolutions adopted by Exelon's Board of Directors. If the Plan is terminated or partially terminated, the assets of the Plan shall be allocated, subject to Section 9.3, as provided in Section 4044 of the Employee Retirement Income Security Act of 1974 (as it may be from time to time amended or construed by any appropriate governmental agency or corporation), without subclasses. Any amount remaining after all fixed and contingent liabilities of the Plan have been satisfied shall be returned to Exelon Corporation. Allocations under this Section shall be nonforfeitable. Except as otherwise required by law, the time and manner of distribution of the assets shall be determined by Exelon Corporation by amendment to the Plan pursuant to Section 9.1.

9.3 Limitation on Benefits. The following provisions shall be effective with respect to distributions made on or after May 14, 1990; distributions made prior to May 14, 1990 shall be subject to the restrictions described in Treas. Reg. Section 1.401-4(c).

(a) In the event of Plan termination, the benefit payable to any Highly Compensated Employee shall be limited to a benefit that is nondiscriminatory under Section 401(a)(4) of the Code. If payment of benefits is restricted in accordance with this Paragraph (a), assets in excess of the amount required to provided such restricted benefits shall become a part of the assets available under Section 9.2 for allocation among Participants and beneficiaries of Participants whose benefits are not restricted under this Paragraph (a).

(b) The restrictions of this Paragraph (b) shall apply prior to termination of the Plan to any Participant who is a Highly Compensated Employee and who is one of the 25 highest paid employees or former employees of the Company and all Affiliates for any Plan Year. The annual payments made from the Plan on behalf of any such Participant shall be limited to an amount equal to (1) the payments that would have been made under a single life annuity that is the Actuarial Equivalent of the sum of the Participant's Accrued Benefit and any other benefits under the Plan (other than a social security supplement) and (2) the payments that the Participant is entitled to receive under a social security supplement.

(c) The restrictions in Paragraph (b) shall not apply:

(1) if, after the payment of benefits to or on behalf of such Participant, the value of the Plan assets equals or exceeds 110 percent of the value of the current liabilities (within the meaning of Section 412(l)(7) of the Code);

(2) if the value of the benefits payable to or on behalf of the Participant is less than one percent (1%) of the value of current liabilities before distribution; or

(3) if the value of the benefits payable to or on behalf of the Participant does not exceed $5,000.

ARTICLE X. Miscellaneous.

10.1 Forfeitures. All forfeitures arising under the Plan shall be used as soon as possible to reduce the Company's contributions and shall not be applied to increase the benefits any person would otherwise receive under the Plan.

10.2 Mergers, Etc. No merger or consolidation with, or transfer of any of the Plan's assets or liabilities to, any other plan shall occur at any time unless each Participant and annuitant would (if the Plan had then terminated) receive a benefit immediately after the merger, consolidation, or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer (if the Plan had then terminated).

10.3 Nonalienation of Benefits. Except (a) to the extent permitted by the Employee Retirement Income Security Act of 1974, (b) pursuant to a qualified domestic relations order, (c) to the extent required to satisfy a Federal tax levy made pursuant to Section 6331 of the Code, or (d) effective as of January 1, 1997, pursuant to Section 401(a)(13) of the Code, to the extent a judgement relates to the Participant's conviction of a crime involving the Plan, or a judgment, order, decree or settlement agreement between the Participant and the Secretary of Labor or the Pension Benefit Guaranty Corporation relates to a violation of part 4 of subtitle B of title I of ERISA, no benefit under this Plan may be voluntarily or involuntarily assigned or alienated. Notwithstanding the above, a Participant may authorize the Administrator to deduct from benefit payments under the Plan up to 10% of each such payment as contributions to a Company political action committee. Any such authorization shall be revocable by the Participant at any time.

10.4 Effect on Employment. This Plan shall not confer upon any person any right to be continued in the employment of the Company.

10.5 Facility of Payment. If the Company deems any person incapable of receiving benefits to which he is entitled by reason of minority, illness, infirmity, or other incapacity, it may direct that payment be made directly for the benefit of such person or to any person selected by the Company to disburse it, whose receipt shall be a complete acquittance therefor. Such payments shall, to the extent thereof, discharge all liability of the Company and the party making the payment.

10.6 Lost Payees. If a Participant, spouse or other beneficiary to whom a benefit is payable under the Plan cannot be located following a reasonable effort to do so by the Administrator, such benefit shall be forfeited. Whether or not efforts to locate a Participant have previously been made, the Administrator shall make reasonable efforts to locate the Participant (or the spouse of a deceased Participant) during the one-year period preceding the Participant's Required Beginning Date. If such efforts fail to locate the Participant or spouse, such Participant or spouse shall be presumed dead as of the Required Beginning Date and any benefit payable to the Participant or spouse shall be forfeited. In any case, if a claim for a forfeited benefit is subsequently filed by the Participant, spouse or beneficiary, such benefit shall be reinstated and paid in accordance with the appropriate provisions of the Plan.

10.7 Applicable Law. Except as provided by Federal law, the Plan shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

10.8 Effective Date. The provisions of this instrument apply only to individuals who complete an Hour of Service on or after the effective date stated under the title of the Plan on page one. The eligibility and benefits of any other person shall be determined under the Plan as in effect when he last separated from service except as expressly provided with respect to him by amendment adopted thereafter.

ARTICLE XI. Top-Heavy Provisions.

11.1 Definitions. Whenever used in this Article:

"Determination Date" means, with respect to any Plan Year, the last day of the preceding Plan Year, or, in the case of the first Plan Year, the last day of such year.

"Key Employee" means any Participant who, at any time during the Plan Year or any of the four preceding Plan Years, is an individual described in Section 416(i) of the Code and the regulations thereunder.

"Permissive Aggregation Group" means a group of qualified retirement plans maintained by the Company or any Affiliate, which group consists of the Required Aggregation group and any other plan or plans which, considered together with the Required Aggregation Group, meet the requirements of Sections 401(a)(4) and 410 of the Code.

"Required Aggregation Group" means the group of qualified retirement plans maintained by the Company or an Affiliate, including a frozen plan or a plan that has been terminated during the five-year period ending on the Determination Date, which group consists of this Plan, each other plan in which a Key Employee is a participant (or, in the case of a terminated plan was a participant in such five-year period) and each other plan that enables any such plan to meet the requirements of Section 401(a)(4) or 410 of the Code, but only if such group includes this Plan. Otherwise, the Required Aggregation Group consists of this Plan only.

"Top-Heavy Plan Year" means a Plan Year that begins after December 31, 1983, in which the Plan is top-heavy. The Plan is top-heavy for a given Plan Year if for that Plan Year (1) the Required Aggregation Group is top-heavy, and (2) the Required Aggregation Group is not part of a Permissive Aggregation Group that is not top-heavy. The Required Aggregation

Group or a Permissive Aggregation Group (the "Group") is top-heavy for a given Plan Year if the present value of the cumulative accrued benefits (or, the aggregate of the accounts, in the case of a defined contribution plan included in such Group) of participants who are Key Employees exceeds 60% of the like amount determined for all participants in all plans included in such Group. For purposes of this definition:

(a) the present value of the accrued benefit or the account of any participant shall be increased by the amount of all plan distributions to such participant during the five year period ending on the Determination Date; provided that no such increase shall arise from any rollover contribution or plan-to-plan transfer from this Plan that is not initiated by the participant or is made to another plan maintained by the Company or an Affiliate;

(b) the present value of the accrued benefit or the account of a participant who has been a Key Employee but no longer is a Key Employee shall not be taken into account;

(c) the present value of the accrued benefit or the account of any Participant who has not performed services for the Company or an Affiliate at any time during the five-year period that ends on the Determination Date shall not be taken into account;

(d) any rollover contribution or plan-to-plan transfer to this Plan that is initiated by a participant and made from a plan that is not maintained by the Company or an Affiliate after December 31, 1983 shall not be taken into account; and

(e) the present value of accrued benefits shall be determined, effective January 1, 1987, under the method used for accrual purposes for all plans maintained by the Company and all Affiliates if a single method is used by all such plans, or, otherwise, the slowest accrual method permitted under Section 411(b)(1)(C) of the Code.

11.2 Top-Heavy Operating Rules. Anything in the Plan to the contrary notwithstanding, the following rules shall apply in a Top-Heavy Plan Year:

(a) For purposes of determining benefits under this Article XI, "compensation" shall mean compensation as reported on Forms W-2 by the Company or any Affiliate for such Plan Year and the maximum amount of compensation of any Participant who is an Employee during such Plan Year shall be $150,000, or such other amount as may apply to such Participant pursuant to Section 401(a)(17) of the Code and regulations issued thereunder.

(b) For purposes of determining the maximum annuity in Section 4.6 for Plan years beginning before January 1, 2000, "1.0" shall be substituted for "1.25", wherever it appears.

(c) The Accrued Benefit which each Participant who is an Employee but not a Key Employee under this Plan derives from contributions by the Company shall be increased by the amount necessary to cause the Accrued Benefits payable to each

Participant in such year, when expressed as a benefit payable annually in the form of a Single Life Annuity, to equal at least the required minimum benefit, where the required minimum benefit is the product of:

(1) the average of the Participant's compensation for the five consecutive Plan Years that yield the highest average, disregarding Plan Years which begin before January 1, 1984, and Plan Years which are not Top-Heavy Plan Years, and

(2) the lesser of:

(A) 2 percent multiplied by the number of Vesting Years with the Company which were also Top-Heavy Plan Years and which were completed after January 1, 1984; or

(B) 20 percent.

For purposes of determining whether an increase in benefit accrual is required, all plans included in the Required Aggregation Group shall be treated as one plan.

(d) Anything in the Plan to the contrary notwithstanding, in any Top-Heavy Plan Year, a Participant who does not otherwise have a nonforfeitable right to 100% of his Accrued Benefit shall have a nonforfeitable right to a percentage of his Accrued Benefit in accordance with the following schedule:

Vesting Years	Nonforfeitable Percentage
2	20
3	40
4	60
5	100

In any Plan Year following the last Top-Heavy Plan Year, any Employee who is a Participant on the last day of the last Top-Heavy Plan Year shall have at all times a vested interest in his Accrued Benefit as of that date determined under the schedule set forth above. In addition, within a reasonable period determined by the Company, any Participant who has at least three Vesting Years to his credit on that date may elect to have his vested interest in his entire Accrued Benefit determined under the schedule set forth above.

ARTICLE XII. Post Retirement Health Benefits.

12.1 Eligibility

(a) Effective December 1, 1994, post-retirement health befits may be paid under this Article, to the extent the Company elects to fund benefits under this Article, to any Participant, who is receiving or has received pension benefits under this Plan, and if applicable, to the spouse or dependents of such Participant; provided,

however, that the Company may, in its discretion, decide not to provide post-retirement health benefits under this Article for Key Employees (as defined in Section 11.1) and, if applicable, their spouses and dependents.

(b) In addition to satisfying the requirements of Subsection (a), any person claiming post-retirement health benefits under this Plan must meet all applicable requirements imposed in the post-retirement health plans maintained by the Company. All determinations of benefit levels and eligibility for benefits shall be made pursuant to the terms of such post-retirement health plans.

(c) The establishment of an account under this Article XII to provide payment for post-retirement health benefits shall not obligate the Company to maintain its post-retirement health plans, and the Company shall retain the same ability to amend or terminate such post-retirement health plans as if this Article XII did not exist.

Notwithstanding the foregoing, post-retirement health benefits shall not be available for any Power Team Employee.

12.2 Benefits Provided.

(a) Benefits under this Article shall include all health benefits provided by the post-retirement health plans maintained by the Company, including payment of Medicare Part B premiums to the extent provided by such post-retirement health plans, to the extent such benefits are not otherwise provided by the Company.

(b) Benefits under this Article shall be provided using any method or combination of methods as the Company shall deem appropriate, including, but not limited to , purchase of insurance and the payment of premiums for such insurance, direct reimbursement of costs incurred by the provider of such benefits or reimbursement to the individual to whom such benefits were provided.

(c) Benefits and coverage under this Article shall not be discriminatory in favor of officers, shareholders, supervisory employees or highly compensated employees.

12.3 Establishment of Accounts.

(a) A separate account shall be maintained with respect to the contributions to fund benefits under this Article. This account is to be maintained for accounting purposes only. Funds accounted for in such account may be invested on a commingled basis with pension benefit contributions under this Plan without identification of which investments are allocable to each account, provided that earnings on all Plan assets are allocated in a reasonable manner.

(b) If the Company elects to fund post-retirement health benefits for Key Employees under this Article, as separate account shall be maintained for post-retirement health benefits payable to each Key Employee, his spouse and dependents. Benefits under this Article shall be payable to such Key Employee, spouse and

dependents only from such account. The separate account maintained under this Subsection (b) shall be a true separate account, and not maintained merely for accounting purposes. Commingling of assets held in such account with any other Plan assets is not permitted. For purposes of section 415 of the Code contributions allocated to any separate account under this Subsection (b) shall be treated as an annual addition to a defined contribution plan.

12.4 Funding.

(a) Contributions to provide benefits under this Article may be contributory or non-contributory, in accordance with the terms of the post-retirement health plans maintained by the Company.

(b) Amounts contributed to fund post-retirement health benefits shall be reasonable and ascertainable. The total amount contributed to fund post-retirement health benefits under this Article shall not exceed the cost of providing such benefits. The total cost of providing such benefits shall be determined in accordance with a generally accepted actuarial method selected by the Company which is reasonable in view of the provisions and coverage of the Plan, the funding medium and other relevant considerations, including, but not limited to, applicable Treasury regulations. For purposes of determining the cost of providing post-retirement health benefits, the actuarial method may take into account reasonable projected increases in the cost of providing health benefits. Forfeitures, if any, under this Article shall be applied as soon as possible to reduce employer contributions to fund benefits under this Article.

(c) Post-retirement health benefits provided under this Article, when added to life insurance protection provided under the Plan, shall be incidental and subordinate to pension benefits provided under the Plan. For purposes of this Article, post-retirement health benefits shall be considered incidental and subordinate if the aggregate of the contributions for post-retirement health benefits provided under this Article plus the contributions for life insurance protection under this Plan does not exceed 25 percent of the total contributions to the Plan (other than for past service credit) made on or after December 1, 1994.

(d) Until the satisfaction of all liabilities to be provided under this Article, neither amounts contributed to fund post-retirement health benefits under this Article nor earnings thereon shall be used for or diverted to any purpose other than providing such benefits or payment of necessary or appropriate expenses attributable to the administration of post-retirement health accounts under this Article. Any amounts contributed to fund medical benefits under this Article remaining in a post-retirement health account after the satisfaction of all liabilities arising under this Article must be returned to the Company.

(e) Nothing in this Article shall obligate the Company to pay benefits described in Section 12.2 to the extent those benefits exceed assets contributed to the Fund to provide post-retirement health benefits under this Article. Furthermore, nothing in this Article shall imply that amounts contributed to the Fund to provide pension or

other benefits (other than post-retirement health benefits) available under the Plan will be used to provide post-retirement health benefits under this Article. The Company may, in its discretion, fund all or any part of the benefits described in Section 12.2 from other sources or may pay such benefits out of its general assets as the benefits become payable.

(f) If in any proceeding subsequent to December 1, 1994, under Section 1308 of the Pennsylvania Public Utility Code, the Company is not permitted to fully recover in rates the contributions made to the separate account maintained to fund benefits under this Article, the Company, at its discretion, may elect to defer or discontinue funding the benefits under this Article.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized officers on this _______ day of _________________, 2001.

EXELON CORPORATION

By ________________________________

Title _______________________________

ATTEST:

____

Title __________________________

APPENDIX A

Actuarial equivalence under this Plan shall mean a benefit of equivalent value when computed using a 7% interest rate and the mortality tables attached to the Plan as Exhibit A (for pensioners) and B (for beneficiaries, if applicable), with such exceptions as specifically set forth in the Plan.

For distributions on or after January 1, 2000, the lump sum Actuarial Equivalent of a Participant's Accrued Benefit for purposes of Section 5.6 shall be determined using the annual rate of interest on 30-year Treasury securities as specified by the Commissioner of the Internal Revenue Service pursuant to section 417(e)(3)(A) of the Code and regulations issued thereunder for the second full calendar month preceding the first day of the Plan Year containing the date of distribution, and the mortality table shall be the mortality table prescribed by the Commissioner of Internal Revenue Service pursuant to section 417(e)(3)(A) of the Code on the date as of which the single sum payment is being determined, if the use of such assumptions would result in a greater benefit.

For the period beginning January 1, 2000, and ending on the date of adoption of this amendment and restatement, the lump sum Actuarial Equivalent of a Participant's Accrued Benefit for purposes of Section 5.6 shall be determined on the basis of the assumptions which would be used as of the first day of the Plan Year containing the date of distribution by the Pension Benefit Guaranty Corporation for purposes of determining the present value of a lump sum distribution upon plan termination, if the use of such assumptions would result in a greater benefit.

APPENDIX B

MINIMUM DISTRIBUTION INCIDENTAL BENEFIT TABLE

Excess if Age of Participant over Age of Beneficiary	Applicable Percentage
10 years or less	100%
11	96%
12	93%
13	90%
14	87%
15	84%
16	82%
17	79%
18	77%
19	75%
20	73%
21	72%
22	70%
23	68%
24	67%
25	66%
26	64%
27	63%
28	62%
29	61%
30	60%
31	59%
32	59%
33	58%
34	57%
35	56%
36	56%
37	55%
38	55%
39	54%
40	54%
41	53%
42	53%
43	53%
44 and greater	52%

SCHEDULE A - RETIREMENT FACTORS

ENHANCED AGE AT BENEFIT COMMENCEMENT DATE	ENHANCED RETIREMENT FACTORS
50	80%
51	84%
52	88%
53	92%
54	96%
55	100%
56	100%
57	100%
58	100%
59	100%
60	100%
61	100%
62	100%
62	100%
63	100%
64	100%
65	100%

The foregoing factors will be interpolated based on the Eligible Participant's Age rounded to the nearest month.

SCHEDULE B-ENHANCED DEFERRED VESTED PENSION FACTORS

ENHANCED AGE AT TERMINATION	ACTUAL AGE VESTED BENEFITS BEGIN									
	50	51	52	53	54	55	56	57	58	59	(Greater Than/ Equal to) 60
(Greater Than/ Equal to) 49	70.0%	73.0%	76.0%	79.0%	82.0%	85.0%	88.0%	91.0%	94.0%	97.0%	100.0%
48	69.0%	72.1%	75.2%	78.3%	81.4%	84.5%	87.6%	90.7%	93.8%	96.9%	100.0%
47	68.0%	71.2%	74.4%	77.6%	80.8%	84.0%	87.2%	90.4%	93.6%	96.8%	100.0%
46	67.0%	70.3%	73.6%	76.9%	80.2%	83.5%	86.8%	90.1%	93.4%	96.7%	100.0%
45	66.0%	69.4%	72.8%	76.2%	79.6%	83.0%	86.4%	89.8%	93.2%	96.6%	100.0%
(Greater Than) 45	Reverts to Standard Deferred Vested Pension Plan factors under the regular terms of the Service Annuity Plan.										

The foregoing factors will be interpolated on the Eligible Participant's Age rounded to the nearest months.

EXELON CORPORATION
RESTRICTED STOCK AWARD AGREEMENT [______-__]

Exelon Corporation, a Pennsylvania corporation (the "Company"), hereby grants [NAME], (the "Holder") as of [DATE], (the "Grant Date"), pursuant to the provisions of the Exelon Corporation Long-Term Incentive Plan, as amended and restated effective January 28, 2002 (the "Plan"), a restricted stock award (the "Award") of [WRITTEN NUMBER] ([NUMERICAL NUMBER]) restricted shares of the Company's common stock, without par value ("Common Stock"), upon and subject to the terms and conditions set forth below. Capitalized terms not defined herein shall have the meanings specified in the Plan.

1. Award Subject to Acceptance of Agreement.

The Award shall be subject to all the terms of this Agreement and the Plan.

2. Rights as a Stockholder.

The Holder shall have the right to vote the shares of Common Stock subject to the Award and to receive dividends and other distributions thereon unless and until such shares are forfeited pursuant to Section 3.2 hereof; provided, however, that a dividend or distribution with respect to shares (including, without limitation, a stock dividend or stock split), other than a regular cash dividend, shall be delivered to the Company (and the Holder shall, if requested by the Company, execute and return one or more irrevocable stock powers related thereto) and shall be subject to the same restrictions as the shares of Common Stock with respect to which such dividend or distribution was made.

3. Restriction Period -- Vesting Dates and Vesting.

3.1 Vesting Dates.

Subject to Section 3.2 below, all of the shares of Common Stock subject to the Award shall vest and the restrictions thereon shall lapse on the [FIFTH] anniversary of the Grant Date.

3.2 Forfeiture/Accelerated Vesting of Non-Vested Shares.

(a) If Holder terminates his or her employment with the Company or any successor thereto for any reason prior to the [FIFTH] anniversary of the Grant Date, all non-vested shares of Common Stock subject to the Award will be forfeited.

(b) If Holder's employment with the Company or any successor thereto terminates prior to the [FIFTH] anniversary of the Grant Date on account of Holder's death or disability, the Award will become fully vested as of the date of such termination of employment.

(c) If the Company or any successor thereto terminates Holder's employment prior to the [FIFTH] anniversary of the Grant date for any reason other than Cause or poor performance as determined by the Company in accordance with applicable personnel policy, the Award will become fully vested as of the date of such termination of employment.

4. Termination of Award.

In the event that the Holder shall forfeit any shares of Common Stock subject to the Award pursuant to Section 3.2, this Award shall immediately terminate. The Holder shall, upon the Company's request,

promptly return this Agreement to the Company for cancellation. Such cancellation shall, however, be effective regardless of whether the Holder returns this Agreement.

5. Additional Terms and Conditions of Award.

5.1. Nontransferability of Award.

This Award may not be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate or encumber, or otherwise dispose of this Award or any shares of Common Stock subject hereto that have not vested and been issued pursuant to Section 5.5, this Award and any obligation of the Company with respect to the shares subject hereto shall immediately become null and void.

5.2. Withholding Taxes.

(a) As a condition precedent to the delivery to the Holder of any shares of Common Stock subject to the Award, the Holder shall, upon request by the Company, pay to the Company (or shall cause a broker-dealer on behalf of the Holder to pay to the Company) such amount of cash as the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the "Required Tax Payments") with respect to the Award. If the Holder shall fail to advance the Required Tax Payments after request by the Company, the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company to the Holder.

(b) The Holder may elect to satisfy his or her obligation to advance the Required Tax Payments by any of the following means: (1) a cash payment to the Company pursuant to Section 5.2(a), (2) delivery to the Company of previously owned whole shares of Common Stock (which the Holder has held for at least six months prior to the delivery of such shares or which the Holder purchased on the open market and for which the Holder has good title, free and clear of all liens and encumbrances) having a Fair Market Value, determined as of the date the obligation to withhold or pay taxes first arises in connection with the Award (the "Tax Date"), equal to the Required Tax Payments, (3) authorizing the Company to withhold from the shares of Common Stock otherwise to be delivered to the Holder pursuant to the Award a number of whole shares of Common Stock having a Fair Market Value, determined as of the Tax Date, equal to the Required Tax Payments, (4) a cash payment by a broker-dealer acceptable to the Company through whom the Holder has sold the shares with respect to which the Required Tax Payments have arisen or (5) any combination of (1), (2) and (3). The Committee shall have sole discretion to disapprove of an election pursuant to any of clauses (2)-(5). Shares of Common Stock to be delivered or withheld may not have a Fair Market Value in excess of the minimum amount of the Required Tax Payments. Any fraction of a share of Common Stock which would be required to satisfy such an obligation shall be disregarded and the remaining amount due shall be paid in cash by the Holder. No certificate representing a share of Common Stock shall be delivered until the Required Tax Payments have been satisfied in full.

5.3. Adjustment.

In the event of any stock split, stock dividend, recapitalization, reorganization, merger, consolidation, combination, exchange of shares, liquidation, spin-off or other similar change in capitalization or event, or any distribution to holders of Common Stock other than a regular cash dividend, the number and class of securities subject to the Award shall be adjusted as determined by the Committee. .The decision of the Committee regarding any such adjustment shall be final, binding and conclusive.

5.4. Compliance with Applicable Law.

The Award is subject to the condition that if the listing, registration or qualification of the shares subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the vesting or delivery of shares hereunder, the shares of Common Stock subject to the Award shall not vest or be delivered, in whole or in part, unless such listing, registration, qualification, consent or approval shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent or approval.

5.5. Delivery of Certificates.

Subject to Section 5.2, as soon as practicable after the shares of Common Stock subject to the Award until such Award shall have become vested pursuant to Section 3.2 hereof. Subject to Section 5.2, as soon as practicable after the shares of Common Stock subject to the Award become vested, , the Company shall deliver or cause to be delivered one or more certificates (or book entries) issued in the Holder's name representing the number of vested shares and destroy the stock power or powers relating to the vested shares. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such delivery, except as otherwise provided in Section 5.2.

5.6. Award Confers No Rights to Continued Employment.

In no event shall the granting of the Award or its acceptance by the Holder give or be deemed to give the Holder any right to continued employment by the Company or any affiliate of the Company.

5.7. Decisions of Committee.

The Committee shall have the right to resolve all questions which may arise in connection with the Award. Any interpretation, determination or other action made or taken by the Committee regarding the Plan or this Agreement shall be final, binding and conclusive.

5.8. Investment Representation.

The Holder hereby represents and covenants that (a) any share of Common Stock acquired upon the vesting of the Award will be acquired for investment and not with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), unless such acquisition has been registered under the Securities Act and any applicable state securities law; (b) any subsequent sale of any such shares shall be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c) if requested by the Company, the Holder shall submit a written statement, in form satisfactory to the Company, to the effect that such representation (x) is true and correct as of the date of acquisition of any shares hereunder or (y) is true and correct as of the date of any sale of any such shares, as applicable.

5.9. Agreement Subject to the Plan.

This Agreement is subject to the provisions of the Plan and shall be interpreted in accordance therewith.

6. Miscellaneous Provisions.

6.1. Meaning of Certain Terms.

As used herein, the following terms shall have the respective meanings set forth below:

"Fair Market Value" means the closing transaction price of a share of Common Stock, as reported on the New York Stock Exchange Composite Transactions on the date in question or, if there shall be no reported transaction for such date, on the next preceding date for which a transaction was reported.

As used herein, "employment by the Company" shall include employment by any successor to the Company or by a corporation which is a "subsidiary corporation" of the Company, as such term is defined in section 424 of the Code. References in this Agreement to sections of the Code shall be deemed to refer to any successor section of the Code or any successor internal revenue law.

6.2. Successors.

This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of the Holder, acquire any rights hereunder in accordance with this Agreement or the Plan.

6.3. Notices.

All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to Exelon Corporation, 10 South Dearborn Street -- 37th Floor, Chicago, Illinois 60603, Attention: Corporate Secretary, and if to the Holder, at his or her then current work location. All notices, requests or other communications provided for in this Agreement shall be made in writing (a) by personal delivery to the party entitled thereto, (b) by facsimile transmission with confirmation of receipt, (c) by mailing in the United States mails to the last known address of the party entitled thereto or (d) by express courier service. The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile transmission, or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

6.4. Governing Law.

This Agreement, the Award and all determinations made and actions taken pursuant hereto and thereto, to the extent not otherwise governed by the laws of the United States, shall be governed by the laws of the Commonwealth of Pennsylvania and construed in accordance therewith without giving effect to conflicts of laws principles.

EXELON CORPORATION

By:______________________________
Katherine Combs
Secretary

EXHIBIT 10-6-2

TRANSFERABLE STOCK OPTION UNDER THE
EXELON CORPORATION LONG-TERM INCENTIVE PLAN
(as amended and restated effective January 28, 2002)

GRANT INSTRUMENT

Pursuant to Section 5 of the Exelon Corporation Long-Term Incentive Plan, as amended and restated effective January 28, 2002 (the "Plan"), the Compensation Committee of the Board of Directors has granted an option (the "Option") to purchase the number of shares of common stock, without par value, of Exelon Corporation ("Common Stock") as set forth below, subject to the terms and conditions listed below, and such other terms and conditions contained in the Plan.

Optionee:

Option Number : 2002-

Number of Shares Subject to Option:

Grant Date: January 28, 2002

Expiration Date: 11:59 p.m. (CST) on January 27, 2012

Exercise Price (per share): $46.92

When Exercisable: Except as otherwise provided in Section 5(e) of the Plan and subject to the other terms and conditions of the Plan, this Option shall become exercisable on or after the dates set forth below (if the Grantee is employed by the Company on such dates) with respect to the indicated number of shares of Common Stock originally subject to this Option:

Vesting Date(s):	NUMBER OF SHARES FOR WHICH OPTION IS EXERCISABLE
January 28, 2003	
January 28, 2004	
January 28, 2005	

This Option is at all times subject to the terms and conditions set forth in the Plan and as may be specified by the Compensation Committee of the Board of Directors from time to time. This Option shall be transferable solely in accordance with Exhibit I attached hereto.

Exhibit I to Option Number __fill in____

This Option and any rights with respect thereto shall be transferable to a Permitted Transferee (as defined below) in accordance with procedures established by the Committee. To the extent you do not transfer this Option to a Permitted Transferee in accordance with such procedures, it will continue to be transferable upon your death or, with the consent of the Committee, pursuant to a domestic relations order in accordance with Section 12(a) of the Plan. Any other attempted transfer, assignment, pledge or hypothecation, whether or not by operation of law, shall be void. The Option shall not be subject to execution, attachment or other process, and no person shall be entitled to exercise any of your rights with respect to your Option or possess any rights with respect to such Option by virtue of any attempted execution, attachment or other process.

A "Permitted Transferee," as used above, shall mean any of your family members who acquire this Option from you through a gift. Your "family members" include any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, any person sharing your household (other than a tenant or employee), a trust in which these persons have more than fifty percent of the beneficial interest, a foundation in which these persons (or you) control the management of assets, and any other entity in which these persons (or you) own more than fifty percent of the voting interests.

This Option may not be transferred for value. The following transactions shall not be considered transfers for value: (i) a transfer under a domestic relations order in settlement of marital property rights; and (ii) a transfer to an entity in which more than fifty percent of the voting interests are owned by family members (or you) in exchange for an interest in that entity.

A transfer to a Permitted Transferee shall not be effective unless and until such Permitted Transferee has entered into, and delivered to the Company, a written agreement in form and substance satisfactory to the Company (i) authorizing the Company to withhold shares of stock which would otherwise be delivered to such person upon an exercise of the Option to pay any federal, state, local or other taxes which may be required to be withheld or paid in connection with such exercise in the event that you do not provide for an arrangement satisfactory to the Company to assure that such taxes will be paid and (ii) agreeing to be bound by the other terms and conditions of the Plan and this Grant Instrument. Capitalized terms not defined herein shall have the respective meanings set forth in the Plan.

EXHIBIT 10-6-3

STOCK OPTION UNDER THE EXELON CORPORATION LONG-TERM INCENTIVE PLAN
(as amended and restated effective January 28, 2002)

GRANT INSTRUMENT

Pursuant to Section 5 of the Exelon Corporation Long-Term Incentive Plan, as amended and restated effective January 28, 2002 (the "Plan"), the Compensation Committee of the Board of Directors has granted an option (the "Option") to purchase the number of shares of common stock, without par value, of Exelon Corporation ("Common Stock") as set forth below, subject to the terms and conditions listed below, and such other terms and conditions contained in the Plan.

Optionee:

Option Number :

Number of Shares Subject to Option:

Grant Date: January 28, 2002

Expiration Date: 11:59 p.m. (CST) on January 27, 2012

Exercise Price (per share): $46.92

When Exercisable: Except as otherwise provided in Section 5(e) of the Plan and subject to the other terms and conditions of the Plan, this Option shall become exercisable on or after the dates set forth below (if the Grantee is employed by the Company on such dates) with respect to the indicated number of shares of Common Stock originally subject to this Option:

Vesting Date(s):	NUMBER OF SHARES FOR WHICH OPTION IS EXERCISABLE
January 28, 2003	
January 28, 2004	
January 28, 2005	

This Option is at all times subject to the terms and conditions set forth in the Plan and as may be specified by the Compensation Committee of the Board of Directors from time to time.

EXHIBIT 10-9

EXELON CORPORATION

EMPLOYEE SAVINGS PLAN

Effective as of March 30, 2001

EXELON CORPORATION EMPLOYEE SAVINGS PLAN

TABLE OF CONTENTS

	Page
ARTICLE 1	1
TITLE, PURPOSE AND EFFECTIVE DATES	1
ARTICLE 2	2
DEFINITIONS	2
ARTICLE 3	6
PARTICIPATION	6
Section 3.1 . Eligibility for Participation	6
Section 3.2 . Applications for Before-Tax Contributions and After-Tax Contributions	7
Section 3.3 . Transfer to Affiliates	8
ARTICLE 4	9
EMPLOYER CONTRIBUTIONS	9
Section 4.1 . Before-Tax Contributions	9
Section 4.2 . $10,500 Annual Limit on Before-Tax Contributions	11
Section 4.3 . Employer Matching Contributions	13
Section 4.4 . Limitations on Contributions for Highly-Compensated Eligible Employees	14
Section 4.5 . Limitation on Employer Contributions	22
ARTICLE 5	23
EMPLOYEE CONTRIBUTIONS	23
Section 5.1 . After-Tax Contributions	23
Section 5.2 . Rollover Contributions	24
Section 5.3 . Special Accounting Rules for Rollover Contributions	25
ARTICLE 6	25
TRUST AND INVESTMENT FUNDS	25
Section 6.1 . Trust	25
Section 6.2 . Investment Funds	26
ARTICLE 7	26
PARTICIPANT ACCOUNTS AND INVESTMENT ELECTIONS	26
Section 7.1 . Participant Accounts and Investment Elections	26
Section 7.2 . Allocation of Net Income of Trust Fund and Fluctuation in Value of Trust Fund Assets	28
Section 7.3 . Allocations of Contributions Among Participants' Accounts	29
Section 7.4 . Limitations on Allocations Imposed by Section 415 of the Code	30
Section 7.5 . Correction of Error	32
ARTICLE 8	32
WITHDRAWALS AND DISTRIBUTIONS	32
Section 8.1 . Withdrawals and Distributions Prior to Termination of Employment	32
Section 8.2 . Loans to Participants	35
Section 8.3 . Distributions Upon Termination of Employment	38
Section 8.4 . Time of Distribution	41
Section 8.5 . Designation of Beneficiary	43
Section 8.6 . Distributions to Minor and Disabled Distributees	44
Section 8.7 . "Lost" Participants and Beneficiaries	45
ARTICLE 9	45

PARTICIPANTS' STOCKHOLDER RIGHTS........ 45

Section 9.1 . Voting Shares of Common Stock........ 45
Section 9.2 . Tender Offers........ 46

ARTICLE 10........ 48

SPECIAL PARTICIPATION AND DISTRIBUTION RULES RELATING TO REEMPLOYMENT OF TERMINATED EMPLOYEES AND EMPLOYMENT BY RELATED ENTITIES........ 48

Section 10.1 . Change of Employment Status........ 48
Section 10.2 . Reemployment of an Eligible Employee Whose Employment Terminated Prior to His or Her Becoming a Participant........ 48
Section 10.3 . Reemployment of a Terminated Participant........ 48
Section 10.4 . Employment by an Affiliate........ 49
Section 10.5 . Leased Employees........ 49
Section 10.6 . Reemployment of Veterans........ 49

ARTICLE 11........ 51

ADMINISTRATION........ 51

Section 11.1 . The Committee........ 51
Section 11.2 . Claims Procedure........ 54
Section 11.3 . Procedures for Domestic Relations Orders........ 55
Section 11.4 . Notices to Participants, Etc........ 57
Section 11.5 . Notices to Committee........ 57
Section 11.6 . Records........ 57
Section 11.7 . Reports of Trustee and Accounting to Participants........ 57
Section 11.8 . Electronic Media........ 58

ARTICLE 12........ 58

PARTICIPATION BY OTHER EMPLOYERS........ 58

Section 12.1 . Adoption of Plan........ 58
Section 12.2 . Withdrawal from Participation........ 58
Section 12.3 . Company as Agent for Employers........ 59

ARTICLE 13........ 59

CONTINUANCE BY A SUCCESSOR........ 59

ARTICLE 14........ 60

MISCELLANEOUS........ 60

Section 14.1 . Expenses........ 60
Section 14.2 . Non-Assignability........ 61
Section 14.3 . Employment Non-Contractual........ 62
Section 14.4 . Limitation of Rights........ 63
Section 14.5 . Merger or Consolidation with Another Plan........ 63
Section 14.6 . Gender and Plurals........ 63
Section 14.7 . Applicable Law........ 63
Section 14.8 . Severability........ 63
Section 14.9 . No Guarantee........ 64

ARTICLE 15........ 64

TOP-HEAVY PLAN REQUIREMENTS........ 64

Section 15.1 . Top-Heavy Plan Determination........ 64
Section 15.2 . Definitions and Special Rules........ 64
Section 15.3 . Minimum Contribution for Top-Heavy Years........ 65
Section 15.4 . Special Rules for Applying Statutory Limitations on Benefits........ 66

ARTICLE 16........ 67

AMENDMENT, ESTABLISHMENT OF SEPARATE PLAN AND TERMINATION ... 67

Section 16.1 . Amendment ... 67
Section 16.2 . Establishment of Separate Plan ... 67
Section 16.3 . Distribution upon Termination of the Plan ... 68
Section 16.4 . Trust Fund to Be Applied Exclusively for Participants and Their Beneficiaries ... 69

SUPPLEMENT I ... S-1

TRANSFERS FROM OTHER PLANS ... S-1

ARTICLE 1

TITLE, PURPOSE AND EFFECTIVE DATES

The title of this Plan shall be the "Exelon Corporation Employee Savings Plan." This Plan is an amendment and restatement of the Commonwealth Edison Employee Savings and Investment Plan as in effect on March 29, 2001, and shall be effective March 30, 2001 in respect of Participants whose employment terminates on or after such date, provided, however, that:

(i) any provision that specifies a different effective date shall be effective as of such date;

(ii) the deletion of the family aggregation rules shall be effective as of January 1, 1997;

(iii) the provisions respecting Military Service shall be effective with respect to reemployments initiated on or after December 12, 1994;

(iv) Section 4.4 (relating to the nondiscrimination rules imposed by sections 401(k) and 401(m) of the Code) shall be effective as of January 1, 1997, provided, that the average deferral percentage and the average contribution percentage for the 1997-2000 plan years under the PECO Energy Company Employee Savings Plan shall be determined by using prior plan year data for non-highly compensated eligible employees; and

(v) Section 7.4 (relating to the limitations imposed by section 415 of the Code) shall be effective (a) as of January 1, 1995 with respect to the deletion of the reference to "one fourth of the dollar limitation under former section 415(b)(1)(A) of the Code," (b) as of January 1, 1998 with respect to the definition of "compensation" contained therein, (c) as of January 1, 2000 with respect to the deletion of the combined plan limit formerly required by section 415(e) of the Code and (d) as of January 1, 2001 with respect to the increase in the dollar limit on aggregate annual additions from $30,000 to $35,000.

As of March 30, 2001, the PECO Energy Company Employee Savings Plan is merged into the Plan and shall be governed by the provisions hereof. In order to implement the changes made by and incidental to this amendment and restatement of the Plan and the merger of the PECO Energy Company Employee Savings Plan into the Plan, during a transition period beginning on March 30, 2001 and ending on a date as soon as administratively practicable thereafter as determined by the Committee, investments, withdrawals, loans and distributions under the Plan

shall (notwithstanding any contrary term of the Plan) be subject to certain rules and restrictions as determined by the Committee.

This Plan is designated as a "profit sharing plan" within the meaning of section 1.401-1(a)(2)(ii) of the Regulations; and is also designated as an ERISA section 404(c) Plan within the meaning of section 2550.404c-1 of the Regulations. In addition, the portion of the Plan invested in the Employer Stock Fund described in Section 6.2 is designated as an "employee stock ownership plan" within the meaning of section 4975(e)(7) of the Code and, as such, is designed to invest primarily in "qualifying employer securities" as defined in section 4975(e)(8) of the Code.

ARTICLE 2

DEFINITIONS

As used herein, the following words and phrases shall have the following respective meanings when capitalized:

(1) Affiliate. (a) A corporation that is a member of the same controlled group of corporations (within the meaning of section 414(b) of the Code) as an Employer, (b) a trade or business (whether or not incorporated) under common control (within the meaning of section 414(c) of the Code) with an Employer, (c) any organization (whether or not incorporated) that is a member of an affiliated service group (within the meaning of section 414(m) of the Code) that includes an Employer, a corporation described in clause (a) of this subdivision or a trade or business described in clause (b) of this subdivision or (d) any other entity that is required to be aggregated with an Employer pursuant to Regulations promulgated under section 414(o) of the Code.

(2) After-Tax Contributions. Contributions made by a Participant pursuant to Section 5.1.

(3) After-Tax Contributions Account. The account established pursuant to Section 7.1 to which shall be credited (i) a Participant's After-Tax Contributions, (ii) any after-tax contributions transferred to the Plan from the PECO Energy Company Employee Savings Plan (including any after-tax contributions transferred to such plan from the Philadelphia Electric Company Tax Reduction Act Stock Ownership Plan) on behalf of such Participant and (iii) earnings (or losses) thereon.

(4) Before-Tax Contributions. Contributions made on behalf of a Participant pursuant to Section 4.1.

(5) Before-Tax Contributions Account. The account established pursuant to Section 7.1 to which shall be credited (i) a Participant's Before-Tax Contributions, (ii) any before-tax

contributions transferred to the Plan from the PECO Energy Company Employee Savings Plan on behalf of such Participant and (iii) earnings (or losses) thereon.

(6) Beneficiary. The person or persons entitled under Section 8.5 to receive benefits in the event of the death of a Participant. For any period in which the Plan is not an "ERISA section 404(c) Plan" as defined in Regulations under section 404(c) of ERISA, each Beneficiary shall be a "named fiduciary" within the meaning of section 402(a)(1) of ERISA for the sole purpose of directing the Trustee with respect to the exercise of shareholder rights pursuant to Article 9 (relating to Participant's stockholder rights).

(7) Code. The Internal Revenue Code of 1986, as amended.

(8) Committee. The committee appointed by the Company pursuant to Section 11.1 that administers the Plan.

(9) Common Stock. The common stock, without par value, of Exelon Corporation.

(10) Company. Exelon Corporation, a Pennsylvania corporation, or any successor to such corporation that adopts the Plan pursuant to Article 13.

(11) Compensation. The normal base pay under the applicable Exelon East or West payroll of an Employee from an Employer for personal services rendered, including (i) salary continuation under a severance benefit plan of an Employer (but specifically excluding any salary continuation paid under the Exelon Corporation Key Management Severance Plan), (ii) nuclear license premiums for management employees, (iii) meter readers' bonuses, (iv) solely for employees who are represented by IBEW Local Union 15 and covered under that certain Collective Bargaining Agreement dated September 15, 2000 between Commonwealth Edison Company and IBEW Local Union 15, as such agreement may be amended from time to time, overtime pay, but only amounts paid with respect to hours worked in excess of an Employee's normally scheduled hours, and excluding (i) lump sum payments under a severance arrangement of an Employer, (ii) bonuses or incentive awards (other than meter readers' bonuses), (iii) overtime pay for management employees, (iv) shift premiums, (v) fringe benefits, (vi) other extraordinary payments and (vii) payments made in a form other than cash, but without reduction on account of the Employee's election to have his or her pay reduced pursuant to a qualified cash or deferred arrangement described in section 401(k) of the Code or a cafeteria plan described in section 125 of the Code. For purposes of the preceding sentence, the normal base pay of an Employee who works and is compensated based on a shift schedule other than a basic work week consisting of five regularly scheduled eight-hour work days shall be computed by multiplying the number of regularly scheduled basic work hours for which such Employee is paid by his or her basic hourly rate, determined without regard to any premium payments made at an overtime rate for such work. An Employee's "compensation" (within the meaning of section 415 of the Code) for any Plan Year in excess of $170,000 (as adjusted for changes in the cost of living pursuant to section 401(a)(17) of the Code) shall not be taken into account for any purpose under the Plan.

(12) Disability. A physical or mental condition which, in the judgment of the Committee, based upon medical reports and other evidence satisfactory to the Committee, permanently prevents a Participant from satisfactorily performing his or her usual duties or the duties of such other position available to him and for which he is qualified by reason of his or her training, education or experience.

(13) Effective Date. March 30, 2001.

(14) Eligible Employee. An Employee other than (i) an Employee the terms of whose employment are subject to a collective bargaining agreement that does not provide for participation in this Plan, (ii) an Employee on an unpaid leave of absence (except as required by applicable law respecting Military Service), (iii) an Employee paid on the temporary payroll of an Employer who has never completed 1,000 Hours of Service in any period of twelve consecutive months beginning with the Employee's date of employment or any anniversary thereof and (iv) an individual rendering services to an Employer who is not on the payroll of any Employer. It is expressly intended that an individual rendering services to an Employer pursuant to any of the following agreements shall be excluded from Plan participation pursuant to clause (iv) of this subdivision even if a court or administrative agency determines that such individual is an Employee: (a) an agreement providing that such services are to be rendered as an independent contractor, (b) an agreement with an entity, including a leasing organization within the meaning of section 414(n)(2) of the Code, that is not an Employer or (c) an agreement that contains a waiver of participation in the Plan.

(15) Employee. An individual whose relationship with an Employer is, under common law, that of an employee.

(16) Employer. The Company, any affiliate thereof that was an Employer under the Plan or a participating employer under the PECO Energy Company Employee Savings Plan immediately prior to the Effective Date (including IBEW Local Union 15, but only with respect to Employees the terms of whose employment are subject to a collective bargaining agreement that provides for participation in the Plan), and any other entity that, with the consent of the Company, elects to participate in the Plan in the manner described in Article 12 and any successor entity that adopts the Plan pursuant to Article 13. If any entity described in the preceding sentence withdraws from participation in the Plan pursuant to Section 16.4, such entity shall thereupon cease to be an Employer.

(17) Employer Matching Contributions. Contributions made by an Employer pursuant to Section 4.3.

(18) Employer Matching Contributions Account. The account established pursuant to Section 7.1 to which shall be credited (i) any Employer Matching Contributions made on behalf of a Participant, (ii) any employer matching contributions transferred to the Plan from the PECO Energy Company Employee Savings Plan (including any employer matching contributions transferred to such plan from the Philadelphia Electric Company Tax Reduction Act Stock Ownership Plan) on behalf of such Participant and (iii) earnings (or losses) thereon.

(19) ERISA. The Employee Retirement Income Security Act of 1974, as amended.

(20) Hour of Service. Each hour for which an Employee is directly or indirectly compensated by, or entitled to receive compensation from, an Employer. For purposes of this subdivision (20), compensation shall mean the total earnings paid, directly or indirectly, to the Employee by an Employer, including any back pay, irrespective of mitigation of damages, either awarded to the Employee or agreed to by an Employer. The computation of Hours of Service and the periods to which Hours of Service are credited shall be determined under uniform rules adopted by the Committee in accordance with Department of Labor regulations Section 2530.200b-2(b), (c) and (f).

(21) Military Service. The performance of duty on a voluntary or involuntary basis in a "uniformed service" (as defined below) under competent authority of the United States government and includes active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty, and a period for which a person is absent from employment for the purpose of an examination to determine the fitness of the person to perform any such duty. For purposes of the preceding sentence, the term "uniformed service" means the Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty, the commissioned corps of the Public Health service, and any other category of persons designated by the President of the United States in time of war or emergency.

(22) Participant. An Eligible Employee who satisfies the conditions set forth in Section 3.1. An individual shall cease to be a Participant upon the complete distribution of his or her account under the Plan. For any period in which the Plan is not an "ERISA section 404(c) Plan" as defined in Regulations under section 404(c) of ERISA, each Participant shall be a "named fiduciary" within the meaning of section 402(a)(1) of ERISA for the sole purpose of directing the Trustee with respect to the exercise of shareholder rights pursuant to Article 9 (relating to Participants' stockholder rights).

(23) Plan. The plan herein set forth, and as from time to time amended.

(24) Plan Year. The twelve-month period beginning on each January 1.

(25) Regulations. Written final or temporary promulgations of the Department of Labor construing Title I of ERISA or the Internal Revenue Service construing the Code.

(26) Rollover Account. The account established pursuant to Section 7.1 to which shall be credited (i) any rollover contribution made by or on behalf of an Eligible Employee or a Participant, (ii) any rollover contribution transferred to the Plan from the PECO Energy Company Employee Savings Plan on behalf of such Participant and (iii) earnings (or losses) thereon.

(27) Termination Date. (a) The date an Employee quits, retires, is discharged from employment by an Employer or dies, (b) the date the Employee's employer ceases to be an Employer on account of its sale to a party or parties that do not qualify as an Affiliate of any Employer, (c) the first anniversary of the Employee's first date of absence from employment by an Employer for any other reason, except as provided in clause (d) or (e) below, (d) in the case of an Employee who is absent from employment for maternity or paternity reasons, the second anniversary of the first date of such absence or (e) the last date following a period of Military Service as of which the Employee has reemployment rights under applicable law. For purposes of this subdivision (27), an absence from employment for maternity or paternity reasons means an absence (1) by reason of the pregnancy of the Employee, (2) by reason of the birth of a child of the Employee, (3) by reason of the placement of a child with the Employee in connection with the adoption of such child by such Employee or (4) for purposes of caring for such child for a period beginning immediately following such birth or placement. Notwithstanding the foregoing sentences, an Employee's absence from employment for maternity or paternity reasons or for Military Service shall not be considered in determining the Employee's Termination Date unless the Employee, upon the Committee's request, provides certification that the leave was taken for one of the reasons enumerated in the preceding sentence.

(28) Trust. The trust created by agreement between the Company and the Trustee, as from time to time amended.

(29) Trust Fund. All money and property of every kind of the Trust held by the Trustee pursuant to the terms of the Trust agreement.

(30) Trustee. The trustee that executes the Trust instrument provided for in Article 6, or any successor trustee or, if there is more than one trustee acting at any time, all of such trustees collectively.

(31) Valuation Date. Each business day, as determined by the Trustee, or such other days as the Committee may designate.

(32) VRU. The telephonic voice response unit designated by the Committee, which may be used to make certain elections under the Plan. The VRU shall require each Participant, or Beneficiary, as the case may be, to provide such identification data as may, from time to time, be required by the VRU. The Committee shall cause to be kept such records of VRU activity as it shall deem necessary or appropriate, and such records shall constitute valid authorization of the elections made by each Participant and Beneficiary for all purposes of the Plan and applicable Regulations. No written authorization shall be required from a Participant or Beneficiary after an election has been made by calling the VRU.

ARTICLE 3

PARTICIPATION

Section 3.1. Eligibility for Participation.

Each Eligible Employee who immediately before the Effective Date was a Participant in the Plan or a participant in the PECO Energy Company Employer Savings Plan shall continue to be a Participant as of the Effective Date. Each other Eligible Employee who is a member of a bargaining unit represented by IBEW Local Union 15 shall be eligible to become a Participant on the first day of the payroll period coinciding with or next following the date he or she has completed three months of employment with an Employer (regardless of the number of Hours of Service actually performed). Each other Eligible Employee shall be eligible to become a Participant on the first day of the payroll period coinciding with or next following the date of his or her employment.

Section 3.2. Applications for Before-Tax Contributions and After-Tax Contributions.

(a) Regular Payroll Before-Tax and After-Tax Contributions. Each Eligible Employee who desires to commence Before-Tax Contributions or After-Tax Contributions shall make a request in the manner prescribed by the Committee specifying the Employee's chosen rate of Before-Tax Contributions for each payroll period or his or her chosen rate of After-Tax Contributions for each payroll period, or both. Such request shall authorize the Employee's Employer to reduce the Eligible Employee's Compensation by the amount of any such Before-Tax Contributions, to make regular payroll deductions of any such After-Tax Contributions or both, as the case may be. The request shall also specify the Employee's investment elections pursuant to Section 7.1(b) and shall evidence the Employee's acceptance of and agreement to all provisions of the Plan. Unless the Employee elects otherwise, if an Employee elects to invest any portion of the Before-Tax, After-Tax, Employer Matching Contributions or rollover contributions made by or on behalf of the Employee in the Employer Stock Fund (as defined in Section 6.2), such Employee shall be deemed to have elected to make Before-Tax Contributions or increase the amount of his or her Before-Tax Contributions, as the case may be, by the amount of any dividend distribution from the Plan in respect of such Fund, subject to limitations on Before-Tax Contributions contained in Article 4, other than the percentage limitations contained in Section 4.1. In addition, an Eligible Employee who is not a member of a bargaining unit represented by IBEW Local Union 15 on the date of his or her employment may elect, in accordance with the provisions of this paragraph (a), to become a Participant on the first day of the payroll period coinciding with or next following such date. All requests to commence contributions pursuant to this paragraph (a) shall be effective as of such time after the Committee (or its delegate) receives such request as shall be established by the Committee, provided, that all such requests shall be effective on the first day of a payroll period commencing not more than 30 days after receipt thereof by the Committee (or its delegate). A Participant's request to make before-tax contributions under the PECO Energy

Company Employee Savings Plan as in effect immediately prior to the Effective Date shall be effective for purposes of the Plan on the Effective Date.

(b) Quarterly Incentive Award Before-Tax Contributions. Each Eligible Employee may request, in the manner prescribed by the Committee, to reduce his or her compensation by an amount equal to 100 percent of any quarterly incentive awards that would otherwise be paid to such Participant; provided, however, that for the Plan Year which includes the Effective Date, such reduction shall be available solely with respect to quarterly incentive awards payable on or after the later of (i) the Effective Date and (ii) the first date thereafter which the Committee determines is administratively practicable with respect to Employees of such Participant's Employer. Subject to the preceding sentence, a request to commence contributions pursuant to this paragraph (b) shall be effective beginning with the quarterly incentive award payable in the calendar quarter immediately following the calendar quarter in which such request is received by the Committee (or its delegate). Before-Tax Contributions pursuant to this paragraph (b) shall be invested in accordance with the Participant's investment election under paragraph (a) of this Section (or, if no such election is in effect, in accordance with an investment election made by such Participant in the manner prescribed by the Committee), and the rules governing dividend distributions specified in paragraph (a) of this Section.

Section 3.3. Transfer to Affiliates.

If a Participant is transferred from one Employer to another Employer or from an Employer to an Affiliate, such transfer shall not terminate the Participant's participation in the Plan and such Participant shall continue to participate in the Plan until an event occurs that would have terminated his or her participation had the Participant continued in the service of an Employer until the occurrence of such event; provided, however, that a Participant shall not be entitled (i) to make contributions to the Plan, or (ii) to have contributions made on his or her behalf to the Plan during any period of employment by any Affiliate that is not an Employer.

Periods of employment with an Affiliate shall be taken into account only to the extent set forth in Section 10.4 (relating to employment by Affiliates). Payments received by a Participant from an Affiliate that is not an Employer shall not be treated as compensation for any purposes under the Plan.

ARTICLE 4

EMPLOYER CONTRIBUTIONS

Section 4.1. Before-Tax Contributions.

(a) Initial Election Respecting Regular Payroll Before-Tax Contributions. Subject to the limitations set forth in Sections 4.2 (relating to the $10,500 annual limit on Before-Tax Contributions), 4.4 (relating to limitations on contributions for highly compensated Eligible Employees), 4.5 (relating to the limitation on Employer contributions) and 7.4 (relating to limitations on allocations imposed by section 415 of the Code), each Employer shall contribute (i) on behalf of each Participant who is an Eligible Employee of such Employer and is a member of a bargaining unit represented by IBEW Local Union 15 an amount equal to a whole percentage not less than 1 and not more than 10 percent of such Participant's Compensation for each payroll period as designated by the Participant in his or her request pursuant to Section 3.2(a), and (ii) on behalf of any other Participant who is an Eligible Employee of such Employer an amount equal to a whole percentage not less than 1 and not more than 20 percent of such Participant's Compensation for each payroll period as designated by the Participant on his or her request pursuant to Section 3.2(a). Before-Tax Contributions pursuant to this paragraph (a) shall be delivered to the Trustee no less frequently than bi-weekly.

If a Participant receives a hardship withdrawal pursuant to Section 8.1(a), then: (1) all Before-Tax Contributions made on behalf of such Participant pursuant to this Section 4.1 and After-Tax Contributions made by the Participant pursuant to Section 5.1 shall cease beginning with the first payroll period beginning after the date on which the Participant receives such

hardship withdrawal; (2) such Participant shall not again be eligible to elect such contributions until the first payroll period that coincides with or follows the date on which contributions ceased by 12 months; and (3) such Participant may not elect Before-Tax Contributions for his or her taxable year next following the taxable year of such withdrawal in an amount greater than the excess of the dollar limitation then in effect under Section 4.2 (relating to the $10,500 Annual Limit on Before-Tax Contributions) over the amount of the Participant's Before-Tax Contributions for the taxable year in which the Participant received such hardship withdrawal.

(b) Changes in the Rate or Suspension of Regular Payroll Before-Tax Contributions. A Participant's Before-Tax Contributions pursuant to paragraph (a) of this Section 4.1 shall continue in effect at the rate designated by a Participant in his or her request until the Participant changes such designation or suspends such contributions. A Participant may change such designation at any time by giving direction to the Committee (or its delegate) in the manner prescribed by the Committee. Any such direction shall be limited to the contribution rates described in paragraph (a) of this Section 4.1.

A Participant may suspend future Before-Tax Contributions pursuant to paragraph (a) of this Section by giving notice to the Committee (or its delegate) in the manner prescribed by the Committee. A Participant who has ceased Before-Tax Contributions pursuant to this subsection may resume Before-Tax Contributions by so directing the Committee (or its delegate) in the manner prescribed by the Committee. All such directions to change the rate of, suspend or resume Before-Tax Contributions shall be effective as of such time after the Committee (or its delegate) receives any such direction as shall be established by the Committee, provided that such direction shall be effective on the first day of a payroll period commencing not more than 30 days after receipt thereof by the Committee (or its delegate).

(c) Elections Respecting Quarterly Incentive Award Before-Tax Contributions. Subject to the limitations set forth in subdivision (11) of Article 2 (relating to the $170,000

limitation on compensation) and Sections 4.2 (relating to the $10,500 limit on Before-Tax Contributions), 4.4 (relating to limitations on contributions for highly compensated Eligible Employees), 4.5 (relating to the limitation on Employer Contributions) and 7.4 (relating to limitations on allocations imposed by section 415 of the Code), each Employer shall contribute on behalf of each Participant who has filed a request in accordance with Section 3.2(b) an amount equal to 100 percent of the amount of any quarterly incentive awards payable to such Participant on or after the effective date of such request. A Participant's Before-Tax Contributions pursuant to this paragraph (c) shall continue in effect until the Participant suspends such contributions. A Participant may suspend such contributions by giving direction to the Committee (or its delegate) in the manner prescribed by the Committee. Any such direction to suspend Before-Tax Contributions pursuant to this paragraph (c) shall be effective beginning with the quarterly incentive award payable in the calendar quarter immediately following the calendar quarter in which such direction is received by the Committee (or its delegate). Before-Tax Contributions pursuant to this paragraph (c) shall be delivered to the Trustee not later than the fifteenth business day of the month following the month in which the related quarterly incentive award is payable.

Section 4.2. $10,500 Annual Limit on Before-Tax Contributions.

(a) General Rule. Notwithstanding the provisions of Section 4.1 (relating to Before-Tax Contributions), a Participant's Before-Tax Contributions for any calendar year shall not exceed $10,500 (as adjusted for cost-of-living increases in accordance with section 402(g)(5) of the Code).

(b) Correction of Excess Before-Tax Contributions. If for any calendar year a Participant determines that the aggregate of the (i) Before-Tax Contributions to this Plan and (ii) amounts contributed under other plans or arrangements described in section 401(k), 408(k) or 403(b) of the Code will exceed the limit imposed by paragraph (a) of this Section 4.2 for the calendar year in which such contributions were made ("Excess Before-Tax Contributions"), such

Participant shall, pursuant to such rules and at such time following such calendar year as determined by the Committee, be allowed to submit a written request that the Excess Before-Tax Contributions plus any income and minus any loss allocable thereto be distributed to him or her. The request described in this subsection shall be made in the manner and form prescribed by the Committee and shall state the amount of the Participant's Excess Before-Tax Contributions for the calendar year. The request shall be accompanied by the Participant's written statement that if such Excess Before-Tax Contributions are not distributed, such Excess Before-Tax Contributions, when added to amounts deferred under other plans or arrangements described under section 401(k), 408(k), or 403(b) of the Code will exceed the limit for such Participant under section 402(g) of the Code. A distribution of Excess Before-Tax Contributions (reduced by any amounts recharacterized or distributed pursuant to Section 4.4(e)(1) (relating to adjustments to comply with section 401(k)(3) of the Code)), plus earnings, shall be made no later than the April 15 of the calendar year following the calendar year for which such Excess Before-Tax Contributions were made. The amount of any income or loss allocable to such Excess Before-Tax Contributions shall be determined pursuant to applicable Regulations. If Excess Before-Tax Contributions are distributed pursuant to this Section 4.2, any corresponding Employer Matching Contributions allocated to the Participant's Employer Matching Contributions Account, adjusted for income or loss pursuant to Regulations, to which such Participant would be entitled under Section 8.3 (relating to distributions upon termination of employment) if such Participant had terminated employment on the last day of the calendar year during which contributions were made (or earlier if such Participant actually terminated employment at an earlier date) shall be distributed to such Participant and any remaining amount of such corresponding Employer Matching Contributions, adjusted for income or loss, shall be forfeited. Notwithstanding the provisions of this paragraph, any such Excess Before-Tax Contributions shall be treated as "annual additions" for purposes of Section 7.4 (relating to limitations on allocations imposed by section 415 of the Code).

Section 4.3. Employer Matching Contributions.

(a) Amount of Contributions. Subject to the limitations set forth in Sections 4.4 (relating to limitations on contributions for highly compensated Eligible Employees), 4.5 (relating to the limitations on Employer contributions) and 7.4 (relating to limitations on allocations imposed by section 415 of the Code), and except as otherwise provided below, each Employer shall contribute the following for each payroll period on behalf of each Participant who is an Employee of such Employer:

(i) For each Participant who is a member of a bargaining unit represented by IBEW Local Union 15, an amount equal to the sum of (x), (y) and (z), where (x) is 100 percent of Matched Contributions, as defined below, but only to the extent that Matched Contributions do not exceed 2 percent of the Participant's Compensation for the payroll period, (y) is 70 percent of Matched Contributions in excess of 2 percent of the Participant's Compensation but not in excess of 5 percent of the Participant's Compensation for the payroll period, and (z) is 25 percent of Matched Contributions in excess of 5 percent of the Participant's Compensation, but not in excess of 6 percent of the Participant's Compensation for the payroll period; and

(ii) For each other Participant, an amount equal to 100 percent of Matched Contributions, as defined below, but only to the extent that Matched Contributions do not exceed 5 percent of the Participant's Compensation for the payroll period.

For purposes of this Section 4.3, "Matched Contributions" means the sum of (i) the Before-Tax Contributions made on behalf of the Participant for a payroll period, excluding Before-Tax Contributions made with respect to any quarterly incentive awards pursuant to Section 3.2(b), and (ii) the After-Tax Contributions made by the Participant for such payroll period.

(b) Special Part-Time Employees. Notwithstanding paragraph (a) hereof, no Employer shall make a contribution pursuant to this Section 4.3 on behalf of any Participant who is a "part-time regular employee" as defined in an Agreement dated July 23, 1993 between the Company and the System Council U-25, I.B.E.W. (the "July 23, 1993 Agreement"), unless one of the following applies:

(1) the Participant had in effect on July 23, 1993 an authorization to make contributions under the Plan as then in effect and elected pursuant to the July 23, 1993 Agreement and request by the Company to become a part-time regular employee during the initial staffing period that began July 23, 1993 and ended December 31, 1993 (the "Initial Staffing Period");

(2) the Participant had in effect on the date the Participant became a part-time regular employee an authorization to make contributions under the Plan as then in effect and chose the Option II Benefits Package as described in the July 23, 1993 Agreement, as amended;

(3) the Participant did not have in effect on the date the Participant became a part-time regular employee an authorization to make contributions under the Plan as then in effect and elected pursuant to the July 23, 1993 Agreement and request by the Company to become a part-time regular employee during the Initial Staffing Period; provided such Participant had in effect on any date after December 24, 1995 and before February 20, 1996 an authorization to make contributions under the Plan; or

(4) the Participant elected other than pursuant to the July 23, 1993 Agreement to become a part-time regular employee during the Initial Staffing Period; provided that such Participant had in effect on any date after December 24, 1995 and before February 20, 1996 and authorization to make contributions under the Plan.

(c) Time of Delivery of Contributions. Employer Matching Contributions for any Plan Year shall be delivered to the Trustee at the same time the Before-Tax contributions or After-Tax Contributions to which such Employer Matching Contributions relate are delivered to the Trustee.

Section 4.4. Limitations on Contributions for Highly-Compensated Eligible Employees.

(a) Limits Imposed by Section 401(k)(3) of the Code. Notwithstanding the provisions of Section 4.1 (relating to Before-Tax Contributions), if the Before-Tax Contributions for a Plan Year fail, or in the judgment of the Committee are likely to fail, to satisfy both of the tests set forth in paragraphs (1) and (2) of this subsection, the adjustments prescribed in paragraph (e)(1) of this Section 4.4 shall be made.

(1) The average deferral percentage for the group consisting of highly compensated eligible employees of all Employers does not exceed the product of the average deferral percentage for the group consisting of non-highly compensated eligible employees multiplied by 1.25.

(2) The average deferral percentage for the group consisting of highly compensated eligible employees of all Employers (i) does not exceed the average deferral percentage for the group consisting of non-highly compensated eligible employees by more than two percentage points, and (ii) does not exceed two times the average deferral percentage for such group.

(b) Limits Imposed by Section 401(m) of the Code. Notwithstanding the provisions of Section 4.3 (relating to Employer Matching Contributions) and Section 5.1 (relating to After-Tax Contributions), if the Employer Matching Contributions and After-Tax Contributions for a Plan Year fail, or in the judgment of the Committee are likely to fail, to satisfy both of the tests set forth in paragraphs (1) and (2) of this subsection, the adjustments prescribed in paragraph (e)(2) of this Section 4.4 shall be made.

(1) The average contribution percentage for the group consisting of highly compensated eligible employees of all Employers does not exceed the product of the average contribution percentage for the group consisting of non-highly compensated eligible employees multiplied by 1.25.

(2) The average contribution percentage for the group consisting of highly compensated eligible employees of all Employers (i) does not exceed the average contribution percentage for the group consisting of non-highly compensated eligible employees by more than two percentage points, and (ii) does not exceed two times the average contribution percentage for such group.

(c) Aggregate Limit on Contributions. Notwithstanding anything herein to the contrary, if for a Plan Year (1) both the Before-Tax Contributions fail the test set forth in paragraph (a)(1) of this Section 4.4 and the After-Tax Contributions and Matching Contributions fail the test set forth in paragraph (b)(1) of this Section 4.4 and (2) the sum of the average deferral percentage (as determined under paragraph (d)(1) of this Section 4.4 after making the adjustments required by such Section for the Plan Year) and the average contribution percentage (as determined under paragraph (d)(2) of this Section 4.4 after making the adjustments required by such Section for the Plan Year) for the group consisting of Participants who are highly compensated eligible employees of all Employers exceeds, or in the judgment of the Committee is

likely to exceed, the aggregate limit for such Plan Year, the adjustments prescribed in paragraph (e)(3) of this Section 4.4 shall be made.

(d) Definitions. For purposes of this Section:

(1) the "average deferral percentage" for a group of Eligible Employees with respect to a Plan Year shall be the average of the ratios, calculated separately for each Eligible Employee in such group to the nearest one-hundredth of one percent, of the Before-Tax Contributions made for the benefit of such Eligible Employee to the total compensation paid to such Eligible Employee for the portion of such Plan Year during which such Eligible Employee was a Participant;

(2) the "average contribution percentage" for a group of Eligible Employees with respect to a Plan Year shall be the average of the ratios, calculated separately for each Eligible Employee in such group to the nearest one-hundredth of one percent, of the Employer Matching Contributions made, After-Tax Contributions made and, in the Committee's sole discretion, to the extent permitted under Regulations or otherwise under the Code, the Before-Tax Contributions made during such year for the benefit of such Eligible Employee to such Eligible Employee's compensation for the portion of such Plan Year during which such Eligible Employee was a Participant;

(3) the "aggregate limit" shall equal the greater of (i) the sum of (A) 1.25 times the greater of (I) the average deferral percentage for the group consisting of non-highly compensated eligible employees or (II) the average contribution percentage of the group consisting of non-highly compensated eligible employees, plus (B) two percentage points plus the lesser of (I) or (II) above, but not greater than 200% of the lesser of (I) or (II) above, or (ii) the sum of (A) 1.25 times the lesser (I) or (II) above plus (B) two percentage points plus the greater of (I) or (II) above, but not greater than 200% of the greater of (I) or (II) above;

(4) the term "highly compensated eligible employee" shall mean any Eligible Employee who is a Participant, who performs service in the determination year and who is (a) a 5%-owner (as determined under section 416(i)(1)(A)(iii) of the Code) at any time during the Plan Year or the preceding Plan Year or (b) is paid compensation in excess of $80,000 (as adjusted for increases in the cost of living in accordance with section 414(q)(1)(B)(ii) of the Code) from an Employer for the preceding Plan Year;

(5) the term "non-highly compensated eligible employee" shall mean any Eligible Employee who is a Participant, who performs services in the determination year and is not a highly compensated eligible employee;

(6) the term "compensation" shall have the meaning set forth in section 414(s) of the Code or, in the discretion of the Committee, any other meaning in accordance with the Code for these purposes;

(7) if this Plan and one or more other plans of the Employer to which Before-Tax Contributions, After-Tax Contributions, or qualified nonelective contributions (as such term is defined in section 401(m)(4)(C) of the Code) are made are treated as one plan for purposes of section 410(b) of the Code, such plans shall be treated as one plan for purposes of this Section. If a highly compensated eligible employee participates in this Plan and one or more other plans of the Employer to which any such contributions are made, all such contributions shall be aggregated for purposes of this Section 4.4; and

(8) if this Plan benefits Employees who are included in a unit of employees covered by a collective bargaining agreement and employees who are not included in such collective bargaining unit, this Plan shall be treated as comprising two or more separate plans, as determined by the Committee in accordance with applicable Regulations, for purposes of this Section 4.4.

(e) Adjustments to Comply with Limits.

(1) Adjustments to Comply with Section 401(k)(3) of the Code. The Committee shall cause to be made such periodic computations as it shall deem necessary or appropriate to determine whether either of the tests set forth in paragraph (a)(1) or (a)(2) of this Section 4.4 shall be satisfied during a Plan Year, and, if it appears to the Committee that neither of such tests will be satisfied, the Committee shall take such steps as it deems necessary or appropriate to reduce or otherwise adjust the Before-Tax Contributions contributed or to be contributed for all or a portion of such Plan Year on behalf of Participants who are highly compensated eligible employees to the extent necessary in order for one of such tests to be satisfied. If, as of the end of the Plan Year, the Committee determines that, notwithstanding any adjustments made pursuant to the preceding sentence, neither of the tests set forth in paragraph (a)(1) and (a)(2) of this Section 4.4 shall be satisfied with respect to such Plan Year, the total amount by which Before-Tax Contributions must be reduced in order to satisfy either such test shall be calculated in the manner prescribed by section 401(k)(8)(B) of the Code (the "excess contributions

amount"). The Before-Tax Contributions made on behalf of the Participant who is a highly compensated eligible employee and whose actual dollar amount of Before-Tax Contributions is the highest shall be reduced until such dollar amount equals the next highest actual dollar amount of Before-Tax Contributions made for such Plan Year on behalf of any highly compensated employee, or until the total reduction equals the excess contributions amount. If further reductions are necessary, then the Before-Tax Contributions on behalf of each Participant who is a highly compensated eligible employee and whose actual dollar amount of Before-Tax Contributions is the highest (after the reduction described in the preceding sentence) shall be reduced in accordance with the previous sentence. Such reductions shall continue to be made to the extent necessary so that the total reduction equals the excess contributions amount.

To the extent that the sum of such reductions with respect to a Participant and the amount of other After-Tax Contributions allocated to such Participant's After-Tax Contributions Account does not exceed 20 percent (10 percent in the case of a Participant who is a member of a bargaining unit represented by IBEW Local Union 15) of the Participant's Compensation, the amount of such reductions shall be treated as an After-Tax Contribution. To the extent such amount cannot be treated as an After-Tax Contribution because of the limitation described in the preceding sentence, distribute no later than the last day of the subsequent Plan Year to such Participant (i) the amount of such reductions plus any income and minus any loss allocable thereto and (ii) any corresponding Employer Matching Contributions related thereto plus any income and minus any loss allocable thereto to which such Participant would be entitled under Section 8.3 (relating to distributions upon termination of employment) if such Participant had terminated employment on the last day of the Plan Year for which contributions were made (or earlier if any such Participant actually terminated employment at any earlier date), and any

remaining amount of such corresponding Employer Matching Contributions plus any income and minus any loss allocable thereto shall be forfeited.

The amount of Before-Tax Contributions to be distributed to a Participant pursuant to this Section shall be reduced by any Before-Tax Contributions previously distributed to such Participant pursuant to Section 4.2(b) (relating to correction of Excess Before-Tax Contributions) for such Plan Year. The amount of any income or loss allocable to any such reductions to be so distributed shall be determined pursuant to Regulations. The unadjusted amount of any such reductions so distributed shall be treated as "annual additions" for purposes of Section 7.4 (relating to limitations on allocations imposed by section 415 of the Code).

(2) Adjustments to Comply with Section 401(m) of the Code. The Committee shall cause to be made such periodic computations as it shall deem necessary or appropriate to determine whether either of the tests set forth in paragraph (b)(1) or (b)(2) of this Section 4.4 shall be satisfied during a Plan Year, and, if it appears to the Committee that neither of such tests will be satisfied, the Committee shall take such steps as it deems necessary or appropriate to adjust the Employer Matching Contributions made, After-Tax Contributions made, and any Before-Tax Contributions treated as Employer Matching Contributions pursuant to paragraph (d)(2) of this Section 4.4 for all or a portion of such Plan Year on behalf of Participants who are highly compensated eligible employees to the extent necessary in order for one of such tests to be satisfied. If after the end of a Plan Year it is determined that regardless of any steps taken neither of the tests set forth in paragraph (b)(1) or (b)(2) of this Section 4.4 shall be satisfied with respect to such Plan Year, the Committee shall calculate the total amount by which any such contributions on behalf of Participants who are highly compensated eligible employees must be reduced in order to satisfy either such test, in the manner prescribed by section 401(m)(6) of the Code

(the "excess aggregate contributions amount"). The amount to be reduced with respect to Participants who are highly compensated eligible employees shall be determined by first reducing the After-Tax Contributions (including Before-Tax Contributions recharacterized as After-Tax Contributions pursuant to paragraph (e)(1) of this Section 4.4) and then by reducing the Employer Matching Contributions for each Participant whose actual dollar amount of such aggregate contributions for such Plan Year is highest until such reduced dollar amount equals the next highest dollar amount of such contributions for such Plan Year on behalf of any other highly compensated eligible employee, or until the total reduction equals the excess aggregate contributions amount. If further reductions are necessary, such contributions on behalf of each Participant who is a highly compensated eligible employee and whose actual dollar amount of such contributions is the highest (after the reduction described in the preceding sentence) shall be reduced in accordance with the preceding sentence. Such reductions shall continue to be made to the extent necessary until the total reduction equals the excess aggregate contributions amount. If After-Tax Contributions are distributed pursuant to this paragraph (e)(2), any corresponding Employer Matching Contributions related thereto plus any income and minus any loss allocable thereto to which such Participant would be entitled under Section 8.3 (relating to distributions upon termination of employment) if such Participant had terminated employment on the last day of the Plan Year for which contributions were made (or earlier if any such Participant actually terminated employment at any earlier date) shall also be distributed with such After-Tax Contributions (and taken into account to determine whether further reductions are necessary), and any remaining amount of such corresponding Employer Matching Contributions plus any income and minus any loss allocable thereto shall be forfeited. If the reductions required by this subparagraph exceed the amount of After-Tax Contributions made or to be made by any Participant for such

Plan Year and the amount of Employer Matching Contributions made or to be made on behalf of such Participant for such Plan Year, any Before-Tax Contributions made on behalf of such Participant that the Committee has elected to treat as Employer Matching Contributions pursuant to paragraph (d)(2) of this Section 4.4 shall also be adjusted and taken into account in accordance with this subparagraph, except that such Before-Tax Contributions may not be recharacterized as After-Tax Contributions.

(3) Adjustments to Comply with the Aggregate Limit. If, after making the adjustments required by paragraphs (e)(1) and (e)(2) of this Section 4.4 for a Plan Year, the Committee determines that the sum of the average deferral percentage and the average contribution percentage for the group consisting of Participants who are highly compensated eligible employees of the Employer exceeds the aggregate limit for such Plan Year, the Committee shall no later than the last day of the subsequent Plan Year reduce in accordance with paragraph (e)(2) of this Section 4.4 (and section 401(m)(6) of the Code) the After-Tax Contributions for such Plan Year made by each Participant who is a highly compensated eligible employee to the extent necessary to eliminate such excess. Such reduction shall be effected by calculating the maximum contribution percentage permissible for Participants who are highly compensated eligible employees under the aggregate limit for such Plan Year and reducing the After-Tax Contributions and Employer Matching Contributions made by or on behalf of each Participant who is a highly compensated eligible employee in the manner described in paragraph (e)(2) of this Section 4.4. In the event that further reductions are necessary, the Committee shall no later than the last day of the subsequent Plan Year reduce in accordance with paragraph (e)(1) of this Section 4.4 (and section 401(k)(8)(B) of the Code) the Before-Tax Contributions made on behalf of each Participant who is a highly compensated eligible employee in the manner

described in paragraph (e)(1) of this Section 4.4 to the extent necessary to eliminate such excess.

Section 4.5. Limitation on Employer Contributions.

The contributions of an Employer for any Plan Year shall not exceed the maximum amount for which a deduction is allowable to such Employer for federal income tax purposes for the fiscal year of such Employer that coincides with such Plan Year.

Any contribution made by an Employer by reason of a good faith mistake of fact, or the portion of any contribution made by an Employer that exceeds the maximum amount for which a deduction is allowable to such Employer for federal income tax purposes by reason of a good faith mistake in determining the maximum allowable deduction, shall upon the request of such Employer be returned by the Trustee to the Employer. An Employer's request and the return of any such contribution must be made within one year after such contribution was mistakenly made or after the deduction of such excess portion of such contribution was disallowed, as the case may be. The amount to be returned to an Employer pursuant to this paragraph shall be the excess of (i) the amount contributed over (ii) the amount that would have been contributed had there not been a mistake of fact or a mistake in determining the maximum allowable deduction. Earnings attributable to the mistaken contribution shall not be returned to the Employer, but losses attributable thereto shall reduce the amount to be so returned. If the return to the Employer of the amount attributable to the mistaken contribution would cause the balance of any Participant's account as of the date such amount is to be returned (determined as if such date coincided with the close of a Plan Year) to be reduced to less than what would have been the balance of such account as of such date had the mistaken amount not been contributed, the amount to be returned to the Employer shall be limited so as to avoid such reduction.

ARTICLE 5

EMPLOYEE CONTRIBUTIONS

Section 5.1. After-Tax Contributions.

Subject to the limitations set forth in Section 4.4 (relating to limitations on contributions for highly-compensated Eligible Employees) and Section 7.4 (relating to limitations on allocations imposed by section 415 of the Code), each Participant who is an Eligible Employee may elect in accordance with Section 3.2(a) to make After-Tax Contributions under the Plan by payroll deduction. After-Tax Contributions made by a Participant who is a member of a bargaining unit represented by IBEW Local Union 15 for any payroll period shall equal a whole percentage not less than 1 nor more than 10 percent of the Participant's Compensation for such payroll period, as designated by the Participant in his or her request pursuant to Section 3.2(a). After-Tax Contributions made by any other Participant for any payroll period shall equal a whole percentage not less than 1 nor more than 20 percent of the Participant's Compensation for such payroll period, as designated by the Participant in his or her request pursuant to Section 3.2(a). Notwithstanding the foregoing, the After-Tax Contributions made by any Participant for any payroll period, when added to the Before-Tax Contributions made on behalf of such Participant pursuant to Section 3.2(a) for such payroll period, shall not exceed 20 percent of such Participant's Compensation for such payroll period. After-Tax Contributions shall be delivered to the Trustee no less frequently than bi-weekly. Except as provided in the following sentence and in Section 4.1, After-Tax Contributions shall be subject to the same provisions regarding commencement, change and suspension applicable to Before-Tax Contributions as set forth in Section 4.1. If a Participant who has not attained age 59 1/2 makes a withdrawal of After-Tax Contributions pursuant to Section 8.1(c), then: (a) After-Tax Contributions made by such Participant pursuant to this Section shall cease beginning with the first payroll period beginning after the date on which the Participant receives such withdrawal and (b) such Participant shall not again be eligible to elect such

contributions until the first payroll period that coincides with or follows the date on which contributions ceased by 6 months.

Section 5.2. Rollover Contributions.

(a) If an Eligible Employee receives, either before or after becoming a Participant, an eligible rollover distribution (within the meaning of section 402(c)(4) of the Code), then such Employee may contribute to the Plan an amount that does not exceed the amount of such eligible rollover distribution (including the proceeds from the sale of any property received as a part of such distribution). If an Eligible Employee receives either before or after becoming a Participant a distribution from an individual retirement account or annuity (within the meaning of section 408 of the Code) and no amount in such account or annuity is attributable to any source other than an eligible rollover distribution (within the meaning of section 402(c)(4) of the Code), and any earnings on such an eligible rollover distribution, then such Employee may contribute to the Plan such distribution or distributions. An eligible rollover distribution to a "Separation Eligible Participant" from the PECO Energy Company Service Annuity System may also be contributed to this Plan in accordance herewith no later than December 31, 2002.

(b) Delivery of Rollover Contributions to Committee. If an individual desires to make a rollover contribution pursuant to paragraph (a) of this Section, such contribution either (i) shall be delivered by the individual to the Committee and by the Committee to the Trustee on or before the 60th day after the day on which the Employee receives the distribution or on or before such later date as may be prescribed by law, or (ii) shall be transferred on behalf of the individual directly from the trust from which the eligible rollover distribution is made. Any contribution that is delivered by the Eligible Employee must be accompanied by (i) a statement of the Employee that to the best of his or her knowledge the amount so transferred meets the conditions specified in paragraph (a) of this Section, (ii) a copy of such documents as may have been received by the Employee advising him or her of the amount of and the character of such distribution and (iii) any

investment election with respect to such contribution in such form and manner as may be required by the Committee. Notwithstanding the foregoing, the Committee shall not accept a rollover contribution if in its judgment accepting such contribution would cause the Plan to violate any provision of the Code or Regulations, and the Committee shall not be required to accept such a contribution to the extent it consists of property other than cash.

Section 5.3. Special Accounting Rules for Rollover Contributions.

If a rollover contribution is made by or on behalf of an Employee, the Committee shall cause a Rollover Account to be established and maintained for such Employee to which shall be credited all rollover contributions made pursuant to Section 5.2. A rollover contribution shall be credited to such Rollover Account as of the Valuation Date coinciding with or next following the date on which such contribution is delivered to the Trustee.

If a rollover contribution is made by, or a direct transfer is made on behalf of, an Eligible Employee prior to becoming a Participant, such Eligible Employee shall until such time as he or she becomes a Participant be deemed to be a Participant, and his or her Rollover Account and After-Tax Contributions Account, if any, shall be deemed to be an account of a Participant, for all purposes of the Plan except for the purposes of the allocation of contributions provided for in paragraphs (a), (b), (c) and (d) of Section 7.3 and any determination of when he or she becomes a Participant pursuant to Article 3.

ARTICLE 6

TRUST AND INVESTMENT FUNDS

Section 6.1. Trust.

A Trust shall be created by the execution of a trust agreement between the Company and the Trustee. All contributions under the Plan shall be paid to the Trustee. The Trustee shall hold all monies and other property received by it and invest and reinvest the same, together with the income therefrom, on behalf of the Participants collectively in accordance with the provisions of

the trust agreement. The Trustee shall make distributions from the Trust Fund at such time or times to such person or persons and in such amounts as the Committee directs in accordance with the Plan.

Section 6.2. Investment Funds.

The Trustee shall establish and maintain, or shall cause to be established and maintained, an investment fund herein called the "Employer Stock Fund" which shall be invested in Common Stock, and shall also include such short-term obligations and short-term liquid investments purchased by the Trustee, in accordance with the Trust Agreement, pending the selection and purchase of the Common Stock or as otherwise determined by the Trustee to be necessary to satisfy such fund's cash needs. In addition, as directed by the Committee, one or more additional separate investment funds shall be established and maintained and shall be invested as directed by the Committee. For purposes of the preceding sentence, the Committee may purchase a group annuity contract from an insurance company that permits investment in one or more separate investment funds. The Committee also may, from time to time, and in its sole discretion, segregate any of the assets held under any investment fund established pursuant to this Section and allocate the investment results from such segregated assets among all or a portion of the accounts of Participants in such manner as it shall determine to be appropriate. All charges and expenses incurred in connection with the purchase and sale of investments for a fund shall be charged to such fund except to the extent such charges and expenses are paid by the Employers.

ARTICLE 7

PARTICIPANT ACCOUNTS AND INVESTMENT ELECTIONS

Section 7.1. Participant Accounts and Investment Elections.

(a) Participant Accounts. For each Participant the Committee shall establish and maintain, or shall cause to be established and maintained, investment accounts to which amounts

contributed under the Plan shall be credited according to each Participant's investment elections pursuant to paragraph (b) of this Section 7.1, subject to the last sentence of the first paragraph of Section 6.2 (relating to the Committee's authority to segregate any of the assets held under any investment fund).

Each such investment account shall, to the extent appropriate, be composed of the following accounts: (A) a Before-Tax Contributions Account, (B) an Employer Matching Contributions Account, (C) an After-Tax Contributions Account, and (D) a Rollover Account. Earnings and losses on investment of funds in each account shall be credited or debited to that account.

All such accounts and subaccounts shall be for accounting purposes only, and there shall be no segregation of assets within the investment funds among the separate Participants' accounts.

(b) Investment Election. Each Participant, as part of his or her request for participation described in Section 3.2 (or in connection with the delivery of a rollover contribution pursuant to Section 5.2), shall make an investment election that shall apply to the investment of contributions to be made on his or her behalf or by him or her pursuant to Article 4 or Article 5 and any earnings on such contributions. Such election shall specify that such contributions be invested either (i) wholly in one of the funds maintained or employed by the Trustee pursuant to paragraph (a) of this Section 7.1 or (ii) divided among such funds in 1 percent increments or in such other increments established by the Committee from time to time. Each Eligible Employee for whom a Rollover Account is established before such Eligible Employee has become a Participant shall, in the manner prescribed by the Committee, make such investment election as of the Valuation Date on which such account is established. During any period in which no direction as to the investment of an Employee's account is on file with the Committee, contributions or direct transfers made by him or her, or on his or her behalf, to the Plan will be invested in such manner as the Committee shall determine.

(c) Change of Investment Election. Subject to such restrictions as may be imposed by the Committee (including, without limitation, any restrictions imposed with respect to transfers of funds to or from the Employer Stock Fund described in Section 6.2 by individuals who are subject to Rule16b-3 under section 16 of the Securities Exchange Act of 1934), a Participant may elect to change as of any Valuation Date his or her investment election applicable to all or any portion of his or her current account balance. In addition, a Participant may elect to change as of the first day of any payroll period his or her investment election applicable to future contributions made pursuant to Articles 4 or 5, or both, as specified by the Participant. Such changes shall be limited to the investment funds then maintained or employed by the Trustee pursuant to Section 7.1(a). A Participant's change of investment election must be made in the manner and at the time prescribed by the Committee (or its delegate). Any such change shall specify that such contributions be invested either (i) wholly in one of the funds maintained or employed by the Trustee pursuant to Section 7.1(a), or (ii) divided among such funds in 1 percent increments or such other increments established by the Committee from time to time.

Section 7.2. Allocation of Net Income of Trust Fund and Fluctuation in Value of Trust Fund Assets.

In the event that contributions, income and losses are not otherwise specifically allocated to Participant accounts by the Trustee, as soon as practical after each Valuation Date, the net worth of each investment fund (as defined in Section 6.2) as of such Valuation Date shall be determined. If the net worth of such investment fund as so determined is more or less than the total of all balances credited as of such Valuation Date to the subaccounts of Participants invested in the investment fund as of such Valuation Date who are Participants as of such Valuation Date, the amount of any excess or deficiency shall be prorated and credited or charged to such subaccounts proportionally to the balances of such subaccounts as of the preceding Valuation Date after making all allocations for such preceding Valuation Date prescribed by this Article and after

decreasing each such subaccount by any loans, withdrawals or distributions from such subaccount during such period (but not less than zero), with all of such decreases to be made in such manner as the Committee determines in its discretion to be necessary.

Section 7.3. Allocations of Contributions Among Participants' Accounts.

(a) Allocation of Before-Tax Contributions. Before-Tax Contributions shall be allocated to the Before-Tax Contributions Account of each Participant for whom such contributions are made as soon as practical after such contributions are delivered to the Trustee or insurer maintaining a group annuity contract.

(b) Allocation of Employer Matching Contributions. Employer Matching Contributions shall be allocated to the Matching Contributions Account of each Participant for whom such contributions are made as soon as practical after such contributions are delivered to the Trustee or insurer maintaining a group annuity contract.

(c) Allocation of After-Tax Contributions. After-Tax Contributions shall be allocated to the After-Tax Contributions Account of the Participant who makes such contributions as soon as practical after such contributions are delivered to the Trustee or insurer maintaining a group annuity contract.

(d) Allocation of Rollover Contributions and Direct Transfers. Rollover contributions made pursuant to Article 5 shall be credited to the Rollover Account of the Participant on whose behalf such contribution is made as of the Valuation Date coinciding with or next following the date on which the contribution is delivered to the Trustee.

(e) Allocation of Forfeitures. The total amount forfeited during any Plan Year shall first be used to restore the accounts of "lost" Participants and Beneficiaries as described in Section 8.7, next to restore the accounts of Participants who are reemployed by the Employer of such Participant as described in Section 10.3 and, to the extent any forfeitures are still remaining, shall be allocated as of the last day of such Plan Year per capita among the accounts of all Participants

who are Employees on that day. Any such allocation shall be made as soon as practical after the close of such Plan Year.

Section 7.4. Limitations on Allocations Imposed by Section 415 of the Code.

Notwithstanding any other provision of the Plan, the amount allocated to a Participant's accounts under the Plan for each Plan Year shall be limited so that (1) the aggregate annual additions to the Participant's accounts under this Plan and in all other defined contribution plans maintained by an Employer shall not exceed the lesser of (A) $35,000 and (B) 25 percent of the Participant's compensation for such Plan Year.

If the amount to be allocated to a Participant's accounts pursuant to Section 7.3 (relating to allocations of contributions among Participant's accounts) for a Plan Year would exceed the limitation set forth in clause (1) of this Section 7.4, such excess shall be reduced before allocations are made to the Participant's accounts. If in any Plan Year the annual additions of a Participant would exceed the limitation set forth in clause (1) of this Section 7.4 as a result of (i) a reasonable error in estimating a Participant's compensation, (ii) the allocation of forfeitures, (iii) a reasonable error in determining the amount of Before-Tax Contributions that may be allocated to a Participant's account, or (iv) under other limited facts and circumstances as determined by the Commissioner of Internal Revenue, then the Committee shall reduce the Participant's annual additions to the extent of such excess in the manner described below:

(a) First, by reducing the Participant's After-Tax Contributions allocated to his or her account and any Employer Matching Contributions attributable thereto and distributing to the Participant the amount by which his or her After-Tax Contributions have been reduced, plus or minus any earnings attributable thereto, determined in accordance with Regulations. The amount by which the Participant's Matching Contributions have been reduced shall be forfeited. The amount so forfeited shall be used to reduce Matching Contributions in the next following Plan Year and each Plan Year thereafter until such amount is reduced to zero.

(b) Second, by reducing the Participant's Before-Tax Contributions allocated to his or her account and any Employer Matching Contributions attributable thereto and distributing to the Participant the amount by which his or her Before-Tax Contributions have been reduced, plus or minus any earnings attributable thereto, determined in

accordance with Regulations. The amount by which the Participant's Matching Contributions have been reduced shall be forfeited. The amount so forfeited shall be used to reduce Matching Contributions in the next following Plan Year and each Plan Year thereafter until such amount is reduced to zero.

(c) Third, by reducing forfeitures allocated to the Participant's account and allocating the amount of such reduction among the accounts of all other Participants, of the same Employer, who have in effect an election to make contributions pursuant to Section 4.1 or 5.1.

(d) Fourth, by reducing the Employer Matching Contributions allocated to the Participant's account and allocating the amount of such reduction among the accounts of all other Participants, of the same Employer, who have in effect an election to make contributions pursuant to Section 4.1 or 5.1.

For purposes of this Section 7.4, the "annual additions" for a Plan Year to a Participant's accounts in this Plan and in any other defined contribution plan maintained by an Employer is the sum during such Plan Year of:

(i) the amount of Employer contributions and Employee contributions (but excluding any rollover contribution or direct transfers made to such plan) allocated to such Participant's accounts,

(ii) the amount of forfeitures allocated to such Participant's accounts, and

(iii) contributions allocated on behalf of the Participant to any individual medical benefit account as defined in section 415(l) of the Code.

For purposes of this Section 7.4, "defined contribution plan" shall have the meaning set forth in section 415 of the Code and Regulations, and the term "Employer" shall include all Affiliates except that in defining Affiliates "more than 50 percent" shall be substituted for "at least 80 percent" where required by section 415(g) of the Code. In addition, for purposes of this Section 7.4, "compensation" shall mean a Participant's compensation reportable on a Form W-2, but without reduction on account of an Employee's election to have his or her pay reduced pursuant to a qualified cash or deferred arrangement described in section 401(k) of the Code or a cafeteria plan described in section 125 of the Code, and excluding amounts so reportable on account of (i) a disposition of common stock of an Employer or Affiliate, pursuant to any stock

purchase plan, (ii) moving expenses deductible under section 217 of the Code and (iii) other items receiving special tax treatment within the meaning of section 1.415-2(d)(3)(iv) of the Regulations.

Section 7.5. Correction of Error.

If it comes to the attention of the Committee that an error has been made in any of the allocations prescribed by this Article, appropriate adjustment shall be made to the accounts of all Participants and designated Beneficiaries that are affected by such error, except that no adjustment need be made with respect to any Participant or Beneficiary whose account has been distributed in full prior to the discovery of such error.

ARTICLE 8

WITHDRAWALS AND DISTRIBUTIONS

Section 8.1. Withdrawals and Distributions Prior to Termination of Employment.

(a) Hardship Withdrawals. An Employee who has not attained age 59 1/2 may make a request by calling the VRU, or in such other manner as may be prescribed by the Committee, to withdraw as of any date all or a portion of the balance of his or her Before-Tax Contributions Account (other than earnings credited to such account after December 31, 1988) and Employer Matching Contributions Account only if the Participant has incurred a financial hardship, except that while any loan to the Participant under Section 8.2 remains outstanding, the amount available for withdrawal under this Section 8.1(a) shall be the balance in such account less the balance of all outstanding loans to the Participant. The determination of the existence of financial hardship and the amount required to be distributed to satisfy the need created by the hardship will be made by the Committee in a uniform and non-discriminatory manner subject to the following rules:

(A) A financial hardship shall be deemed to exist if, and only if, the Participant certifies to the Committee that the financial need is on account of:

(i) medical expenses described in section 213(d) of the Code incurred or anticipated to be incurred by the Participant, the Participant's

spouse or any dependents of the Participant (as defined in section 152 of the Code);

(ii) the purchase (excluding mortgage payments) of a principal residence of the Participant;

(iii) the payment of tuition, related educational fees, and room and board expenses, for the next twelve months of post-secondary education for the Participant, the Participant's spouse, children or dependents;

(iv) the need to prevent eviction of the Participant from his or her principal residence or foreclosure of the mortgage of the Participant's principal residence.

(B) A distribution shall be deemed to be necessary to satisfy a financial need of the Participant if, and only if, the Participant:

(i) has obtained all distributions, other than hardship withdrawals, and all nontaxable loans under any Employer's plan in which the Participant participates, and

(ii) demonstrates to the satisfaction of the Committee that the distribution is not in excess of the amount of the immediate and heavy financial need, which need shall include amounts necessary to pay any federal, state and local income taxes, excise taxes and penalties.

If a Participant receives a hardship withdrawal pursuant to this Section 8.1(a), then, in addition to the cessation of Before-Tax Contributions and After-Tax Contributions required by Section 4.1(a), contributions by the Participant to qualified or nonqualified plans of deferred compensation, including a stock option, stock purchase or similar plan, maintained by an Employer also shall cease beginning with the first payroll period beginning after the date on which the Participant receives such hardship withdrawal and continuing until the first payroll period that coincides with or follows the date on which contributions ceased by 12 months.

(b) Withdrawals After Age 59 1/2. An Employee who has attained age 59 1/2 may make a request by calling the VRU, or in such other manner as may be prescribed by the Committee, to withdraw as of any date an amount which is not greater than the balance of his or her Before-Tax Contributions Account and Employer Matching Contributions Account as of the most recent

Valuation Date determined by the Committee, except that while any loan to the Participant under Section 8.2 remains outstanding, the amount available for withdrawal shall be the balance in such accounts less the balance of all outstanding loans to the Participant.

(c) Withdrawals From the After-Tax Contributions Account. An Employee may make a request by calling the VRU, or in such other manner as may be prescribed by the Committee, no more than once during any Plan Year, to withdraw from his or her After-Tax Contributions Account an amount which is not greater than the balance of the Participant's After-Tax Contributions Account as of the most recent Valuation Date determined by the Committee, except that while any loan to the Participant under Section 8.2 remains outstanding, the amount available for withdrawal shall be the balance in such account less the balance of all outstanding loans to the Participant.

(d) Withdrawals from the Rollover Account. A Participant may make a request by calling the VRU, or in such other manner as may be prescribed by the Committee, to withdraw an amount which is not greater than the balance in his or her Rollover Account as of the most recent Valuation Date determined by the Committee, except that while any loan to the Participant under Section 8.2 remains outstanding, the amount available for withdrawal shall be the balance in such account less the balance of all outstanding loans to the Participant.

(e) Provisions Applicable to All Withdrawals. Any withdrawal made pursuant to this Section 8.1 shall be made at such time as prescribed by the Committee and shall be made pro-rata from each of the investment funds in which as of the date of the withdrawal (i) in the case of a withdrawal pursuant to paragraph (a) or (b) of this Section 8.1, the Participant's Before-Tax Contributions Account (and, if applicable, Employer Matching Contributions Account) is invested, (ii) in the case of a withdrawal pursuant to paragraph (c) of this Section 8.1, the Participant's After-Tax Contributions Account is invested and (iii) in the case of a withdrawal pursuant to paragraph (d) of this Section 8.1, the Participant's Rollover Account is invested.

Notwithstanding anything in the Plan to the contrary, the Committee may impose any restrictions it deems necessary or appropriate with respect to withdrawals by individuals who have any portion of their accounts invested in the Employer Stock Fund described in Section 6.2 and who are subject to Rule 16b-3 under section 16 of the Securities Exchange Act of 1934.

(f) Dividend Distributions in Respect of the Employer Stock Fund. Each Participant, any portion of whose account balance is invested in the Employer Stock Fund in accordance with Section 7.1(b), shall receive from the Plan, a cash dividend distribution equal to the dividends paid in respect of the total number of shares of Common Stock represented by the Participant's proportionate share of the Employer Stock Fund as of such date as may be determined from time to time by the Committee on or before each dividend record date; provided, however, that any such dividend payable with respect to a Participant or Beneficiary who is not an employee on the active payroll of an Employer in the amount of $10 or less (or such other de minimus amount established by the Committee in its sole discretion) shall not be distributed but shall be reinvested into the Employer Stock Fund.

Section 8.2. Loans to Participants.

(a) Making of Loans. Subject to the restrictions set forth in this Section, the Committee shall establish a loan program whereby any Participant who is a party-in-interest (within the meaning of section 3(14) of ERISA) or any Beneficiary who is a party-in-interest other than a Participant who is an Employee of IBEW Local Union 15 and any such Participant's Beneficiary may request, in the manner and form prescribed by the Committee, to borrow funds from the Plan. The principal amount of such loan shall be not less than $1,000 and the aggregate amount of all outstanding loans to a Participant or Beneficiary shall not exceed the lesser of: (1) 50% of the value of the aggregate of the Participant's vested account balances as of the Valuation Date coinciding with or immediately preceding the day on which the loan is made; and (2) $50,000, reduced by the excess, if any, of the highest outstanding loan balances of the Participant

under all plans maintained by the Employer during the period of time beginning one year and one day prior to the date such loan is to be made and ending on the date such loan is to be made over the outstanding balance of loans from all such plans on the date on which such loan was made.

(b) Restrictions. Any loan approved by the Committee pursuant to the preceding paragraph (a) shall be made only upon the following terms and conditions:

(1) The period for repayment of the loan shall be arrived at by mutual agreement between the Committee and the Participant but such period shall not exceed five years or, in the case of a loan to acquire a principal place of residence, shall not be less than five years or more than 15 years, from the date of the loan. Such loan may be prepaid at any time, without penalty, by delivery to the Committee of a check in an amount equal to the entire unpaid balance of such loan. No partial prepayment shall be permitted. Except as otherwise provided under uniform and nondiscriminatory procedures established by the Committee, any loan to a Participant who is an Employee is due in full immediately after termination of employment.

(2) No loan shall be made to a Participant who is an Employee unless such Participant consents to have such loan repaid in substantially equal installments deducted from the regular payments of the Participant's compensation during the term of the loan. A Participant who (a) was an Employee at the time the Participant received a loan from the Plan, (b) is no longer an Employee and no longer receives compensation from an Employer, but (c) continues to perform services for an Employer, shall consent, either at the time the loan is taken or prior to the date prescribed by the Committee, to have the balance of any loan outstanding at the time the Participant no longer is an Employee repaid in substantially equal installments over the remaining life of the loan. Such installments shall be paid in the manner specified by the Committee.

(3) Each loan shall be evidenced by the Participant's collateral promissory note, in the form prescribed by the Committee, for the amount of the loan, with interest, payable to the order of the Plan, and shall be secured by an assignment of 50% of the Participant's vested account balance.

(4) Each loan shall bear a fixed interest rate commensurate with the interest rates then being charged by persons in the business of lending money for loans made under similar circumstances, as determined by the Committee.

(5) Except as otherwise provided in this Plan, no withdrawal (other than a withdrawal from a Participant's accounts to the extent that such withdrawal would not reduce the Participant's vested account balances to less than the then outstanding balance of any loan to such Participant or such higher amount determined by the Committee to be appropriate security for such loan) or distribution shall be made to any Participant who has borrowed from the Trust, or to a Beneficiary of any such Participant, unless and until the loan, including interest, has been repaid.

(6) A charge shall be made against the account of each Participant requesting a loan equal to such reasonable loan application fee (and loan acceptance fee, if required by the Committee) as shall be set from time to time by the Committee.

(7) A Participant is permitted only one loan in any calendar year; provided, however, that no more than five loans to a Participant may be outstanding at any time.

(8) Loan repayments shall be invested in the various investment funds as elected by the Participant.

(9) The Committee may, in its sole discretion, restrict the amount to be disbursed pursuant to any loan request to the extent it deems necessary to take into account any fluctuations in the value of a Participant's accounts since the Valuation Date immediately preceding the date on which such loan is to be made.

(10) Any restrictions the Committee determines are necessary or appropriate with respect to loans requested by individuals who have any portion of their accounts invested in the Employer Stock Fund described in Section 6.2 and who are subject to Rule 16b-3 under section 16 of the Securities Exchange Act of 1934.

If any loan or portion of a loan made to a Participant under the Plan, together with the accrued interest thereon, is in default (taking into account any grace period permitted by law, and as determined by the Committee), the Committee shall take appropriate steps to collect on the note and foreclose on the security. If upon a Participant's termination of employment entitling the Participant to a distribution under Section 8.3 (relating to distributions upon termination of employment), death or retirement, any loan or portion of a loan made to such Participant under the Plan, together with the accrued interest thereon, remains unpaid, such unpaid amount may be repaid to the Plan no later than the last day of the calendar quarter following the calendar quarter in which such termination of employment occurred or as of such later date or dates permitted under uniform and nondiscriminatory procedures established by the Committee. If full repayment is not so made, an amount equal to the unpaid portion of such loan, together with the accrued interest thereon, shall be charged to the Participant's accounts after all other adjustments required under the Plan, but before any distribution pursuant to Section 8.3 (relating to distributions upon termination of employment).

(c) Loan Subaccount. The Trustee shall establish and maintain a loan subaccount on behalf of each Participant or Beneficiary to whom a loan is made under this Section 8.2. Such subaccount shall represent the investment of the Participant's or Beneficiary's account in such loan. As of the Valuation Date immediately preceding the date on which a loan is approved, the Participant's or Beneficiary's loan subaccount shall be credited with the amount of the loan and thereafter shall be debited with repayments of the principal of such loan. The various accounts maintained for the Participant or Beneficiary shall be invested in the loan subaccount and debited by the amount of the loan and credited with payments of interest on, and repayments of principal of, such loan in accordance with uniform rules established by the Committee.

Section 8.3. Distributions Upon Termination of Employment.

(a) Termination of Employment under Circumstances Entitling Participant to Full Distribution of His or Her Account Balance. If a Participant terminates employment, the Participant, or his or her designated Beneficiary, as the case may be, shall be entitled to receive the entire balance of the Participant's accounts, at the time set forth in Section 8.4 and in the manner set forth in paragraph (b) of this Section 8.3.

(b) Form of Distribution. (1) Subject to Section 8.4(d) any distribution to which a Participant or Beneficiary, as the case may be, becomes entitled upon termination of employment shall be distributed by whichever of the following forms of distribution the Participant or Beneficiary, as the case may be, elects by calling the VRU, or in such other manner as may be prescribed by the Committee:

(A) By payment in a lump sum.

(B) By payment in a series of approximately equal annual, quarterly, or monthly installments, over a period of up to 15 years; provided that installments shall not be available with respect to amounts invested in the CNA 1997 guaranteed investment contract.

A Participant who elected to receive distribution of his or her vested account balance in the form of installments may, at any time after such election is made, elect to receive the remaining amount of his or her vested account balance in the form of a lump sum payment. If no election is made by a Participant or Beneficiary, as the case may be, as to the form of distribution, the Participant's vested account balance shall be distributed in the form of a lump sum payment.

The amount distributed hereunder shall be paid in cash, except that if the Participant's account is paid in a lump sum, then the Participant may request that all of his or her account invested in the Employer Stock Fund be distributed in whole shares of Common Stock held in such Fund with any fractional share being paid in cash. The number of shares of Common Stock to be distributed shall be based on the current fair market value of a share of Common Stock as determined by the Trustee under Section 7.2 as of the Valuation Date coinciding with or immediately preceding the date payment of the Participant's account is to be made. Requests for distribution in the form of Common Stock shall be made at such time and in such manner as the Committee shall determine under rules and regulations which are uniformly applied.

Notwithstanding the preceding paragraphs, no distribution shall be made in the form of installments with respect to a Participant's Rollover Account that was established to hold the amount distributed or directly transferred from the Commonwealth Edison Company Employee Stock Ownership Plan upon such plan's termination if the Participant elected not to receive distribution of such amount until his or her 65th birthday.

(c) Notice of Availability of Election of Optional Forms of Benefits. No less than 30 days (or such shorter period as permitted by law) and no more than 90 days before distribution is to be made hereunder, the Committee, or its designee, shall explain to the Participant that he or she may elect either form of distribution set forth in paragraph (b) of this Section 8.3. Such explanation shall include a general description of the eligibility conditions and other material features of the optional forms of distribution provided under the Plan. Notwithstanding the first

sentence of this subsection, distribution may commence less than 30 days after the description described above is given, provided that: (i) the Committee, or its designee, clearly informs the Participant that the Participant has a right to a period of at least 30 days after receiving the explanation to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and (ii) the Participant, after receiving the explanation, affirmatively elects a distribution. The description referred to in this subsection, as well as the explanation of the participant's right to a period of at least 30 days to consider such explanation before electing a distribution, shall be provided to the Participant through the VRU or in such other manner prescribed by the Committee.

(d) Small Benefits Payable in Lump Sum. Notwithstanding any provision of the Plan to the contrary, if the vested amount of the Participant's account balances does not exceed $5,000 (or such other amount prescribed by section 411(a)(11) of the Code) (such amount referred to herein as the "small benefit amount"), such vested amount shall be distributed in a lump sum cash payment as soon as administratively practicable after the Participant's termination of employment in accordance with such procedures as may be established by the Committee.

(e) Direct Rollover Option. In the case of a distribution from the Plan (excluding any amount offset against the Participant's account balance to repay the outstanding balance of any unpaid loan) which is an "eligible rollover distribution" within the meaning of section 402 of the Code, a Participant (or surviving spouse of a Participant) may elect that all or any portion of such distribution shall be directly transferred as a rollover contribution from this Plan to (i) an individual retirement account described in section 408(a) of the Code, (ii) an individual retirement annuity described in section 408(b) of the Code, (iii) an annuity plan described in section 403(a) of the Code or (iv) another plan qualified under section 401(a) of the Code (the terms of which permit the acceptance of rollover contributions) (provided, however, that a surviving spouse of a

Participant may only elect to have such distribution directly transferred to an individual retirement account or individual retirement annuity).

Section 8.4. Time of Distribution.

A Participant who has terminated employment shall commence receiving distribution of his or her vested account balance as soon as administratively practical after the Valuation Date coinciding with or immediately following the date on which the Participant attains age 65, except as provided below.

(1) Early Distribution. Except as provided in subparagraph (7), a Participant whose Termination Date is prior to his or her 65th birthday may elect by calling the VRU, or in such other manner as may be prescribed by the Committee, prior to his or her termination of employment to have distribution of his or her vested account balance commence within 60 days after the Valuation Date coinciding with or immediately following the Participant's Termination Date.

(2) Deferral of Distribution. A Participant may elect by calling the VRU, or in such other manner as may be prescribed by the Committee, which election shall be made at the time prescribed by the Committee, that distribution of his or her vested account balance commence as soon as practicable after the Participant's attainment of age 70 1/2.

(3) Elections After Termination Date. Except as provided in subparagraph (7), a Participant who has terminated employment and whose distribution is to commence either after the Participant's attainment of age 65 or 70 1/2 may elect at any time by calling the VRU, or in such other manner as may be prescribed by the Committee, to have distribution of his or her vested account balance made within 60 days after the date such election is made.

(4) Required Beginning Date. Distributions paid or commencing during the Participant's lifetime shall commence not later than April 1 of the calendar year following the calendar year in which the Participant attains age 70 1/2, except that distributions made to a Participant who is not a "five percent owner" (as defined in section 416(i) of the Code) may commence on April 1 of the calendar year following the later of the calendar year in which the Participant attains age 70 1/2 or the calendar year in which the Participant retires. Notwithstanding any provision of the Plan to the contrary, any distributions required by this subparagraph with respect to calendar years beginning on or after January 1, 2001 shall be made not less rapidly than in accordance with the regulations under section 401(a)(9) of the Code that were proposed on January 17, 2001. This practice shall continue in effect until the end of the last calendar year beginning before the effective date of final Regulations under section 401(a)(9) of the Code or such other date as may be specified in guidance published by the Internal Revenue Service.

(5) Distributions Commencing After Participant's Death. Distributions commencing after the Participant's death shall be completed within five years after the death of the Participant, except that (i) effective with respect to any Participant whose death occurs on or after January 1, 1995, regardless of when such Participant's employment terminated, if the Participant's Beneficiary is the Participant's spouse, distribution may be deferred until the date on which the Participant would have attained age 70 1/2 had he or she survived and (ii) if the Participant's Beneficiary is a natural person other than the Participant's spouse and distributions commence not later than one year after the Participant's death, such distributions may be made over a period not longer than the life expectancy of such Beneficiary. If at the time of the Participant's death, distribution of the Participant's benefit has commenced, the remaining portion of the Participant's benefit shall be paid in the manner elected by the Participant's Beneficiary, but at least as rapidly as was the method of distribution being used prior to the Participant's death.

(6) Distribution of Rollover Account After Termination Date. A Participant who has terminated employment or the Beneficiary of such Participant, as the case may be, may elect by calling the VRU, or in such other manner as may be prescribed by the Committee prior to the time his or her vested account balance is distributed under this Section 8.4 to have distribution of the balance of his or her Rollover Account commence at such prior time as the Participant or Beneficiary shall elect, provided that, while any loan to the Participant under Section 8.2 remains outstanding, such distribution shall be made only to the extent that the balance of such Participant's vested account balance remaining after such distribution will equal or exceed the balance of all outstanding loans to the Participant.

(7) Distribution in the Case of Leased Employees and Same Desk Rule. Notwithstanding anything contained herein to the contrary and except as provided below, no distribution shall be made to a Participant who has not attained age 59-1/2 until (i) in the case of a Participant who ceases to be an Employee but continues to perform services as a leased employee (within the meaning of section 414(n)(2) of the Code) for an Employer or an Affiliate, the date the Participant ceases performing such services (ii) in the case of a Participant who ceases to be an Employee but continues to perform services in a capacity other than as a leased employee (within the meaning of section 414(n)(2) of the Code) for an Employer or an Affiliate, the date the Participant ceases performing such services and (iii) in the case of a Participant who ceases to be an Employee as a result of a sale of assets of an Employer or Affiliate (other than a sale of assets described in Treas. Reg. Section 1.401(k) - 1(d)(1)(iv) or as otherwise described in Internal Revenue Service Regulations or rulings, and as determined by the Committee) and, as part of such sale, becomes employed by the purchaser of such assets, the date the Participant is no longer employed by such purchaser. Notwithstanding the preceding sentence, a Participant who ceases to be an Employee under the circumstances described in clause (ii) or (iii) of the preceding sentence shall be entitled as of the date the Participant ceases to be an Employee to receive a distribution from such Participant's After-Tax Contributions Account, Employer Matching Contributions Account and Rollover Account. Further notwithstanding the preceding sentences, if the Employer of a Participant described in the first sentence of this paragraph directly transfers one or all of the accounts of such Participant to another qualified

plan maintained by the Participant's new employer, the Participant shall be entitled to a distribution of the transferred accounts in accordance with the terms of the transferee plan. No transfer of any of a Participant's accounts shall be made unless the Participant elects, at the time and in the manner prescribed by the Committee, to have such accounts so transferred and prior to the transfer date, elects to transfer the portion of such accounts invested in the Employer Stock Fund to another investment fund under the Plan.

Notwithstanding anything contained herein to the contrary and except as provided in subparagraph (4) above, in the event that the recordkeeper for the Plan is changed, distributions may be made at such time as prescribed by the Committee in order to accommodate the transfer of records to the new recordkeeper.

Section 8.5. Designation of Beneficiary.

Each Participant shall have the right to designate a Beneficiary or Beneficiaries (who may be designated contingently or successively and that may be an entity other than a natural person) to receive any distribution to be made under Section 8.3 (relating to distributions upon termination of employment) upon the death of such Participant or, in the case of a Participant who dies subsequent to termination of his or her employment but prior to the distribution of the entire amount to which he or she is entitled under the Plan, any undistributed balance to which such Participant would have been entitled, provided, however, that no such designation (or change thereof) shall be effective if the Participant was married on the date of the Participant's death unless such designation (or change thereof) was consented to at the time of such designation (or change thereof) by the person who was the Participant's spouse, in writing, acknowledging the effect of such consent and witnessed by a notary public or a Plan representative, or it is established to the satisfaction of the Committee that such consent could not be obtained because the Participant's spouse cannot be located or such other circumstances as may be prescribed in Regulations. Subject to the preceding sentence, a Participant may from time to time, without the consent of any Beneficiary, change or cancel any such designation. Such designation and each change therein shall be made in the form prescribed by the Committee and shall be filed with the

Committee. A Participant's beneficiary designation in effect under the PECO Energy Company Employee Savings Plan immediately prior to the Effective Date shall remain in effect under the Plan on and after the Effective Date until such time as such designation is changed or canceled in accordance with this Section 8.5. If (i) no Beneficiary has been named by a deceased Participant, (ii) such designation is not effective pursuant to the proviso contained in the first sentence of this section, or (iii) the designated Beneficiary has predeceased the Participant, any undistributed balance of the deceased Participant shall be distributed by the Trustee at the direction of the Committee (a) to the surviving spouse of such deceased Participant, if any, or (b) if there is no surviving spouse, to the surviving children of such deceased Participant, if any, in equal shares, or (c) if there is no surviving spouse or surviving children, to the surviving parents of such deceased Participant, if any, in equal shares, or (d) if there is no surviving spouse, surviving children or surviving parents, to the executor or administrator of the estate of such deceased Participant or (e) if no executor or administrator has been appointed for the estate of such deceased Participant within six months following the date of the Participant's death, in equal shares to the person or persons who would be entitled under the intestate succession laws of the state of the Participant's domicile to receive the Participant's personal estate. The marriage of a Participant shall be deemed to revoke any prior designation of a Beneficiary made by him or her and a divorce shall be deemed to revoke any prior designation of the Participant's divorced spouse if written evidence of such marriage or divorce is received by the Committee.

Section 8.6. Distributions to Minor and Disabled Distributees.

Any distribution under this Article that is payable to a distributee who is a minor or to a distributee who, in the opinion of the Committee, is unable to manage his or her affairs by reason of illness or mental incompetency may be made to or for the benefit of any such distributee at such time consistent with the provisions of Section 8.5 and in such of the following ways as the legal representative of such distributee shall direct: (a) directly to any such minor distributee if, in the

opinion of such legal representative, the distributee is able to manage his or her affairs, (b) to such legal representative, (c) to a custodian under a Uniform Gifts to Minors Act for any such minor distributee, or (d) to some near relative of any such distributee to be used for the latter's benefit. Neither the Committee nor the Trustee shall be required to see to the application by any third party other than the legal representative of a distributee of any distribution made to or for the benefit of such distributee pursuant to this Section.

Section 8.7. "Lost" Participants and Beneficiaries.

If within a period of five years following the death or other termination of employment of any Participant the Committee in the exercise of reasonable diligence has been unable to locate the person or persons entitled to benefits under this Article 8, the rights of such person or persons shall be forfeited, provided, however, that the Plan shall reinstate and pay to such person or persons the amount of the benefits so forfeited upon a claim for such benefits made by such person or persons. The amount to be so reinstated shall be obtained from the total amount that shall have been forfeited pursuant to Section 8.3 during the Plan Year that the claim for such forfeited benefit is made. If the amount to be reinstated exceeds the amount of such forfeitures, the Employer in respect of whose Employee the claim for forfeited benefit is made shall make a contribution in an amount equal to the remainder of such excess. Any such contribution shall be made without regard to whether or not the limitations set forth in Section 4.5 will be exceeded by such contribution.

ARTICLE 9

PARTICIPANTS' STOCKHOLDER RIGHTS

Section 9.1. Voting Shares of Common Stock.

Each Participant and Beneficiary shall be entitled to direct the Trustee as to the exercise of any voting rights attributable to shares of Common Stock then allocated to his or her account and the Trustee shall vote such shares according to the voting directions of the Participant or

Beneficiary that have been timely submitted to the Trustee on forms provided by the Trustee for such purpose. Participants and Beneficiaries shall be permitted to direct the Trustee as to the exercise of any voting rights, including, but not limited to, any corporate matter that involves the voting of shares of Common Stock with respect to the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets of a trade or business, or similar transaction prescribed in Regulations. The Trustee shall with respect to any matter vote the shares of Common Stock credited to Participants' accounts with respect to which the Trustee does not timely receive voting instructions in the same proportion as to shares the Trustee has received voting instructions. Written notice of any meeting of stockholders of the Company and a request for voting instructions shall be given by the Committee or the Trustee, at such time and in such manner as the Committee shall determine, to each Participant or Beneficiary entitled to give instructions for voting shares of Common Stock at such meeting. The Committee shall establish and pay for a means by which Participants and Beneficiaries can expeditiously deliver such voting instructions to the Trustee. All instructions delivered by Participants or Beneficiaries shall be confidential and shall not be disclosed to any person, including the Employer.

Section 9.2. Tender Offers.

(a) In the event a tender offer is made generally to the stockholders of the Company to transfer all or a portion of their shares of Common Stock in return for valuable consideration, including but not limited to, offers regulated by section 14(d) of the Securities Exchange Act of 1934, as amended, each Participant or Beneficiary shall be entitled to direct the Trustee regarding how to respond to any such tender offer with respect to the number of shares of Common Stock then allocated to his or her account and the Trustee shall vote such shares according to the voting directions of the Participant or Beneficiary that have been timely submitted to the Trustee on forms provided by the Trustee for such purpose. A Participant or Beneficiary shall not be limited

in the number of directions to tender or withdraw from tender that he or she can give, but shall not have the right to give directions to tender or withdraw from tender after a reasonable time established by the Trustee pursuant to paragraph (c) of this Section. The Trustee shall with respect to a tender offer decline to vote the shares of Common Stock credited to Participants' accounts with respect to which the Trustee does not timely receive directions on how to respond to any such tender offer. All such directions shall be confidential and shall not be disclosed to any person, including the Employer.

(b) Within a reasonable time after the commencement of a tender offer, the Committee shall provide to each Participant and Beneficiary:

(i) the offer to purchase as distributed by the offeror to the stockholders of the Company,

(ii) a statement of the shares of Common Stock allocated to his or her account, and

(iii) directions as to the means by which a Participant can give directions with respect to the tender offer.

The Committee shall establish and pay for a means by which a Participant and Beneficiary can expeditiously deliver directions to the Trustee with respect to a tender offer. The Committee shall transmit or cause to be transmitted to the Trustee aggregate numbers of shares to be tendered or withheld from tender representing directions of Participants and Beneficiaries. The Committee, at its election, may engage an agent to receive directions from Participants and Beneficiaries and transmit them to the Trustee.

(c) The Trustee may establish a reasonable time, taking into account the time restrictions of the tender offer, after which it shall not accept directions of Participants or Beneficiaries.

ARTICLE 10

SPECIAL PARTICIPATION AND DISTRIBUTION RULES RELATING TO REEMPLOYMENT OF TERMINATED EMPLOYEES AND EMPLOYMENT BY RELATED ENTITIES

Section 10.1. Change of Employment Status.

If an Employee who is not a Participant becomes eligible to participate because of a change in his or her employment status, such Employee shall become a Participant as of the date of such change if either the Employee is not a member of a bargaining unit represented by IBEW Local Union 15 or the Employee has satisfied the eligibility service requirement set forth in Section 3.1; otherwise the Employee shall become a Participant in accordance with Section 3.1 following satisfaction of the eligibility service requirement.

Section 10.2. Reemployment of an Eligible Employee Whose Employment Terminated Prior to His or Her Becoming a Participant.

(a) If the employment of an Eligible Employee who is a member of a bargaining unit represented by IBEW Local Union 15 terminated before the Employee satisfied the eligibility service requirement set forth in Section 3.1 and such Employee is thereafter reemployed by an Employer, such Employee shall be eligible to become a Participant in accordance with Section 3.1.

(b) If the employment of an Eligible Employee who is a member of a bargaining unit represented by IBEW Local Union 15 terminated after he or she had satisfied the eligibility service requirement set forth in Section 3.1 but prior to becoming a Participant is reemployed by an Employer, he or she shall not be required to satisfy again such requirement and shall be eligible to become a Participant upon filing an application in accordance with Section 3.2.

Section 10.3. Reemployment of a Terminated Participant.

If a terminated Participant is reemployed, the Participant shall not be required to satisfy again the eligibility service requirement set forth in Section 3.1 and shall again become a Participant upon filing an application in accordance with Section 3.2.

Section 10.4. Employment by an Affiliate.

If an individual is employed by an Affiliate, then any period of such employment shall be taken into account solely for the purposes of determining whether and when such individual is eligible to participate in the Plan under Article 3, when such individual has retired or otherwise terminated his or her employment for purposes of Article 8 to the same extent it would have been had such period of employment been as an Employee of his or her Employer.

Section 10.5. Leased Employees.

A leased employee (within the meaning of section 414(n)(2) of the Code) shall not be eligible to participate in the Plan. If an individual who performed services as a leased employee (within the meaning of section 414(n)(2) of the Code) of an Employer or an Affiliate becomes an Employee, or if an Employee becomes such a leased employee, then any period during which such services were so performed shall be taken into account solely for the purposes of determining whether and when such individual is eligible to participate in the Plan under Article 3 and determining when such individual has retired or otherwise terminated his or her employment for purposes of Article 8 to the same extent it would have been had such service been as an Employee. This Section shall not apply to any period of service during which such a leased employee was covered by a plan described in section 414(n)(5) of the Code.

Section 10.6. Reemployment of Veterans.

(a) General. The provisions of this Section shall apply in the case of the reemployment by an Employer of an Eligible Employee, within the period prescribed by the Uniformed Service Employment and Reemployment Rights Act ("USERRA"), after the Employee's completion of a period of Military Service. The provisions of this Section are intended to provide such Employees

with the rights required USERRA and section 414(u) of the Code, and shall be interpreted in accordance with such intent.

(b) Make Up of Before-Tax and After-Tax Contributions. Such Employee shall be entitled to make contributions under the Plan ("Make-Up Employee Contributions"), in addition to Before-Tax and After-Tax Contributions which the Employee elects to have made under the Plan pursuant to Section 4.1. From time to time while employed by an Employer, such Employee may elect to contribute Make-Up Employee Contributions during the period beginning on the date of such Employee's reemployment and ending on the earlier of:

(i) the end of the period equal to the product of three and such Employee's period of Military Service, and

(ii) the fifth anniversary of the date of such reemployment.

Such Employee shall not be permitted to contribute Make-Up Employee Contributions to the Plan in excess of the amount which the Employee could have elected to have made under the Plan in the form of Before-Tax and After-Tax Contributions if the Employee had continued in employment with his or her Employer during such period of Military Service. Such Employee shall be deemed to have earned "Compensation" from his or her Employer during such period of Military Service for this purpose in the amount prescribed by sections 414(u)(2)(B) and 414(u)(7) of the Code. The manner in which an Eligible Employee may elect to contribute Make-Up Employee Contributions pursuant to this paragraph (b) shall be prescribed by the Committee.

(c) Make Up of Matching Contributions. An Eligible Employee who contributes Make-Up Employee Contributions as described in paragraph (b) shall be entitled to an allocation of Matching Contributions ("Make-Up Matching Contributions") in an amount equal to the amount of Matching Contributions which would have been allocated to the Matching Contributions Account of such Eligible Employee under the Plan if such Make-Up Employee Contributions had been made in the form of Before-Tax or After-Tax Contributions (as applicable)

during the period of such Employee's Military Service. The amounts necessary to make such allocation of Make-Up Matching Contributions shall be derived from any forfeitures not yet applied towards Matching Contributions for the Plan Year in which the Make-Up Employee Contributions are made, and if such forfeitures are not sufficient for this purpose, then the Eligible Employee's Employer shall make a special contributions which shall be utilized solely for purposes of such allocation.

(d) Application of Limitations and Nondiscrimination Rules. Any contributions made by an Eligible Employee or an Employer pursuant to this Section on account of a period of Military Service in a prior Plan Year shall not be subject to the limitations prescribed by Sections 4.2, 4.5 and 7.4 of the Plan (relating to sections 402(g), 404 and 415 of the Code) for the Plan Year in which such contributions are made. The Plan shall not be treated as failing to satisfy the nondiscrimination rules of Section 4.4 of the Plan (relating to sections 401(k)(3) and 401(m) of the Code) for any Plan Year solely on account of any make up contributions made by an Eligible Employee or an Employer pursuant to this Section.

ARTICLE 11

ADMINISTRATION

Section 11.1. The Committee.

(a) The Company shall be the named fiduciary and the "administrator" of the Plan within the meaning of such terms as used in ERISA. Pursuant to a resolution of the Board of Directors of the Company, or a committee thereof, the Company shall appoint the Committee, which shall consist of not less than three members, to be responsible for the administration of the provisions of the Plan, except for duties specifically vested in the Trustee (provided that the members of the Committee immediately prior to the Effective Date shall continue to constitute the Committee immediately after the Effective Date). The Committee shall be a "named fiduciary"

within the meaning of such term as used in ERISA for purposes of designating the investment funds under Section 6.2 and for purposes of appointing one or more investment managers as described in ERISA. The Company shall have the right at any time, with or without cause, to remove one or more members of the Committee. Any member of the Committee may resign and the resignation shall be effective upon delivery of the written resignation to the Company. Upon the resignation, removal or failure or inability for any reason of any member of the Committee to act hereunder, the Company shall appoint a successor. Any successor Committee member shall have all the rights, privileges and duties of the predecessor, but shall not be held accountable for the acts of the predecessor.

(b) Any member of the Committee may, but need not, be an Employee, trustee or officer of an Employer and such status shall not disqualify such person from taking any action hereunder or render such person accountable for any distribution or other material advantage received by him or her under this Plan, provided that no member of the Committee who is a Participant shall take part in any action of the Committee or any matter involving solely his or her rights under this Plan.

(c) Promptly after the appointment of the Committee and from time to time thereafter, and promptly after the appointment of any successor Committee, the Trustee shall be notified as to the names of the persons so appointed by delivery to the Trustee of a written instrument duly adopted by the Company making such appointments.

(d) The Committee shall have the duty and discretionary authority to interpret and construe the Plan in regard to all questions of eligibility, the status and rights of Participants, distributees and other persons under the Plan, and the manner, time, and amount of payment of any distribution under the Plan. Benefits under the Plan shall be paid to a Participant or Beneficiary only if the Committee, in its discretion, determines that such person is entitled to benefits. Each Employer shall, from time to time, upon request of the Committee, furnish to the

Committee such data and information as the Committee shall require in the performance of its duties.

(e) The Committee shall direct the Trustee to make payments of amounts to be distributed from the Trust under Article 8.

(f) The Committee shall supervise the collection of Participants' contributions made pursuant to Article 5 and the delivery of such contributions to the Trustee.

(g) The Committee may allocate its responsibilities and may designate any person, persons, partnership or corporation to carry out any of its responsibilities with respect to administration of the Plan. Any such allocation or designation shall be reduced to writing and such writing shall be kept with the records of the Plan.

(h) The Committee may act at a meeting or by written consent approved by a majority of its members. The Committee shall elect one of its members as chairman and appoint a secretary, who may or may not be a member of the Committee. The secretary shall keep a record of all meetings and forward all necessary communications to the Employers or the Trustee. All decisions of the Committee shall be made by the majority, including actions taken by written consent. The Committee shall be the Plan's agent for service of legal process and forward all necessary communications to the Trustee. The Committee may adopt such rules and procedures as it deems desirable for the conduct of its affairs and the administration of the Plan, provided that any such rules and procedures shall be consistent with the provisions of the Plan and ERISA.

(i) The Committee shall discharge its duties with respect to the Plan (i) solely in the interest of the Participants and Beneficiaries, (ii) for the exclusive purpose of providing benefits to Employees participating in the Plan and their Beneficiaries and of defraying reasonable expenses of administering the Plan and (iii) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. The

Employers hereby jointly and severally indemnify the Committee, the board of directors of the Company, and the officers and employees of the Employers and each of them, from the effects and consequences of their acts, omissions and conduct in their official capacity, except to the extent that such effects and consequences result from their own willful misconduct.

(j) The members of the Committee may not receive any compensation or fee from the Plan for services as members of the Committee. The Employers shall reimburse the members of the Committee for any reasonable expenditures incurred in the discharge of their duties as members of the Committee.

(k) The Committee may require a Participant or Beneficiary to complete and file certain applications or forms approved by the Committee and to furnish such information requested by the Committee. The Committee may rely upon all such information so furnished to it.

(l) The Committee may employ such counsel (who may be counsel for an Employer) and agents and may arrange for such clerical and other services as it may require in carrying out the provisions of the Plan.

Section 11.2. Claims Procedure.

Any Participant or distributee who believes he or she is entitled to benefits in an amount greater than those which he or she is receiving or has received may file a claim with the Committee. Such a claim shall be in writing and state the nature of the claim, the facts supporting the claim, the amount claimed, and the address of the claimant. The Committee shall review the claim and, unless special circumstances require an extension of time, within 90 days after receipt of the claim, give written notice by registered or certified mail to the claimant of his or her decision with respect to the claim. If special circumstances require an extension of time, the claimant shall be so advised in writing within the initial 90-day period and in no event shall such an extension exceed 90 days. The notice of the decision of the Committee with respect to the

claim shall be written in a manner calculated to be understood by the claimant and, if the claim is wholly or partially denied, set forth the specific reasons for the denial, specific references to the pertinent Plan provisions on which the denial is based, a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary, and an explanation of the claim review procedure under the Plan. The Committee shall also advise the claimant that the claimant or his or her duly authorized representative may request a review by the Chairman of the Committee of the denial by filing with the Chairman within 60 days after notice of the denial has been received by the claimant, a written request for such review. The claimant shall be informed that he or she may have reasonable access to pertinent documents and submit comments in writing to the Chairman within the same 60-day period. If a request is so filed, review of the denial shall be made by the Chairman within, unless special circumstances require an extension of time, 60 days after receipt of such request, and the claimant shall be given written notice of the Chairman's final decision. If special circumstances require an extension of time, the claimant shall be so advised in writing within the initial 60-day period and in no event shall such an extension exceed 60 days. The notice of the Chairman's final decision shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based and shall be written in a manner calculated to be understood by the claimant.

Section 11.3. Procedures for Domestic Relations Orders.

If Committee receives any written judgment, decree or order (including approval of a property settlement agreement) pursuant to domestic relations or community property laws of any state relating to the provision of child support, alimony or marital property rights of a spouse, former spouse, child or other dependent of a Participant and purporting to provide for the payment of all or a portion of the Participant's benefit under the Plan to or on behalf of one or more of such persons (such judgment, decree or order being hereinafter called a "domestic relations order"), the

Committee shall promptly notify the Participant and each other payee specified in such domestic relations order of its receipt and of the following procedures. After receipt of a domestic relations order, the Committee shall determine whether such order constitutes a "qualified domestic relations order," as defined in Section 14.2(b), and shall notify the Participant and each payee named in such order in writing of its determination. Such notice shall be written in a manner calculated to be understood by the parties and shall set forth specific reasons for the Committee's determination, and shall contain an explanation of the review procedure under the Plan. The Committee shall also advise each party that the party or his or her duly authorized representative may request a review by the Committee's determination by filing a written request for such review. The Committee shall give each party affected by such request notice of such request for review. Each party also shall be informed that he or she may have reasonable access to pertinent documents and submit comments in writing to the Committee in connection with such request for review. Each party shall be given written notice of the Committee's final determination, which notice shall be written in a manner calculated to be understood by the parties and shall include specific reasons for such final determination. Any amounts subject to a domestic relations order which would be payable to the alternate payee prior to the determination that such order is a qualified domestic relations order shall be separately accounted for and not distributed prior to such determination. If within a reasonable time after receipt of written evidence of such order it is determined that such domestic order constitutes a qualified domestic relations order, the amounts so separately accounted for (plus any interest thereon) shall be paid to the alternate payee. If within such reasonable period of time it is determined that such order does not constitute a qualified domestic relations order, the amounts so separately accounted for (plus any interest thereon) shall be paid to such other persons, if any, entitled to such amounts at such time. Prior to the issuance of regulations, the Committee shall establish the time periods in which the Committee's determination, a request for review thereof and the review by the Committee shall be

made, provided that the total of such time periods shall not be longer than 18 months from the date written evidence of a domestic relations order is received by the Committee.

The duties of the Committee under this Section may be delegated by the Committee to one or more persons other than the Committee.

Section 11.4. Notices to Participants, Etc.

All notices, reports and statements given, made, delivered or transmitted to a Participant or distributee or any other person entitled to or claiming benefits under the Plan shall be deemed to have been duly given, made or transmitted when mailed by first class mail with postage prepaid and addressed to the Participant or distributee or such other person at the address last appearing on the records of the Committee. A Participant or distributee or other person may record any change of his or her address from time to time by written notice filed with the Committee.

Section 11.5. Notices to Committee.

Written directions, notices and other communications from Participants or distributees or any other person entitled to or claiming benefits under the Plan to the Committee shall be deemed to have been duly given, made or transmitted either when delivered to such location as shall be specified upon the forms prescribed by the Committee for the giving of such directions, notices and other communications or when mailed by first class mail with postage prepaid and addressed to the addressee at the address specified upon such forms.

Section 11.6. Records.

The Committee shall keep a record of all of its proceedings and shall keep or cause to be kept all books of account, records and other data as may be necessary or advisable in its judgment for the administration of the Plan.

Section 11.7. Reports of Trustee and Accounting to Participants.

The Committee shall keep on file, in such form as it shall deem convenient and proper, all reports concerning the Trust Fund received by it from the Trustee, and the Committee may, as

soon as possible after the close of each Plan Year, advise each Participant and Beneficiary of the balance credited to any account for his or her benefit as of the close of such Plan Year pursuant to Article 7 hereof.

Section 11.8. Electronic Media.

Notwithstanding any provision of the Plan to the contrary and for all purposes of the Plan, to the extent permitted by the Committee and any applicable law or Regulation, the use of electronic technologies shall be deemed to satisfy any written notice, consent, delivery, signature, disclosure or recordkeeping requirement under the Plan, the Code or ERISA to the extent permitted by or consistent with applicable law and Regulations. Any transmittal by electronic technology shall be deemed delivered when successfully sent to the recipient, or such other time specified by the Committee.

ARTICLE 12

PARTICIPATION BY OTHER EMPLOYERS

Section 12.1. Adoption of Plan.

With the consent of the Company, any entity may become a participating Employer under the Plan by (a) taking such action as shall be necessary to adopt the Plan, (b) filing with the Committee a duly certified copy of the Plan as adopted by such entity, (c) becoming a party to the agreement establishing the Trust, and (d) executing and delivering such instruments and taking such other action as may be necessary or desirable to put the Plan into effect with respect to such entity.

Section 12.2. Withdrawal from Participation.

Any Employer may withdraw from participation in the Plan at any time by filing with the Committee a duly certified copy of a written instrument duly adopted by the Employer to that effect and giving notice of its intended withdrawal to the Committee, the other Employers and the

Trustee prior to the effective date of withdrawal. Any Employer, by action of its board of directors or other governing authority, may withdraw from the Plan and Trust after giving 90 days' (or such other period required by the Committee) notice to the Board, provided the Board consents to such withdrawal. Distribution may be implemented through continuation of the Trust, or transfer to another trust fund exempt from tax under section 501 of the Code, or to a group annuity contract qualified under section 401 of the Code, or distribution may be made as an immediate cash payment in accordance with the directions of the Committee; provided, however, that no such action shall divert any part of such fund to any purpose other than the exclusive benefit of the Employees of such Employer.

Section 12.3. Company as Agent for Employers.

Each entity that becomes a participating Employer pursuant to Section 12.1 or Article 13 by so doing shall be deemed to have appointed the Company its agent to exercise on its behalf all of the powers and authorities hereby conferred upon the Company by the terms of the Plan, including, but not by way of limitation, the power to amend and terminate the Plan. The authority of the Company to act as such agent shall continue unless and until the portion of the Trust Fund held for the benefit of Employees of the particular Employer and their Beneficiaries is set aside in a separate Trust Fund as provided in Section 16.2.

ARTICLE 13

CONTINUANCE BY A SUCCESSOR

In the event that the Employer is reorganized by way of merger, consolidation, transfer of assets or otherwise, so that another entity succeeds to all or substantially all of the Employer's business, such successor entity may be substituted for the Employer under the Plan by adopting the Plan and becoming a party to the Trust agreement. Contributions by the Employer shall be automatically suspended from the effective date of any such reorganization until the date upon

which the substitution of such successor entity for the Employer under the Plan becomes effective. If, within 90 days following the effective date of any such reorganization, such successor entity shall not have elected to become a party to the Plan, or if the Employer adopts a plan of complete liquidation other than in connection with a reorganization, the Plan shall be automatically terminated with respect to Employees of such Employer as of the close of business on the 90th day following the effective date of such reorganization or as of the close of business on the date of adoption of such plan of complete liquidation, as the case may be, and the Committee shall direct the Trustee to distribute the portion of the Trust Fund applicable to such Employer in the manner provided in Article 16.

If such successor entity is substituted for an Employer by electing to become a party to the Plan as described above, then, for all purposes of the Plan, employment of such Employee with such Employer, including service with and compensation paid by such Employer, shall be considered to be employment with an Employer.

ARTICLE 14

MISCELLANEOUS

Section 14.1. Expenses.

Except as provided in the last sentence of Section 6.2 (relating to expenses of investments for an investment fund), all costs and expenses incurred in administering the Plan and the Trust, including the expenses of the Committee, the fees of counsel and any agents for the Committee, the fees and expenses of the Trustee, the fees of counsel for the Trustee and other administrative expenses shall, to the extent permitted by law, be paid by the Committee from the Trust Fund to the extent such expenses are not paid by the Employers. Notwithstanding the foregoing, the Committee may authorize an Employer to act as an agent of the Plan to pay any expenses, and the Employer shall be reimbursed from the Trust Fund for such payments. The Committee, in its

sole discretion, having regard to the nature of a particular expense, shall determine the portion of such expense that is to be borne by each Employer.

Section 14.2. Non-Assignability.

(a) In general. It is a condition of the Plan, and all rights of each Participant and Beneficiary shall be subject thereto, that no right or interest of any Participant or Beneficiary in the Plan shall be assignable or transferable in whole or in part, either directly or by operation of law or otherwise, including, but not by way of limitation, execution, levy, garnishment, attachment, pledge or bankruptcy, but excluding devolution by death or mental incompetency, and no right or interest of any Participant or Beneficiary in the Plan shall be liable for, or subject to, any obligation or liability of such Participant or Beneficiary, including claims for alimony or the support of any spouse, except as provided below.

(b) Exception for Qualified Domestic Relations Orders. Notwithstanding any provision of the Plan to the contrary, if a Participant's account balance under the Plan, or any portion thereof, is the subject of one or more qualified domestic relations orders, as defined below, such account balance or portion thereof shall be paid to the person and at the time and in the manner specified in any such order. For purposes of this paragraph (b), "qualified domestic relations order" shall mean any "domestic relations order" as defined in Section 11.3 that creates (or recognizes the existence of) or assigns to a person other than the Participant (an "alternate payee") rights to all or a portion of the Participant's account balance under the Plan, and:

(A) clearly specifies

(i) the name and last known mailing address (if any) of the Participant and each alternate payee covered by such order,

(ii) the amount or percentage of this Participant's benefits to be paid by the Plan to each such alternate payee, or the manner in which such amount or percentage is to be determined,

(iii) the number of payments to, or period of time for which, such order applies, and

(iv) each plan to which such order applies;

(B) does not require

(i) the Plan to provide any type or form of benefit or any option not otherwise provided under the Plan at the time such order is issued,

(ii) the Plan to provide increased benefits (determined on the basis of actuarial equivalence), and

(iii) the payment of benefits to an alternate payee that at the time such order is issued already are required to be paid to a different alternate payee under a prior qualified domestic relations order; and

(C) does not require the commencement of payment of benefits to any alternate payee before the earlier of (I) the date on which the Participant is entitled to a distribution under the Plan and (II) the date the Participant attains age 50, except that the order may require the commencement of payment of benefits as soon as administratively practicable after the date such order is determined by the Committee to be a "qualified domestic relations order";

all as determined by the Committee pursuant to the procedures contained in Section 11.3. Any amounts subject to a domestic relations order prior to determination of its status as a qualified domestic relations order that but for such order would be paid to the Participant shall be segregated in a separate account or an escrow account pending such determination. If within the reasonable time period beginning with the date on which the first payment would be required to be made under a domestic relations order the Committee determines that the domestic relations order constitutes a qualified domestic relations order, the amount so segregated (plus any interest thereof) shall be paid to the alternate payee. If such determination is not made within such reasonable time period, then the amount so segregated (plus any interest thereon), shall, as soon as practicable after the end of such reasonable time period, be paid to the Participant. Any determination regarding the status of such order after such reasonable time period shall be applied only to payments on or after the date of such determination.

Section 14.3. Employment Non-Contractual.

The Plan confers no right upon an Employee to continue in employment.

Section 14.4. Limitation of Rights.

A Participant or distributee shall have no right, title or claim in or to any specific asset of the Trust Fund, but shall have the right only to distributions from the Trust Fund on the terms and conditions herein provided.

Section 14.5. Merger or Consolidation with Another Plan.

A merger or consolidation with, or transfer of assets or liabilities to, any other plan shall not be effected unless the terms of such merger, consolidation or transfer are such that each Participant, distributee, Beneficiary or other person entitled to receive benefits from the Plan would, if the Plan were to terminate immediately after the merger, consolidation or transfer, receive a benefit equal to or greater than the benefit such person would be entitled to receive if the Plan were to terminate immediately before the merger, consolidation, or transfer.

Section 14.6. Gender and Plurals.

Wherever used in the Plan, words in the masculine gender shall include masculine or feminine gender, and, unless the context otherwise requires, words in the singular shall include the plural, and words in the plural shall include the singular.

Section 14.7. Applicable Law.

The Plan and all rights hereunder shall be governed by and construed in accordance with the laws of the State of Illinois to the extent such laws have not been preempted by applicable federal law.

Section 14.8. Severability.

If a provision of the Plan shall be held illegal or invalid, the illegality or invalidity shall not affect the remaining parts of the Plan and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included in the Plan.

Section 14.9. No Guarantee.

Neither the Committee, the Employer, nor the Trustee in any way guarantees the Trust from loss or depreciation nor the payment of any money that may be or become due to any person from the Trust Fund. Nothing herein contained shall be deemed to give any Participant, distributee, or Beneficiary an interest in any specific part of the Trust Fund or any other interest except the right to receive benefits out of the Trust Fund in accordance with the provisions of the Plan and the Trust Fund.

ARTICLE 15

TOP-HEAVY PLAN REQUIREMENTS

Section 15.1. Top-Heavy Plan Determination.

If as of the determination date (as defined in Section 15.2) for any Plan Year (a) the sum of the account balances under the Plan and all other defined contribution plans in the aggregation group (as defined in Section 15.2) and (b) the present value of accrued benefits under all defined benefit plans in such aggregation group of all Participants in such plans who are key employees (as defined in Section 15.2) for such Plan Year exceeds 60 percent of the aggregate of the account balances and present value of accrued benefits of all participants in such plans as of the determination date (as defined in Section 15.2), then this Plan shall be a top-heavy plan for such Plan Year, and the requirements of Sections 15.3 and 15.4 shall be applicable for such Plan Year as of the first day thereof. If the Plan shall be a top-heavy plan for any Plan Year and not be a top-heavy plan for any subsequent Plan Year, the requirements of this Article shall not be applicable for such subsequent Plan Year.

Section 15.2. Definitions and Special Rules.

(a) Definitions. For purposes of this Article, the following definitions shall apply:

(1) Determination Date. The determination date for all plans in the aggregation group shall be the last day of the preceding Plan Year, and the valuation

date applicable to a determination date shall be (i) in the case of a defined contribution plan, the date as of which account balances are determined which is coincident with or immediately precedes the determination date, and (ii) in the case of a defined benefit plan, the date as of which the most recent actuarial valuation for the Plan Year that includes the determination date is prepared, except that if any such plan specifies a different determination or valuation date, such different date shall be used with respect to such plan.

(2) Aggregation Group. The aggregation group shall consist of (a) each plan of an Employer in which a key Employee is a participant, (b) each other plan that enables such a plan to be qualified under section 401(a) of the Code, and (c) any other plans of an Employer that the Company designates as part of the aggregation group and that shall permit the aggregation group to continue to meet the requirements of sections 401(a) and 410 of the Code with such other plan being taken into account.

(3) Key Employee. Key Employee shall have the meaning set forth in section 416(i) of the Code.

(4) Compensation. Compensation shall have the meaning set forth in section 1.415-2(d) of the Regulations.

(b) Special Rules. For the purpose of determining the accrued benefit or account balance of a Participant, the accrued benefit or account balance of any person who has not performed services for an employer at any time during the five-year period ending on the determination date shall not be taken into account pursuant to this Section, and any person who received a distribution from a plan (including a plan that has terminated) in the aggregation group during the five-year period ending on the last day of the preceding Plan Year shall be treated as a Participant in such plan, and any such distribution shall be included in such Participant's account balance or accrued benefit, as the case may be.

Section 15.3. Minimum Contribution for Top-Heavy Years.

Notwithstanding any provision of the Plan to the contrary, the sum of the Employer contributions under Article 4 allocated to the account of each Participant (other than a key Employee) during any Plan Year and the forfeitures allocated to the account of such Participant (other than a key Employee) during any Plan Year for which the Plan is a top-heavy plan shall in

no event be less than the lesser of (i) three percent of such Participant's compensation during such Plan Year and (ii) the highest percentage at which contributions are made on behalf of any key Employee for such Plan Year. Such minimum contribution shall be made even if, under other provisions of the Plan, the Participant would not otherwise be entitled to receive an allocation or would receive a lesser allocation for the year because of (i) the Participant's failure to complete 1,000 Hours of Service, or (ii) compensation of less than a stated amount. If, during any Plan Year for which this Section is applicable, a defined benefit plan is included in the aggregation group and such defined benefit plan is a top-heavy plan for such Plan Year, the percentage set forth in clause (i) of the first sentence of this Section shall be five percent. The percentage referred to in clause (ii) of the first sentence of this Section shall be obtained by dividing the aggregate of contributions made pursuant to Article 4 and pursuant to any other defined contribution plan that is required to be included in the aggregation group (other than a defined contribution plan that enables a defined benefit plan that is required to be included in such group to be qualified under section 401(a) of the Code) during the Plan Year on behalf of such key Employee by such key Employee's compensation for the Plan Year. Notwithstanding the above, the provisions of this Section 15.3 shall not apply for any Plan Year with respect to an Eligible Employee who has accrued the defined benefit minimum provided under section 416 of the Code under a qualified defined benefit plan maintained by an Employer or Affiliate.

Section 15.4. Special Rules for Applying Statutory Limitations on Benefits.

(a) In any Plan Year for which the Plan is a top-heavy plan, clause (A)(I) of Section 7.4 (relating to limitations on allocations imposed by section 415 of the Code) shall be applied by substituting "100 percent" for "125 percent" appearing therein, unless, for such Plan Year, (i) the percentage of account balances of Participants who are key Employees determined under Section 15.1 does not exceed 90 percent, and (ii) Employer contributions and forfeitures allocated to the

accounts of Participants who are not key Employees equals at least four percent of compensation of each such Participant.

(b) In any Plan Year for which the Plan is a top-heavy plan, clause (B)(I) of Section 7.4 (relating to limitations on allocations imposed by section 415 of the Code) shall be applied by substituting "100 percent" for "125 percent" appearing therein unless for any such Plan Year (i) the percentage of accrued benefits of Participants who are key Employees does not exceed 90 percent, and (ii) the minimum accrued benefit of each Participant under all defined benefit plans in the aggregation group is at least three percent of his or her average compensation (determined under section 416(c) of the Code) multiplied by each Year of Service after 1983, not in excess of ten, for which such plans are top-heavy plans.

ARTICLE 16

AMENDMENT, ESTABLISHMENT OF SEPARATE PLAN AND TERMINATION

Section 16.1. Amendment.

The Company may at any time and from time to time amend or modify the Plan by resolution of the Board of Directors of the Company or the Compensation Committee thereof; provided, however, that the Plan may be amended or modified by action of the Company's Senior Vice President and Chief Human Resources Officer or another executive officer holding a title of equivalent or greater responsibility to the extent such amendment or modification is consistent with any delegation of such authority by the Compensation Committee of the Board of Directors. No amendment shall be made in respect of Eligible Employees who are members of a bargaining unit represented by IBEW Local Union 15 that is inconsistent with that portion of the collective bargaining agreement between such an Employer and IBEW Local Union 15 concerning the Plan.

Section 16.2. Establishment of Separate Plan.

If an Employer withdraws from the Plan under Section 12.2, the Committee may determine the portion of the Trust Fund held by the Trustee that is applicable to the Participants and former Participants of such Employer and direct the Trustee to segregate such portion in a separate Trust Fund. Such separate Trust Fund shall thereafter be held and administered as a part of the separate plan of such Employer.

The portion of the Trust Fund applicable to the Participants and former Participants of a particular Employer shall be the sum of:

(a) the total amount credited to all accounts that are applicable to the Participants and former Participants of such Employer and

(b) an amount that bears the same ratio to the excess, if any, of

(i) the total value of the Trust Fund over
(ii) the total amount credited to all accounts

as the total amount credited to the accounts that are applicable to the Participants of such Employer bears to the total amount credited to such accounts of all Participants.

Section 16.3. Distribution upon Termination of the Plan.

Any Employer may at any time terminate its participation in the Plan by written instrument executed on behalf of the Employer by resolution of its Board of Directors to that effect. In the event of any such termination, the Committee shall determine the portion of the Trust Fund held by the Trustee that is applicable to the Participants and former Participants of such Employer and direct the Trustee to distribute such portion to Participants ratably in proportion to the balances of their respective accounts as follows:

(a) The balance in any account shall be distributed to the distributee entitled to receive such account.

(b) The remaining assets of the Trust Fund shall be distributed to Participants ratably in proportion to the balances of their respective accounts.

A complete discontinuance of contributions by an Employer shall be deemed a termination of such Employer's participation in the Plan for purposes of this Section.

Notwithstanding the preceding paragraph, no distribution shall be made to any Participant (i) until he or she attains age 59 1/2 except as otherwise provided in Section 8.3 (relating to distributions upon termination of employment) or (ii) if a successor plan, as defined in Regulations, is established or maintained by the Participant's Employer.

To the extent that no discrimination in value results, any distribution after termination or partial termination of the Plan may be made, in whole or in part, in cash, in securities or other assets in kind, or in non-transferable annuity contracts, as the Committee (in its discretion) may determine. All non-cash distributions shall be valued at fair market value at date of distribution.

If the Internal Revenue Service refuses to issue an initial, favorable determination letter that the Plan and Trust Fund as adopted by an Employer meet the requirements of section 401(a) of the Code and that the Trust Fund is exempt from tax under section 501(a) of the Code, the Employer may terminate its participation in the Plan and shall direct the Trustee to pay and deliver the portion of the Trust Fund applicable to the Participants of such Employer, determined pursuant to Section 16.2 to such Employer and such Employer shall pay to Participants or their beneficiaries the part of such Employer's portion of the Trust Fund as is attributable to contributions made by Participants.

Section 16.4. Trust Fund to Be Applied Exclusively for Participants and Their Beneficiaries.

Subject only to the provisions of Section 4.5 (relating to the limitation on Employer contributions), 7.4 (relating to limitations on allocations imposed by section 415 of the Code) and 16.3 (relating to distribution upon termination of the Plan), and any other provision of the Plan to the contrary notwithstanding, it shall be impossible for any part of the Trust Fund to be used for or diverted to any purpose not for the exclusive benefit of Participants and their Beneficiaries either by operation or termination of the Plan, power of amendment or other means.

IN WITNESS WHEREOF, Exelon Corporation has caused this instrument to be executed by its Senior Vice President and Chief Human Resources Officer and its corporate seal to be hereunto affixed, attested by its Secretary, on this _______ day of ______________, 2001.

Exelon Corporation

By_______________________________
Senior Vice President and Chief Human Resources Officer

ATTEST:

____
Secretary

SUPPLEMENT I

TRANSFERS FROM OTHER PLANS

With the consent of the Committee, whenever a participant in any other qualified savings or profit sharing plan maintained for employees of an entity any of whose assets or stock are acquired by an Employer (the "Other Plan") becomes a Participant in this Plan, then such Participant's interest in the Other Plan may be transferred to the Trustee of this Plan and credited to administrative subaccounts to be held, invested, reinvested and distributed pursuant to the terms of the Plan and the Trust and, as of the date of the transfer of any such Participant's interest in the Other Plan,

(a) there shall be credited to the Before-Tax Contributions Account of such Participant that portion of his interest in the Other Plan which is transferred to the Trustee and which represents the Participant's salary reduction contributions, if any, made to the Other Plan on behalf of the Participant,

(b) there shall be credited to the After-Tax Account of such Participant that portion of his interest in the Other Plan which is transferred to the Trustee and which represents the Participant's after-tax contributions, if any, made to the Other Plan,

(c) there shall be credited to the Employer Matching Contributions Account of such Participant that portion of his interest in the Other Plan which is transferred to the Trustee and which represents the matching contributions and other employer contributions, if any, made to the Other Plan on behalf of the Participant, and

(d) there shall be credited to the Rollover Account of such Participant that portion of his interest in the Other Plan which is transferred to the Trustee and which represents the Participant's rollover contributions, if any, to the Other Plan.

Any amounts credited to a Participant's Before-Tax Contributions Account, After-Tax Contributions Account, Employer Matching Contributions Account and Rollover Account shall be credited to the administrative subaccounts in accordance with such Participant's investment direction in effect as of the date of such transfer. Any special provisions applicable to amounts transferred to the Trustee from any Other Plan shall be set forth in an Exhibit hereto.

EXHIBIT 10.14

EXELON CORPORATION CASH BALANCE PENSION PLAN

Effective as of January 1, 2001

TABLE OF CONTENTS

	Page
ARTICLE 1	
TITLE AND PURPOSE	1
ARTICLE 2	
DEFINITIONS	1
ARTICLE 3	
PARTICIPATION	8
Section 3.1 Eligibility for Participation	8
Section 3.2 Transfer to Affiliates	10
Section 3.3 Cessation of Participation	10
ARTICLE 4	
SOURCE OF CONTRIBUTIONS	11
Section 4.1 Source of Contributions	11
Section 4.2 Limitation on Contributions	11
ARTICLE 5	
TRUST	12
ARTICLE 6	
PARTICIPANT ACCOUNTS	12
Section 6.1 Cash Balance Accounts	12
ARTICLE 7	
DISTRIBUTIONS	16
Section 7.1 Time of Distribution	16
Section 7.2 Form of Distribution	18
Section 7.3 Death Benefits	20
Section 7.4 Election and Waiver Procedures	21
Section 7.5 Distributions to Minor and Disabled Distributees	26
Section 7.6 Direct Rollover Distributions	27
Section 7.7 Withholding Requirements	28

TABLE OF CONTENTS

(continued)

	Page
ARTICLE 8	
LIMITATIONS ON BENEFITS	27
Section 8.1 Statutory Limits	28
Section 8.2 Restrictions on Benefits	30
ARTICLE 9	
SPECIAL PARTICIPATION AND DISTRIBUTION RULES RELATING TO RECOMMENCEMENT OF EMPLOYMENT AND EMPLOYMENT BY RELATED ENTITIES	32
Section 9.1 Recommencement of Employment by a Terminated Employee	32
Section 9.2 Suspension of Benefits	34
Section 9.3 Employment by Related Entities	35
Section 9.4 Leased Employees	35
ARTICLE 10	
ADMINISTRATION	36
Section 10.1 The Committee	36
Section 10.2 Claims Procedure	39
Section 10.3 Notices to Participants, Etc	41
Section 10.4 Responsibility to Advise Committee of Current Address	41
Section 10.5 Notices to Employers or Committee	41
Section 10.6 Responsibility to Furnish Information and Sign Documents	42
Section 10.7 Records	42
Section 10.8 Actuary to be Employed	42
Section 10.9 Funding Policy	42
Section 10.10 Electronic Media	43
ARTICLE 11	
PARTICIPATION BY OTHER EMPLOYERS	43
Section 11.1 Adoption of Plan	43
Section 11.2 Withdrawal from Participation	43
Section 11.3 Company and Committee Agent for Employers	43
ARTICLE 12	
CONTINUANCE BY A SUCCESSOR	44

TABLE OF CONTENTS

(continued)

Page

ARTICLE 13
MISCELLANEOUS 44

Section 13.1 Expenses 45
Section 13.2 Non-Assignability 45
Section 13.3 Employment Non-Contractual 46
Section 13.4 Limitation of Rights 46
Section 13.5 Merger or Consolidation with Another Plan 46
Section 13.6 Construction 46
Section 13.7 Applicable Law 47
Section 13.8 Severability 47
Section 13.9 No Guarantee 47
Section 13.10 Military Service 47

ARTICLE 14
TOP-HEAVY PLAN REQUIREMENTS 47

Section 14.1 Top-Heavy Plan Determination 47
Section 14.2 Definitions and Special Rules 48
Section 14.3 Minimum Benefit for Top-Heavy Years 49
Section 14.4 Top-Heavy Vesting Requirements 50

ARTICLE 15
AMENDMENT, ESTABLISHMENT OF SEPARATE PLAN AND TERMINATION 50

Section 15.1 Amendment 50
Section 15.2 Establishment of Separate Plan 50
Section 15.3 Termination of the Plan by an Employer 51
Section 15.4 Vesting and Distribution Upon Termination or Partial Termination 51
Section 15.5 Trust Fund to Be Applied Exclusively for Participants and Their Beneficiaries 52

ARTICLE 1
TITLE AND PURPOSE

The name of the plan set forth herein shall be the "Exelon Corporation Cash Balance Pension Plan" (the "Plan"). The Plan shall be effective as of January 1, 2001.

ARTICLE 2
DEFINITIONS

As used herein, the following words and phrases shall have the following respective meanings when capitalized:

(1) Accrued Benefit. Except as provided in Section 9.2 (relating to suspension of benefits), the amount payable under the Plan commencing on the first day of the month coinciding with or next following a Participant's Normal Retirement Age, determined as of a date not later than such Participant's Normal Retirement Age as if the Participant had elected Option 1 (the life annuity) under Section 7.2(c) (relating to optional forms of benefit), that is the Actuarial Equivalent of the sum of the balance credited to the Participant's Cash Balance Account as of the date of determination plus Investment Credits (at the rate in effect under Section 6.1(d) (relating to investment credits) on the date of determination) from the date of determination until such assumed date of commencement, plus the Additional Credit, if any, determined as of the date of commencement, subject to adjustment pursuant to Section 7.2(d)(2) (relating to special rules regarding pensions). In addition, a Participant's Accrued Benefit shall include the Participant's Accrued Frozen Benefit.

(2) Accrued Frozen Benefit. The meaning given such term in the applicable Schedule.

(3) Actuarial Equivalent. A benefit of value equivalent to the value of the benefit being replaced, computed using the table specified by the Commissioner of Internal Revenue for purposes of section 417(e)(3) of the Code (which, as of the Effective Date, is the 1983 Group Annuity (unisex) Mortality Table (50% male, 50% female)) in effect on the date of determination and an interest rate assumption using the "applicable interest rate" as defined in section 417(e)(3) of the Code for the month of November of the Plan Year immediately preceding the Plan Year in which the determination occurs.

(4) Additional Credit. The amount, if any, credited to a Participant's Cash Balance Account pursuant to Section 6.1(e).

(5) Affiliate. (a) A corporation that is a member of the same controlled group of corporations (within the meaning of section 414(b) of the Code) as an Employer, (b) a trade or business (whether or not incorporated) under common control (within the meaning of section 414(c) of the Code) with an Employer, (c) any organization (whether or not incorporated) that is

a member of an affiliated service group (within the meaning of section 414(m) of the Code) that includes (i) an Employer, (ii) a corporation described in clause (a) of this definition or (iii) a trade or business described in clause (b) of this definition, or (d) any other entity that is required to be aggregated with an Employer pursuant to Regulations promulgated under section 414(o) of the Code. A corporation, trade or business, or entity shall be an Affiliate only for such period or periods of time during which such corporation, trade or business or entity is described in the preceding sentence, but not prior to such time.

(6) Beneficiary. The person or persons entitled to receive a benefit under Section 7.2 or Section 7.3 in the event of the death of a Participant.

(7) Cash Balance Account. The hypothetical account established for each Participant pursuant to Section 6.1(a) (relating to establishment of accounts).

(8) Code. The Internal Revenue Code of 1986, as amended.

(9) ComEd Plan. The Commonwealth Edison Company Service Annuity System.

(10) Committee. The committee appointed pursuant to Article 10 (relating to administration) to administer the Plan.

(11) Company. Exelon Corporation, a Pennsylvania corporation, and any successor to such Company that shall adopt the Plan pursuant to Article 12 (relating to continuance by successor entities).

(12) Compensation. The regular base salary or base wages, as applicable, paid by an Employer to an Eligible Employee for a Plan Year, increased by all payments made during such Plan Year by an Employer to such Eligible Employee under any of the plans set forth in Exhibit A attached hereto, all nuclear license bonuses paid during such Plan Year by an Employer to such Eligible Employee and all amounts not includible in such Eligible Employee's regular base salary or base wages solely on account of his or her election to have compensation reduced pursuant to any qualified cash or deferred arrangement described in section 401(k) of the Code or a cafeteria plan as defined in section 125 of the Code, in either case, maintained by an Employer, but excluding any reimbursements or other allowances for automobile, relocation, travel or education expenses (even if includible in the Employee's regular base salary or base wages) and any amount awarded under the Performance Share Award Program for Power Team Employees under the Exelon Corporation Long Term Incentive Plan (or any predecessor or successor program). Notwithstanding the preceding sentence, an Employee's Compensation in excess of the dollar amount prescribed by section 401(a)(17) of the Code (as adjusted for increases in the cost-of-living) shall not be taken into account for any purposes under the Plan. In the case of a Participant who is absent from employment due to a leave of absence for participation in Military Service, Compensation shall mean, for the period during which the Participant is absent due to Military Service, the Participant's Compensation, as defined above, for the twelve-month period preceding the first day of the Participant's absence.

(13) Effective Date. January 1, 2001.

(14) Eligible Employee. Any Employee the terms of whose employment are not subject to a collective bargaining agreement who has not, prior to the Effective Date, had an

Hour of Service with any Affiliate and whose first Hour of Service with an Employer is on or after the Effective Date and who is either receiving regular salary or wages from and rendering services to an Employer or is on authorized absence, and any Employee who is a non-exempt or a part-time exempt employee of the Power Team, regardless of whether such Employee completes his or her first Hour of Service with an Employer or an Affiliate on or after the Effective Date, provided, however, that any individual who became an employee of the Power Team on or after October 20, 2000 and prior to December 31, 2000 shall not be an Eligible Employee. In addition, any full-time exempt Employee of the Power Team who transfers employment to a participating business unit of an Employer shall become an Eligible Employee upon the date of such transfer. Effective January 1, 2002, any individual who (a) is, at any time between January 1, 2002 and March 31, 2002, an Employee the terms of whose employment are not subject to a collective bargaining agreement and (b) was, on December 31, 2000, a participant in either the ComEd Plan (other than a participant the terms of whose employment are subject to a collective bargaining agreement) or the PECO Plan or would have been a participant in the PECO Plan if the age and service requirements for participation in the PECO Plan were disregarded shall be an Eligible Employee. Notwithstanding the preceding sentences, an Eligible Employee shall not include (a) an Employee the terms of whose employment are subject to a collective bargaining agreement, (b) an Employee paid on the temporary payroll of an Employer who has never completed at least 1,000 Hours of Service in any period of twelve consecutive months beginning with the Employee's date of employment or anniversary thereof, (c) an Employee who executes a written waiver of his or her right to participate in the Plan and (d) an individual rendering services to an Employer who is not on the payroll of any Employer. It is expressly intended that an individual rendering services to an Employer pursuant to any of the following agreements shall be excluded from Plan participation pursuant to clause (d) of this subdivision even if a court or administrative agency determines that such individual is an Employee: (i) an agreement providing that such services are to be rendered as an independent contractor, (ii) an agreement with an entity, including a leasing organization within the meaning of section 414(n)(2) of the Code, that is not an Employer or (iii) an agreement that contains a waiver of participation in the Plan. Notwithstanding anything contained in the Plan to the contrary, any Employer may, at any time, designate, with the consent of the Committee, a specified group of Employees who will be Eligible Employees. In the case of an individual who, as of December 31, 2000, was an Employee of Commonwealth Edison Company and who subsequently transfers employment to employment with the Exelon Power Team and elects to participate in the Plan pursuant to Section 3.1(b) (relating to eligibility for participation for employees other than new hires), such individual shall remain an Eligible Employee through a date not later than December 31, 2002. In the case of Exelon Services Inc., the term "Eligible Employee" shall be limited to those Employees of Exelon Services Inc. who were on the payroll of Unicom Energy Solutions as of April 1, 2001 and are otherwise Eligible Employees who have elected to participate in the Plan pursuant to Section 3.1(b).

(15) Employee. An individual whose relationship with an Employer is, under common law, that of an employee.

(16) Employer. The Company, Commonwealth Edison Company, PECO Energy Company, Exelon Generation Company, LLC, Exelon Enterprise, LLC, Exelon Business Services Company, any Affiliate that is a participating employer in the Exelon Corporation Retirement Program as of December 31, 2001, and any other Affiliate that, with the consent of the Company, elects to participate in the Plan in the manner described in Article 11 (relating to

participation by other employers) and any successor entity that adopts the Plan pursuant to Article 12 (relating to continuance by successor entities). If any such entity withdraws from participation in the Plan pursuant to Section 11.2 (relating to withdrawal from participation) or terminates its participation in the Plan pursuant to Section 15.3 (relating to termination of the Plan by an Employer), such entity shall thereupon cease to be an Employer.

(17) ERISA. The Employee Retirement Income Security Act of 1974, as amended.

(18) Hour of Service. (a) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties (such hours to be credited to the Employee for the computation period or periods in which the duties are performed); (b) each hour for which an Employee is paid, or entitled to payment, on account of a period of time during which no duties are performed (irrespective of whether a Termination of Employment has occurred) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence (such hours to be credited to the Employee for the computation period or periods in which the period of time during which no duties are performed occurs); and (c) each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by an Employer (such hours to be credited to the Employee for the computation period or periods in which the award or agreement pertains rather than the computation period in which the award, agreement or payment is made). Hours of Service shall be computed in accordance with paragraphs (b) and (c) of Section 2530.200b-2 of the Department of Labor Regulations.

(19) Investment Credits. The amounts credited to a Participant's Cash Balance Account pursuant to Section 6.1(d).

(20) Military Service. The performance of duty on a voluntary or involuntary basis in a "uniformed service" (as defined below) under competent authority of the United States government and includes active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty, and a period for which a person is absent from employment for the purpose of an examination to determine the fitness of the person to perform any such duty. For purposes of the preceding sentence, the term "uniformed service" means the Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty, the commissioned corps of the Public Health Service, and any other category of persons designated by the President of the United States in time of war or emergency.

(21) Normal Retirement Age. With respect to a Participant's Cash Balance Account, the earlier of (a) the date the Participant completes five years of Vesting Service and (b) the later of (i) the Participant's 65th birthday, and (ii) the fifth anniversary of the date the Participant commenced participation in the Plan.

(22) Participant. An Eligible Employee who has satisfied the requirements set forth in Article 3 (relating to participation). An Eligible Employee who becomes a Participant shall cease to be a Participant upon the distribution of his or her entire vested benefit under the Plan. Any Participant who upon his or her Termination of Employment has not satisfied the Vesting Requirement shall cease to be a Participant upon such Termination of Employment.

(23) PECO Plan. The Service Annuity Plan of PECO Energy Company.

(24) Pension. A monthly payment continuing for the lifetime of the payee.

(25) Pension Starting Date. The first day as of which an amount becomes payable to a Participant or Beneficiary in accordance with Article 7 (relating to distributions). A Participant or Beneficiary shall have only one Pension Starting Date with respect to the Participant's Accrued Benefit.

(26) Period of Severance. Any twelve-month period commencing on the date an Employee terminates employment or any twelve-month period beginning on the anniversary of such date during which the Employee does not perform any Hours of Service for an Employer. For purposes of this definition, an Employee shall be credited with Hours of Service for any period of absence from an Employer during which such Employee (a) is in Military Service, provided that the Employee returns to the employ of an Employer within the period prescribed by laws relating to the reemployment rights of persons in Military Service, (b) is on an uncompensated leave of absence duly granted by an Employer, or (c) is absent from work for a maximum of twenty-four consecutive months because of (i) the pregnancy of the Employee, (ii) the birth of the Employee's child, (iii) the placement of a child with the Employee in connection with the Employee's adoption of such child, or (iv) the need to care for any such child for a period beginning immediately following such birth or placement. Notwithstanding the foregoing, no Hours of Service shall be credited to an Employee under clause (c) of this subsection unless the Employee timely furnishes to the Committee a certificate of birth, proof of adoption or other appropriate legal documentation setting forth parentage or adoption.

(27) Plan. The plan herein set forth and as from time to time amended.

(28) Plan Year. The calendar year.

(29) Qualified Domestic Relations Order. Any domestic relations order which the Committee has determined, in accordance with procedures established by the Committee to be a "qualified domestic relations order" defined in section 414(p) of the Code.

(30) Qualified Joint and Survivor Annuity. The form of distribution described in Section 7.2(b) (relating to manner of distribution with respect to married Participants).

(31) Regulations. Written temporary or final regulations of (i) the Department of Labor construing ERISA or (ii) the Treasury Department construing the Code.

(32) Schedule. If a Participant's accrued benefit under the ComEd Plan was transferred to the Plan pursuant to Section 3.1(c) (relating to transfer of benefits and assets to Plan) or Section 9.1 (relating to recommencement of employment by terminated employee), Schedule A and, if a Participant's accrued benefit under the PECO Plan was transferred to the Plan pursuant to Section 3.1(c) or Section 9.1, Schedule B.

(33) Schedule Equivalent. A benefit of value equivalent to the value of the benefit being replaced, computed using the actuarial factors and rules set forth in the applicable Schedule.

(34) Service Credits. The amounts, if any, credited to a Participant's Cash Balance Account pursuant to Section 6.1(c).

(35) Spouse. The individual married to a Participant on the Participant's Pension Starting Date or, if earlier, on the date of the Participant's death. While the Spouse is living and, except as otherwise provided in a qualified domestic relations order as described in Section 13.2(b) (relating to exception to nonassignability in the case of a qualified domestic relations order) or Section 7.4(h) (relating to automatic cancellation of elections), such Spouse shall be treated as the Participant's Spouse for all purposes of the Plan without regard to whether such Spouse remains married to the Participant after the Participant's Pension Starting Date.

(36) Target Income. (a) In the case of a Participant who participated in the ComEd Plan prior to becoming a Participant, Target Income means the sum of (i) the total of the Participant's "basic compensation" as defined in the ComEd Plan for all pay periods ending during calendar year 2001 (for a Participant who was on an authorized leave of absence during calendar year 2001, basic compensation for any pay period during which such Participant did not receive compensation shall be the Participant's average base pay rate per pay period for the twelve-month period preceding the first day of the Participant's leave of absence) and (ii) "incentive pay" as defined in the ComEd Plan, except that incentive pay shall equal 100% of the target incentive pay the Participant would receive for calendar year 2002 under the applicable plans if the target goals were achieved during 2002, except that incentive pay shall equal 100% of the target incentive pay the Participant would receive for calendar year 2002 under the applicable plans if the target goals were achieved during 2002.

(b) In the case of a Participant who participated in the PECO Plan prior to becoming a Participant, Target Income means the sum of (i) the Participant's "annual base salary" for 2001 determined in accordance with Section 3.1(b) of the PECO Plan (for a Participant who was on an authorized leave of absence during calendar year 2001, annual base salary for 2001 shall be determined by assuming that for any pay period during which such Participant did not receive compensation, the Participant was paid the base rate in effect immediately prior to the start of the Participant's leave of absence) and (ii) incentive pay under any Employer's incentive pay plan (excluding the Performance Share Award Program for Power Team Employees under the Exelon Corporation Long Term Incentive Plan), except that incentive pay shall equal 100% of the target incentive pay the Participant would receive for calendar year 2002 under the applicable plans if the target goals were achieved during 2002.

In determining "incentive pay" for purposes of the preceding subparagraphs, (i) if the Participant's incentive pay is determined by multiplying his or her compensation by a percentage, the target percentage for 2002 shall be used for such Participant and such target percentage shall be multiplied by the Participant's 2001 "basic compensation" or "annual base salary", as applicable, (ii) if the Participant's incentive pay is defined as a flat dollar amount, the Participant's incentive pay shall be the 2002 target incentive pay, (iii) if the Participant's incentive pay is determined by adding quarterly bonus targets and an annual target incentive, the Participant's incentive pay shall equal the sum of the target quarterly bonuses for calendar year 2002 and the target annual incentive for calendar year 2002, and (iv) if any limits apply to the payment of incentive compensation to a Participant under any applicable incentive pay plan, such limits will apply for purposes of this Plan.

(37) Termination of Employment. A Participant's ceasing to be an Employee of all Employers and all Affiliates. A transfer between employment by an Employer and employment by an Affiliate or between employment by Employers or Affiliates shall not constitute a Termination of Employment.

(38) Transition Credit. An amount equal to the product of the following: (a) a Participant's "credited service" under the ComEd Plan or the Participant's "benefit years" under the PECO Plan, as applicable, determined as of December 31, 2001, (b) the percentage applicable to the Participant determined pursuant to Table T and (c) the Participant's Target Income. Notwithstanding the preceding sentence, in no event shall a Participant's Transition Credit exceed 100% of his or her Target Income.

(39) Trust. The Commonwealth Edison Pooled Fund, as from time to time amended.

(40) Trust Fund. All money and property of every kind held by the Trustee pursuant to the terms of the agreement governing the Trust.

(41) Trustee. The trustee provided for in Article 5 (relating to the Trust) or any successor trustee or, if there is more than one such trustee acting at any time, all of such trustees collectively.

(42) Vesting Requirement. A Participant's attainment, during the time such Participant is an Employee, of his or her Normal Retirement Age.

(43) Vesting Service. The period of an Employee's employment which is used to determine whether the Employee has satisfied the Vesting Requirement. An Employee's Vesting Service includes the aggregate of the periods during which the Employee is employed by an Employer or an Affiliate beginning on the day on which the Employee first performs an Hour of Service with an Employer or Affiliate, provided that in the case of an Employee who has no vested right to any benefits under this Plan, such Employee's periods of employment before and after a period of absence from employment shall be aggregated only when the Employee's number of consecutive one-year Periods of Severance is less than five and the Employee has at least one year of Vesting Service after such period of absence from employment. For purposes of the preceding sentence, an Employee shall be deemed to be employed by an Employer or an Affiliate during (a) any period of absence from employment by an Employer or an Affiliate which is of less than twelve months' duration, (b) the first twelve months of any period of absence from employment for any reason other than the Employee's quitting, retiring or being discharged, (c) the period during which the Employee is not rendering services to any Employer or Affiliate as a result of a disability during which period the Employee is receiving benefits under any Employer's or Affiliate's long-term disability plan and (d) any period during which the Employee is in Military Service, provided that the Employee returns to the employ of an Employer or an Affiliate within the period prescribed by laws relating to the reemployment rights of persons in Military Service. The Committee may require certification from an Employee, as a condition of granting Vesting Service under this subdivision (43), that the leave was taken for one of the reasons enumerated in the preceding sentence. Notwithstanding the preceding sentences, in determining an Employee's period of absence from employment by an Employer or an Affiliate, the following shall be disregarded: the first twenty-four months of any period of absence from employment by reason of (i) the Employee's pregnancy, (ii) the birth of the Employee's child, (iii) the placement of a child with the Employee in connection with the adoption of such child by such Employee or (iv) caring for such child for a period beginning immediately following such birth or placement. Notwithstanding anything in this definition to the contrary, the Vesting Service for a Participant who elects to participate in the Plan pursuant to Section 3.1(b) (relating to eligibility for participation for employees other than new hires) and

whose accrued benefit under the PECO Plan is transferred to the Plan pursuant to Section 3.1(c) (relating to transfer of benefits and assets to Plan) shall be (a) for periods prior to January 1, 2002, the vesting service credited to the Participant under the terms of the PECO Plan, as in effect on December 31, 2001, and (b) for the Participant's "eligibility computation period" (as defined in the PECO Plan) that ends during the 2002 Plan Year, the greater of (i) the Vesting Service, for such period, determined pursuant to this subdivision (43) and (ii) the vesting service, for such period, determined pursuant to the terms of the PECO Plan.

ARTICLE 3
PARTICIPATION

Section 3.1 Eligibility for Participation. (a) New Hires. Each Eligible Employee who has not, prior to the Effective Date, had an Hour of Service with any Affiliate and whose first Hour of Service with an Employer is on or after the Effective Date shall become a Participant as of the first day that such Eligible Employee completes an Hour of Service with an Employer as an Eligible Employee.

(b) Other Employees. Each individual who (a) is, at any time between January 1, 2002 and March 31, 2002, an Employee and (b) was, on December 31, 2000, a participant in either the ComEd Plan (other than a participant the terms of whose employment are subject to a collective bargaining agreement) or the PECO Plan, or would have been a participant in the PECO Plan if the age and service requirements for participation in the PECO Plan were disregarded, shall be permitted to elect, in the time and manner prescribed by the Committee, to either (i) continue participating in the ComEd Plan or the PECO Plan, as the case may be, on and after January 1, 2002 (or begin participating in the PECO Plan, in the case of an Employee who will satisfy the eligibility and age and service requirements for participation in such plan on January 1, 2002) or (ii) cease participating in the applicable Plan described in clause (i) hereof as of December 31, 2001 and begin participating in the Plan as of January 1, 2002 (or, if later, his or her employment or reemployment date). Each such Eligible Employee who affirmatively elects to participate in the Plan in lieu of participation in the ComEd Plan or the PECO Plan shall

become a Participant as of January 1, 2002 (or, if later, his or her employment or reemployment date), unless such Participant receives a notification (the "Notice") from an Employer that his or her employment with the Employers and their Affiliates will be terminated on or before December 31, 2002 and that such Participant is eligible for severance benefits under the Exelon Corporation Merger Separation Plan for Designated Management Employees or any other severance plan maintained by an Employer or an Affiliate. An Eligible Employee who receives a Notice shall not become a Participant, notwithstanding such Eligible Employee's election to participate in the Plan. An Eligible Employee (i) who receives a Notice, but whose employment does not terminate on or before December 31, 2002, or (ii) whose employment terminates before December 31, 2002 without the Employee receiving a Notice shall become a Participant as of January 1, 2002 (or, if later, his or her employment or reemployment date) if such Employee elects, in the time and manner prescribed by the Committee, to participate in the Plan.

(c) Transfer of Benefits and Assets to Plan. If an Employee described in paragraph (b) above elects to participate in the Plan in lieu of participating in the ComEd Plan or the PECO Plan, as the case may be, the Employee's accrued benefit under either such plan, determined as of December 31, 2001 in accordance with the provisions of the applicable plan, shall be transferred to the Plan. An amount of assets that is equal to the present value of the Employee's accrued benefit described in the preceding sentence determined using the methods and assumptions prescribed by Section 4044 of ERISA shall also be transferred to the Plan. Such transfer of benefits and assets related thereto shall occur as soon as practicable after the Eligible Employee makes the election described in paragraph (b) above. Each Participant whose benefits are so transferred shall be permitted to have his or her Accrued Frozen Benefit paid in any of the optional forms of benefit listed in the applicable Schedule in lieu of the forms provided

hereunder. The provisions set forth in the applicable Schedule shall govern all matters relating to a Participant's Accrued Frozen Benefit.

In the event that an Eligible Employee whose accrued benefit under the ComEd Plan or the PECO Plan, and related assets, is transferred to the Plan receives a Notice and has a Termination of Employment on or before December 31, 2002, the accrued benefit, and related assets, transferred to the Plan shall be transferred back to the ComEd Plan or the PECO Plan, as the case may be, and the amount of the pension benefit accrued by such Employee during 2002 (if any) shall be determined under the terms of the ComEd Plan or the PECO Plan, as applicable, rather than the Plan. Such transfer shall occur as soon as administratively practicable.

Section 3.2 Transfer to Affiliates. If a Participant is transferred from one Employer to another Employer or from an Employer to an Affiliate that is not an Employer, then such transfer shall not terminate the Participant's participation in the Plan and the Participant shall continue to participate in the Plan until an event occurs that would have entitled the Participant to a complete distribution of the Participant's vested Pension had the Participant continued to be employed by an Employer until the occurrence of such event. Nevertheless, a Participant shall not be entitled to receive Service Credits under Section 6.1(c) (relating to Service Credits) during any period of employment by any Affiliate that is not an Employer, and periods of employment with an Affiliate that is not an Employer shall be taken into account only to the extent set forth in Section 9.3 (relating to employment by related entities).

Section 3.3 Cessation of Participation. An individual's participation in the Plan shall cease upon the date the individual is no longer eligible to receive a benefit from this Plan or upon the individual's Termination of Employment if the individual has not completed at least five years of Vesting Service upon the date of his or her Termination of Employment.

ARTICLE 4
SOURCE OF CONTRIBUTIONS

Section 4.1 Source of Contributions. The Employers intend to make contributions to the Trust of amounts which, in the aggregate over a period of time, shall be sufficient to finance the benefits provided by the Plan. Any such contributions shall be in such amounts and shall be made in such manner and at such time as the Company may from time to time determine in accordance with the funding policy it establishes and consistent with minimum funding standards under section 412 of the Code, provided, however, that all contributions made by the Employers for any Plan Year shall be made prior to the due date, including extensions thereof, of the Employers' federal income tax return for the taxable year of the Employers which coincides with such Plan Year. The Company may rely on the advice of actuaries in establishing and carrying out a funding policy. Forfeitures arising under the Plan for any reason shall be applied to reduce the cost of the Plan, not to increase the benefits otherwise payable to the Participants.

Section 4.2 Limitation on Contributions. The contributions of an Employer for any Plan Year shall not exceed the maximum amount for which a deduction is allowable to such Employer for federal income tax purposes for the taxable year of such Employer that ends with or within such Plan Year. Any contribution made by an Employer by reason of a good faith mistake of fact, or the portion of any contribution made by an Employer that exceeds the maximum amount for which a deduction is currently allowable to such Employer for federal income tax purposes, shall upon the request of such Employer be returned by the Trustee to the Employer. An Employer's request and the return of any such contribution must be made within one year after such contribution was mistakenly made or after the deduction of such excess portion of such contribution was disallowed, as the case may be. The amount to be returned to an Employer pursuant to this Section shall be the excess of (i) the amount contributed over (ii)

the amount that would have been contributed had there not been a mistake of fact or the maximum amount that is so deductible, as the case may be. Earnings attributable to the mistaken contribution shall not be returned to the Employer, but losses attributable thereto shall reduce the amount to be so returned.

ARTICLE 5
TRUST

A trust (the "Trust") has been created by the execution of a trust agreement between the Company and a trustee (the "Trustee") for purposes of holding and administering the assets of the Plan. All contributions under the Plan shall be paid to the Trustee. The Trustee shall hold all monies and other property received by it and invest and reinvest the same, together with the income therefrom, on behalf of the Participants collectively in accordance with the provisions of such trust agreement. The Trustee shall make distributions from the Trust Fund at such time or times to such person or persons and in such amounts as the Committee directs in accordance with the Plan.

ARTICLE 6
PARTICIPANT ACCOUNTS

Section 6.1 Cash Balance Accounts. (a) Establishment of Accounts. A separate Cash Balance Account shall be established for each Participant. Each such account shall have an initial balance of zero until credited with any Transition Credit, if applicable, or Service Credit as provided herein. Each such account shall be for accounting purposes only, and there shall be no segregation of assets among such accounts. A Participant's Cash Balance Account shall cease to be maintained as of the Participant's Pension Starting Date (except to the extent such Pension Starting Date is required by Section 7.1(b) (relating to distributions to five percent owners)), in

which case the Participant's Cash Balance Account shall cease to be maintained as of the first January 1 following the Participant's Termination of Employment).

(b) Transition Credit. A Participant's Cash Balance Account shall be credited, as of the first day of the Plan Year in which such Participant becomes a Participant, with an amount equal to the Participant's Transition Credit, provided that (a) the Participant is an Employee on January 1, 2002 and becomes a Participant pursuant to Section 3.1(b) (relating to eligibility for participation for employees who are not new hires) and (b) the Participant is not an employee of the Power Team. An Employee who becomes a Participant pursuant to Section 3.1(a) (relating to eligibility for participation for new hires) shall not be credited with a Transition Credit at any time and a rehired Employee who becomes a Participant pursuant to Section 9.1 (relating to recommencement of employment by terminated employee) shall not be credited with a Transition Credit at the time of his or her rehire.

(c) Service Credits. A Participant's Cash Balance Account shall be credited, as of the last day of each Plan Year during which the Participant is a Participant and an Eligible Employee, with an amount equal to 5.75% of the Compensation received by such Participant during such portion of such Plan Year that the Participant was an Eligible Employee. Notwithstanding the foregoing, if a Participant's Pension Starting Date occurs other than on the last day of a Plan Year and if the Participant is entitled to have an amount credited to his or her Cash Balance Account for such Plan Year pursuant to the preceding sentence, such amount shall be credited to the Participant's Cash Balance Account as of the last day of the month before such Pension Starting Date (and prior to the crediting of any Investment Credit for such Plan Year). No amount shall be credited pursuant to this paragraph (c) to the Cash Balance Account of a Participant who is not rendering services to any Employer or Affiliate as a result of a disability,

regardless of whether such Participant is receiving benefits under any Employer's or Affiliate's long-term disability plan.

(d) Investment Credits. A Participant's Cash Balance Account shall be credited, as of the last day of each Plan Year during which the Participant is a Participant, whether or not such Participant is an Eligible Employee during such Plan Year, with an amount equal to the product of (i) the "Plan Interest Rate" (as defined below) multiplied by (ii) the balance of such Participant's Cash Balance Account as of the first day of such Plan Year. A Participant who is not rendering Services to any Employer or Affiliate as a result of a disability with respect to which such Participant is receiving benefits under any Employer's or Affiliate's long-term disability plan shall be credited with the amount described in the first sentence of this paragraph (d). Notwithstanding the preceding sentences, if a Participant's Pension Starting Date occurs other than on the last day of a Plan Year, the amount to be credited to the Participant's Cash Balance Account pursuant to this paragraph (d) for the Plan Year in which the Participant's Pension Starting Date occurs shall be equal to the product of (i) 4% multiplied by (ii) a fraction, the numerator of which is the number of whole calendar months during such Plan Year prior to and including the month which contains the date immediately preceding the Participant's Pension Starting Date and the denominator of which is twelve, and such Investment Credit shall be made as of the last day of the month before such Pension Starting Date prior to the crediting of any Service Credit for such year. Except to the extent provided in Section 7.2(d)(2) (relating to special rules regarding pensions), a Participant's Cash Balance Account shall not be credited with Investment Credits after the Participant's Pension Starting Date. For purposes of this Section, the Plan Interest Rate for any Plan Year shall mean a percentage equal to the greater of (i) 4% and (ii) the average of (A) the "applicable interest rate" as defined in section 417(e)(3) of

the Code for the month of November of such Plan Year and (B) the annual percentage rate of return for the S&P 500 Stock Index for the 12-month period ending on December 31 of such Plan Year, as reported in The Wall Street Journal on the first business day of the succeeding year.

(e) Additional Credit. If, as of a Participant's Pension Starting Date, the amount described in (1) below exceeds the amount described in (2) below, an amount equal to the difference between such amounts shall be credited the Participant's Cash Balance Account as of the day before such Pension Starting Date:

(1) The cumulative amount that would have been credited to the Participant's Cash Balance Account if the Plan Interest Rate described in Section 6.1(d) of the Plan (relating to Investment Credits) were credited to the Participant's "Opening Credit" (as defined below) for each Plan Year during which the Participant is a Participant at the Plan Interest Rate then in effect, whether or not such Participant is an Eligible Employee during such Plan Year.

(2) The cumulative amount that would have been credited to the Participant's Cash Balance Account if 6.5% interest were credited to the Participant's "Opening Credit" (as defined below) for all Plan Years during which the Participant is a Participant, whether or not such Participant is an eligible Employee during such Plan Year.

If the amount described in (1) above is equal to or less than the amount described in (2) above, no amount shall be credited to the Participant's Cash Balance Account pursuant to this paragraph (e) of Section 6.1. In addition, no amount shall be credited pursuant to this paragraph (e) if a Participant does not have an Accrued Frozen Benefit.

For purposes of this paragraph (e), "Opening Credit" shall mean an amount equal to the present value of a Participant's Accrued Frozen Benefit determined as of December 31, 2001 using a 6.5% discount rate and the 1983 Group Annuity (unisex) Mortality Table (50% male, 50% female) assuming the Accrued Frozen Benefit otherwise payable at the Schedule A

Retirement Date would commence at the later of the Participant's attained age as of December 31, 2001 or age 60.

ARTICLE 7
DISTRIBUTIONS

Section 7.1 Time of Distribution. (a) In General. A Participant who has satisfied the Vesting Requirement shall be entitled to receive a distribution of the aggregate of the balance of his or her Cash Balance Account and his or her Accrued Frozen Benefit in the manner provided by Section 7.2 (relating to form of distribution) commencing as soon as practicable after the first day of the month immediately following the date on which the Participant's Termination of Employment occurs, provided, however, that for 2002, distributions may be made at such time as prescribed by the Committee after the transfer of benefits and assets pursuant to Section 3.1(c) is accomplished, but no earlier than June 1, 2002. Notwithstanding the preceding sentence, a Participant whose Termination of Employment occurs prior to such Participant's attainment of age 70-1/2 shall be deemed to have elected to defer receipt of his or her Cash Balance Account and Accrued Frozen Benefit until the April 1 next following the date the Participant attains age 70-1/2, unless the Participant elects, in the time and manner described in the following sentence, to receive a distribution prior to such date. The Participant may elect to commence such distribution by giving the Committee not less than 30 nor more than 90 days advance written notice of the Pension Starting Date desired by the Participant; provided, however, that the Committee may waive such advance written notice requirement if the Participant submits the appropriate form to the Committee in accordance with the requirements set forth in Section 7.4(d) (relating to notice of availability of optional forms of benefit). A Participant who has satisfied the Vesting Requirement and who does not make an election as described in the preceding sentence prior to such Participant's attainment of age 70-1/2 shall receive a

distribution of the aggregate of the balance of his or her Cash Balance Account and his or her Accrued Frozen Benefit in the manner provided by Section 7.2 (relating to form of distribution) commencing no later than April 1 next following the date the Participant attains age 70-1/2.

(b) Distributions to Five Percent Owners. Notwithstanding any provision of the Plan to the contrary, if a Participant who has satisfied the Vesting Requirement and who is a "five percent owner" (as described in section 416(i) of the Code) remains employed by an Employer through April 1 of the year following the year in which the Participant attains age 70 1/2, distribution of the balance of the Participant's Cash Balance Account and his or her Accrued Frozen Benefit shall commence on such April 1 (or such later date as may be provided by the Code or Regulations). Any other Participant who remains in such employment shall not be permitted to commence distribution of such Participant's Cash Balance Account or Accrued Frozen Benefit at the time specified in the preceding sentence unless required by the Code or Regulations.

(c) Immediate Distribution of Small Benefits. Notwithstanding any provision of the Plan to the contrary, if, as of the date of a Participant's Termination of Employment (including on account of death), the aggregate of the balance of the Participant's Cash Balance Account and the lump sum Schedule Equivalent of the Participant's Accrued Frozen Benefit does not exceed $5,000, such Participant or, in the event of the Participant's death, such Participant's Beneficiary or Beneficiaries, shall receive a distribution in the amount and in the form described in Option 2 of Section 7.2(c) (relating to lump sum distribution) as soon as practicable following such Termination of Employment in satisfaction of all benefits to which the Participant or his or her Beneficiaries, as the case may be, is entitled under the Plan.

(d) Deemed Distributions. If a Participant has not satisfied the Vesting Requirement upon his or her Termination of Employment, such Participant's vested interest in his or her benefit under the Plan shall have a value of zero, such Participant shall be deemed to have received immediately after such termination a lump sum distribution of such vested interest and concurrent therewith shall forfeit all benefits hereunder, and the Participant's Cash Balance Account and Accrued Frozen Benefit shall no longer be maintained.

Section 7.2 Form of Distribution. (a) Manner of Distribution With Respect to Unmarried Participants. A Participant who is not married on his or her Pension Starting Date shall have the Actuarial Equivalent of the Participant's Accrued Benefit attributable to his or her Cash Balance Account and the Schedule Equivalent of his or her Accrued Frozen Benefit, if any, distributed in the form of a Pension for the life of the Participant unless the Participant elects an optional form of distribution described in paragraph (c) of this Section (relating to optional forms of distributions) at the time and in the manner described in Section 7.4 (relating to election and waiver procedures).

(b) Manner of Distribution With Respect to Married Participants. A Participant who is married on his or her Pension Starting Date shall have the Actuarial Equivalent of the Participant's Accrued Benefit attributable to his or her Cash Balance Account and the Schedule Equivalent of his or her Accrued Frozen Benefit, if any, distributed in the form of a Pension payable to the Participant for the life of the Participant and, thereafter, if the Participant's Spouse survives the Participant, a Pension payable to the Spouse during the remaining lifetime of such Spouse equal to 50% of the Pension payable to the Participant during the Participant's lifetime. Notwithstanding the preceding sentence, the Participant, with the consent of his or her Spouse, may elect an optional form of distribution described in paragraph (c) of this Section (relating to

optional forms of distributions) at the time and in the manner described in Section 7.4 (relating to election and waiver procedures).

(c) Optional Forms of Distribution. Upon written request to the Committee made at the time and in the manner prescribed in Section 7.4 (relating to election and waiver procedures), a Participant may elect to receive a distribution of the Participant's benefit under the Plan in one of the following optional forms in lieu of the form described in paragraph (a) or (b) of this Section (relating to manner of distribution with respect to unmarried Participants and married Participants, respectively):

Option 1: Life Annuity. If the Participant is married on his or her Pension Starting Date, a Pension payable for the life of the Participant in an amount that is the Actuarial Equivalent of the Participant's Accrued Benefit attributable to his or her Cash Balance Account and the Schedule Equivalent of his or her Accrued Frozen Benefit, if any.

Option 2: Lump Sum Distribution. A single, lump sum distribution in an amount equal to the sum of (a) the balance credited to the Participant's Cash Balance Account as of the last day of the month immediately preceding the date of such distribution and (b) the lump sum Schedule Equivalent of the Participant's Accrued Frozen Benefit.

Option 3: Survivor Annuity. A reduced Pension payable to the Participant during the Participant's lifetime and, thereafter, if the designated Beneficiary survives the Participant, a Pension equal to 100%, 75% or 50% (whichever is specified when this option is elected) of such reduced Pension payable to the Designated Beneficiary during the remaining lifetime of such Designated Beneficiary, the aggregate amount of which are the Actuarial Equivalent of the Participant's Accrued Benefit attributable to his or her Cash Balance Account and the Schedule Equivalent of his or her Accrued Frozen Benefit, if any.

(d) Special Rules Regarding Pensions.

(1) If a Participant's spouse dies before the Participant's Pension Starting Date and the Participant has not elected an optional form of distribution described in paragraph (c) of this Section (relating to optional forms of distribution), the Participant shall again be entitled to make an election under this Section.

(2) If a Pension commences pursuant to Section 7.1(b) (relating to distributions to five percent owners) while a Participant remains employed by an Employer, such Pension shall be actuarially adjusted as of January 1 following the end of each calendar year during which such Participant remains employed by an Employer to reflect any additional Service Credits and Investment Credits credited to the Participant's Cash Balance Account as of December 31 of the preceding calendar year.

(3) If a Participant elects Option 3 under Section 7.2(c) and the Participant's Beneficiary is other than the Participant's Spouse, the Pension payable to the Participant and to the Beneficiary shall be adjusted as is necessary to satisfy the incidental benefit requirement under section 401(a)(9) of the Code.

Section 7.3 Death Benefits. (a) Eligibility. If a Participant who has satisfied the Vesting Requirement dies prior to his or her Pension Starting Date, the Participant's surviving Beneficiary shall be entitled to receive a benefit under this Section. In addition, if a Participant dies while an Employee, the Participant's surviving Beneficiary shall be entitled to receive a benefit under this Section, regardless of whether the Participant has satisfied the Vesting Requirement.

(b) Form of Payment. A surviving Beneficiary who is entitled to a distribution of the Participant's benefit under this Section shall receive the following, as applicable:

(1) Lump Sum Payment. A lump sum payment that is equal to the sum of (a) the balance credited to the Participant's Cash Balance Account as of the last day of the month immediately preceding the date of such distribution and (b) the lump sum Schedule Equivalent of the Participant's Accrued Frozen Benefit shall be payable to the Participant's surviving Beneficiary not later than the fifth anniversary of the Participant's death. Notwithstanding the foregoing, should any benefit be payable pursuant to subparagraph (2) of this Section 7.3(b) (relating to statutory surviving Spouse's benefit), the amount of any benefit payable pursuant to this subparagraph (1) shall be reduced by the Actuarial Equivalent of the benefit payable pursuant to such subparagraph (2).

(2) Statutory Surviving Spouse's Benefit. If the Participant is survived by a Spouse to whom the Participant was married throughout the one-year period ending on the date of the Participant's death, then, unless such Participant has with his or her Spouse's consent waived the benefit described herein in the manner described in Section 7.4(e) (relating to waiver of statutory surviving Spouse's benefit), such Spouse shall be entitled to receive a survivor's Pension commencing as of any January 1 coinciding with or following the date of the Participant's death or any succeeding January 1 (but not later

than the January 1 immediately preceding or coinciding with the date the Participant would have attained age 70-1/2 had he or she survived) and continuing for the lifetime of such Spouse in an amount equal to the Pension such Spouse would have received pursuant to a Qualified Joint and Survivor Annuity if the Participant had survived until such day and such Qualified Joint and Survivor Annuity had commenced on such day and the Participant had died immediately after such annuity commenced, but determined without regard to any Service Credits that would have been credited to the Participant's Cash Balance Account with respect to any periods subsequent to the Participant's Termination of Employment.

(c) The death benefits provided by this Section shall not be effective to the extent required to be comply with the terms of a Qualified Domestic Relations Order.

Section 7.4 Election and Waiver Procedures. (a) Election of Optional Form of Benefit. Subject to paragraph (c) of this Section (relating to spousal consent to election of optional form of benefit or beneficiary designation), a Participant may elect, change or revoke any form of distribution provided under Section 7.2 (relating to forms of distribution) at any time during the 90-day period ending on the later of the Participant's Pension Starting Date and the date the Participant's benefit is paid or commences. Such an election, change or revocation shall be made by the Participant delivering a written notice describing the election, change or revocation to the Committee on a form provided by the Committee for this purpose.

(b) Beneficiary Designation. Subject to paragraph (e) below (relating to waiver of statutory surviving spouse's benefit), each Participant may designate one or more Beneficiaries to receive any payment pursuant to Section 7.3(b)(1) (relating to lump sum pre-retirement death benefit) in the event of his or her death. A Participant may from time to time, without the consent of any Beneficiary, change or cancel any such designation. Such designation and each change therein shall be made in the form prescribed by the Committee and shall be filed with the Committee. If no Beneficiary has been designated by a deceased Participant, or the designated Beneficiary has predeceased the Participant, any payment pursuant to Section 7.3(b)(1) (relating

to lump sum pre-retirement death benefit) shall be made by the Trustee at the direction of the Committee (i) to the surviving Spouse of such deceased Participant, if any, or (ii) if there shall be no surviving Spouse, to the surviving children of such deceased Participant, if any, in equal shares, or (iii) if there shall be no surviving Spouse or surviving children, to the executor or administrator of the estate of such deceased Participant, or (iv) if no executor or administrator shall have been appointed for the estate of such deceased Participant within six months following the date of the Participant's death, in equal shares to the person or persons who would be entitled under the intestate succession laws of the state of the Participant's domicile to receive the Participant's personal estate. The marriage of a Participant shall be deemed to revoke any prior designation of a Beneficiary made by him or her and a divorce shall be deemed to revoke any prior designation of the Participant's divorced Spouse if written evidence of such marriage or divorce shall be received by the Committee before distribution shall have been made in accordance with such designation. If, within a period of three years following any Participant's death or other termination of employment by an Employer, the Committee in the exercise of reasonable diligence has been unable to locate the person or persons entitled to benefits under this Article in respect of such Participant, the rights of such person or persons shall be forfeited and the Committee shall direct the Trustee to pay such benefit or benefits to the person or persons next entitled thereto under the succession prescribed by this Section.

(c) Spousal Consent to Election of Optional Form of Benefit or Beneficiary Designation. If a Participant is married on his or her Pension Starting Date, and if after giving effect to an election, revocation or change described in paragraph (a) of this Section (relating to election of optional form of benefit) the Participant's Spouse would not be entitled to receive a survivor's benefit at least equal to that provided by Section 7.2(b) (relating to manner of distribution with respect to married Participants), such election, revocation or change shall not be

effective unless it shall have been consented to at the time of such election, revocation or change in writing by the Participant's Spouse and such consent acknowledges the effect of such election and is witnessed by a notary public. The consent of a Spouse to such an election, revocation or change shall not be required if it is established to the satisfaction of the Committee that such consent cannot be obtained because there is no Spouse, the Spouse cannot be located or such other circumstances as may be prescribed in Regulations. If the Spouse is legally incompetent to give consent, the consent may be executed by the Spouse's legal guardian (including the Participant, if the Participant is the legal guardian). An election of an optional form of distribution shall be deemed a rejection of the distribution form provided by paragraph (a) or (b) of Section 7.2 (relating to manner of distribution with respect to unmarried Participants and manner of distribution with respect to married Participants). The consent of a Spouse otherwise required by this paragraph shall not be necessary for a distribution required by a Qualified Domestic Relations Order.

(d) Notice of Availability of Optional Forms of Benefit. No less than 30 days (or such shorter period as may be permitted by applicable law) and no more than 90 days before the later of a Participant's Pension Starting Date and the date the Participant's benefit is paid or commences, the Committee shall give the Participant by mail or personal delivery written notice in non-technical language that he or she may elect an optional form of distribution set forth in Section 7.2 (relating to form of distribution); provided, however, that the Participant may waive (with applicable spousal consent) such 30-day notice period as long as the Participant's distribution commences not less than eight days after such notice is provided. Such notice shall include a general description of the eligibility conditions and other material features of the optional forms of distribution provided under the Plan; the circumstances under which the basic forms of distribution set forth in Section 7.2 (relating to form of distribution) will be provided

unless a Participant, with the consent of the Participant's Spouse, elects otherwise; the Participant's right to revoke any such election; and information regarding the financial effect, in terms of dollars per payment, upon his or her distribution if he or she elects an optional form of distribution or revokes any prior election. Notwithstanding the foregoing, the Committee may provide such notice to the Participant after his or her Pension Starting Date; provided, however, that (i) the Participant waives (with applicable spousal consent) the 30-day election period provided by this paragraph and (ii) the Participant's distribution commences not less than eight days after such notice is provided.

(e) Waiver of Statutory Surviving Spouse's Benefit. A Participant may waive the statutory surviving spouse's benefit provided by Section 7.3(b)(2) at any time prior to the Participant's death, provided, however, that if such waiver is made prior to the Plan Year in which the Participant attains age 35, such waiver shall become invalid on the first day of such year unless the Participant has terminated employment by the Employers prior to such day. A Participant whose waiver becomes invalid pursuant to the preceding sentence may elect, at any time after the waiver becomes invalid, to again waive the statutory surviving spouse's benefit provided by Section 7.3(b)(2). A waiver made pursuant to this paragraph (e) shall be made by delivering a written notice thereof to the Committee on a form provided by the Committee for this purpose with a written consent of the Participant's Spouse which satisfies the requirements of paragraph (b) of this Section (relating to beneficiary designation) (unless it is determined pursuant to paragraph (c) of this Section that such consent is not needed). Such a waiver shall cease to be effective if, subsequent to the execution of such waiver, the Participant shall make any other Beneficiary designation pursuant to paragraph (b) of this Section (relating to beneficiary designation) which diminishes the rights or contingent rights of the Participant's Spouse, which are specified in the Beneficiary designation in effect at the time such Spouse

consented to such waiver, to all or part of the benefit provided under Section 7.3(b) (relating to form of payment of pre-retirement death benefits), provided, however, that in no event shall such other Beneficiary designation affect the effectiveness of such waiver if such Spouse shall have so specified at the time of consent. A waiver described in this paragraph shall cease to be effective on (i) the date on which the Participant is subsequently married to a person other than the Spouse who consented to such waiver, (ii) the Participant's Pension Starting Date, or (iii) the date of the Participant's revocation of such waiver.

(f) Notice of Right to Waive Statutory Surviving Spouse's Benefit. Not later than twelve months after the day on which an Employee has become a Participant, the Committee shall give the Participant by mail or personal delivery written notice in nontechnical language that he or she may waive the statutory surviving spouse's benefit provided by Section 7.3(b)(2). Such notice shall include a general description of terms and conditions of such benefit and the circumstances under which it will be provided unless waived and the Participant's right to revoke any such waiver and general information on the relative financial effect, if any, upon the Participant's Pension of such benefit and its waiver. Such notice shall also advise the Participant that, upon written request to the Committee prior to the end of the waiver period set forth in paragraph (e) of this Section (relating to waiver of statutory surviving spouse's benefit), he or she will be given a written explanation in nontechnical language of the terms and conditions of such benefit and the financial effect, in terms of dollars per payment, upon his or her other death benefits if he or she does not waive such benefit. Such explanation shall be mailed or personally delivered to the Participant within 30 days from the date his or her written request is received by the Committee.

(g) Election of Optional Form of Statutory Surviving Spouse's Benefit. A surviving Spouse may elect to have the statutory surviving spouse's benefit provided by Section 7.3(b)(2) payable in the form of Option 2 of Section 7.2(c) (relating to optional forms of distribution). Such an election may be made at any time prior to the commencement of such benefit and not thereafter. Such an election shall be made by delivering a written notice thereof to the Committee on a form provided by the Committee for this purpose.

(h) Automatic Cancellation of Elections. If a Participant's Pension is payable in the form of a joint and survivor annuity and if, prior to the Participant's Pension Starting Date, the Participant's Spouse dies or the Participant and such Spouse divorce, the Participant's election or deemed election to receive a joint and survivor annuity shall, upon the Participant's notice to the Committee of such death or divorce, be automatically cancelled, unless, subsequent to such Spouse's death or the Participant's divorce and prior to the Participant's Pension Starting Date, the Participant remarries and notice of such new marriage is delivered to the Committee.

Section 7.5 Distributions to Minor and Disabled Distributees. Any distribution under this Article that is payable to a distributee who is a minor or to a distributee who, in the opinion of the Committee, is unable to manage his or her affairs by reason of illness or mental incompetency may be made to or for the benefit of any such distributee at such time consistent with the provisions of Section 7.2 (relating to form of distribution) and in such of the following ways as the legal representative of such distributee shall direct: (i) directly to any such minor distributee if, in the opinion of such legal representative, he or she is able to manage his or her affairs, (ii) to such legal representative, (iii) to a custodian under a Uniform Gifts to Minors Act for any such minor distributee, or (iv) directly in payment of expenses of support or maintenance of such person. Neither the Committee nor the Trustee shall be required to see to the application

by any third party other than the legal representative of a distributee of any distribution made to or for the benefit of such distributee pursuant to this Section.

Section 7.6 Direct Rollover Distributions. In the case of a distribution under the Plan that is an "eligible rollover distribution" within the meaning of section 402 of the Code and that is at least $200, the Participant or the Participant's surviving Spouse may elect that all or any portion of such distribution to which such Participant or surviving Spouse is entitled shall be directly transferred as a rollover contribution from the Plan to (i) an individual retirement account described in section 408(a) of the Code, (ii) an individual retirement annuity described in section 408(b) of the Code, (iii) an annuity Plan described in section 403(a) of the Code, or (iv) another plan qualified under section 401(a) of the Code (the terms of which permit the acceptance of rollover distributions) (provided, however, that a surviving Spouse of a Participant may only elect to have such distribution transferred directly to an individual retirement account or individual retirement annuity). Notwithstanding the foregoing, a Participant or the Participant's surviving Spouse shall not be entitled to elect to have less than the total amount of such distribution transferred as a rollover contribution unless the amount to be transferred equals at least $500. The Committee shall establish a procedure when or whereby each Participant or surviving Spouse who is to receive a rollover distribution from the Plan shall be notified of the special federal income tax provisions applicable to such distributions, to the extent and in the manner required by section 402(f) of the Code.

Section 7.7 Withholding Requirements. Any benefit payment made under the Plan will be subject to any applicable income tax withholding requirements.

ARTICLE 8
LIMITATIONS ON BENEFITS

Section 8.1 Statutory Limits. The provisions of this Section 8.1 shall be effective for any "Limitation Year" (as defined below) solely to the extent required by the Code or Regulations for such year.

Notwithstanding any other provision of the Plan to the contrary, in any Limitation Year prior to a Participant's Pension Starting Date, the amount of the Participant's annual benefit (as defined below) payable under the Plan shall be limited to an amount such that such annual benefit and the aggregate annual benefit of the Participant under all other defined benefit plans maintained by the Employer or any other Affiliate does not exceed the lesser of:

(i) $90,000 (as increased to reflect the cost of living adjustments provided under section 415(d) of the Code), multiplied by a fraction (not exceeding 1 and not less than 1/10th), the numerator of which is the Participant's years of participation and the denominator of which is 10; or

(ii) an amount equal to 100% of the Participant's average compensation for the three consecutive calendar years in which his or her compensation was the highest and which are included in his or her years of Vesting Service multiplied by a fraction (not exceeding 1 and not less than 1/10th), the numerator of which is the Participant's years of Vesting Service and the denominator of which is 10.

The dollar amount set forth in clause (i) of the preceding paragraph shall be reduced pursuant to Regulations if the Participant's Pension Starting Date occurs prior to the Participant's social security retirement age (as defined below), provided, however, that the interest rate used for such purpose shall equal 5% and the mortality table shall be the table specified by the Commissioner of the Internal Revenue for purposes of section 417(e)(3) of the Code (which, as of the Effective Date, is the 1983 Group Annuity (unisex) Mortality Table (50% male, 50% female)). If the Participant's Pension Starting Date occurs after the Participant attains his or her social security retirement age, such dollar amount shall be increased to the Actuarial Equivalent thereof determined however by using the same interest rate and mortality table described in the

preceding sentence. A Participant's social security retirement age shall be the age used as the retirement age for a Participant under section 216(l) of the Social Security Act, except that such section shall be applied without regard to the age increase factor and as if the early retirement age under section 216(l)(2) of such Act was 62.

The dollar amount set forth in clause (i) of the second preceding paragraph and as adjusted by the preceding paragraph shall apply to a Pension payable in the form of a single life annuity described in Section 7.2(a) (relating to form of distribution) or in Option 1 of Section 7.2(c) (relating to optional forms of distribution) or a Qualified Joint and Survivor Annuity. If payment is in any other form, the amount shall be adjusted to the Actuarial Equivalent of such single life annuity.

A Participant's "annual benefit" under the Plan for any Limitation Year is the Pension payable in the form described in Section 7.2(a) (relating to manner of distribution with respect to unmarried participants) or in Option 1 of Section 7.2(c) (relating to optional forms of distribution) which is the Actuarial Equivalent of the Participant's Accrued Benefit at the date of reference. An individual's "annual benefit" under any other defined benefit plan maintained by the Employer or any other Affiliate shall be as determined pursuant to the provisions of section 415 of the Code and the terms of such plan.

Notwithstanding the foregoing provisions of this Section, the limitation provided by this Section shall not apply to a Participant who has not at any time participated in a defined contribution plan maintained by any Employer and whose annual benefit under the Plan does not exceed $10,000 multiplied by a fraction (not exceeding 1 and not less than 1/10th) the numerator of which is the Participant's years of Vesting Service and the denominator of which is 10.

For purposes of this Section, the term "annual additions," "defined contribution plan" and "defined benefit plan" shall have the meanings set forth in section 415 of the Code and the Regulations promulgated thereunder. For purposes of this Article the term "compensation" shall have the meaning set forth in Treasury Regulation section 1.415-2(d)(1), provided, however, that a Participant's compensation in excess of the dollar amount prescribed by section 401(a)(17) of the Code (as adjusted for increases in the cost of living pursuant to section 401(a)(17) of the Code and pursuant to Regulations) shall not be taken into account for any purposes under the Plan, and the term "Limitation Year" shall mean the calendar year. The Employer shall include an Affiliate as such term is defined in Article 2 but modified by section 415(g) of the Code.

Section 8.2 Restrictions on Benefits. (a) The annual Plan payments to a Participant in the Restricted Group (as defined below) for any Plan Year may not exceed an amount equal to the annual payments that would be made to or on behalf of the Participant under:

(i) a single life annuity that is equal to the Participant's Accrued Benefit and any other Benefits (as defined below) to which the Participant is entitled under the Plan (disregarding any Social Security supplement within the meaning of section 1.411(a)-7(c)(4)(ii) of the Treasury Regulations), plus

(ii) the amount of any payment to which the Participant is entitled as a Social Security supplement under the Plan.

(b) Application of Restriction. The restriction set forth in paragraph (a) of this Section (relating to restrictions on benefits) shall not apply to any payment if any of the following conditions is satisfied at the date as of which the payment is to be made:

(i) after reduction to reflect the present value of all Benefits payable to or on behalf of the Participant under the Plan, the value of the Plan's assets would equal or exceed 110% of the value of the Plan's current liabilities, as defined in section 412(l)(7) of the Code;

(ii) the present value of the Benefits payable to or on behalf of the Participant under the Plan is less than 1% of the value of the Plan's current liabilities, as defined in section 412(l)(7) of the Code; or

(iii) the present value of the Benefits payable to or on behalf of the Participant under the Plan does not exceed $5,000 (or such greater amount as may be set forth in section 411(a)(11)(A) of the Code).

(c) Plan Termination Rule. In the event of termination of the Plan, the benefit of any Participant in the Restricted Group shall be limited to a benefit that is nondiscriminatory under section 401(a)(4) of the Code.

(d) Definitions. For purposes of this Section:

(i) "Restricted Group" consists of the highly compensated employees and highly compensated former employees (within the meaning of section 414(q) of the Code) of the Employer and its Affiliates, but the total number in the Restricted Group for any calendar year shall be limited to 25 and shall consist of those highly compensated active and highly compensated former employees with the greatest compensation in the current or any prior year for which compensation information is available.

(ii) The term "Benefit" includes, without limitation, any periodic income from the Plan, any withdrawal values payable to a living employee under the Plan, any Plan loans in excess of the amounts set forth in section 72(p)(2)(A) of the Code and any Plan death benefits not provided for by insurance on the employee's or former employee's life.

(iii) The "current liability" of the Plan as of any date may be based on the current liability reported on Schedule B of the Plan's most recent, timely-filed Form 5500 or 5500 C/R. For purposes of this Section, the value of the Plan's assets shall be determined on the same date as of which the current liability is determined.

(e) Effective Date. The restrictions set forth in this Section shall cease to be in effect when (i) a condition set forth in subparagraph (b)(i), (b)(ii) or (b)(iii) above is satisfied, (ii) the Participant is not in the Restricted Group, (iii) the Plan is terminated and the benefit received by the Participant is nondiscriminatory or (iv) such restrictions are not required to be applied to such payment under the Code or Regulations.

ARTICLE 9
SPECIAL PARTICIPATION AND DISTRIBUTION RULES RELATING TO RECOMMENCEMENT OF EMPLOYMENT AND EMPLOYMENT BY RELATED ENTITIES

Section 9.1 Recommencement of Employment by a Terminated Employee. (a) Rehire Date Before Absence of 5 Years. If an Employee who has a Termination of Employment recommences employment with an Employer before having a Period of Severance of five years and, on the date of his or her rehire, the terms of such Employee's employment are not subject to a collective bargaining agreement, then either: (1) if such Employee was a Participant on the date his or her employment terminated, such Employee shall be Participant in the Plan as of his or her rehire date if he or she is then an Eligible Employee or (2) if such Employee was not a Participant on the date his or her employment terminated, such Employee shall not be an Eligible Employee and shall not become a Participant. Notwithstanding clause (1) of the preceding sentence, if an Employee described in the preceding sentence was not at any time permitted to make the election described in Section 3.1(b) (relating to eligibility for participation for employees who are not new hires) or was permitted to make such election and elected to participate in the Plan but such election was not given effect as a result of such Employee's Termination of Employment, such Eligible Employee shall be permitted to elect, in the time and manner prescribed by the Committee, to either (1) participate in the Plan as of his or her rehire date or (2) participate in the ComEd Plan or the PECO Plan, as applicable, at the time prescribed therein and have his or her accrued benefit under the ComEd Plan or PECO Plan, as applicable, and related assets transferred to the Plan in the manner described in Section 3.1(c) (relating to transfer of benefits and assets to Plan). If an Employee makes the election described in clause (1) of the preceding sentence, (a) the applicable Schedule shall apply with respect to the Participant's Accrued Frozen Benefit and (b) such Employee shall not be entitled to a Transition Credit.

(b) Rehire Date After Absence of at Least 5 Years. If a Participant who has a vested benefit under the Plan has a Termination of Employment and thereafter is rehired by an Employer, such Participant shall remain a Participant upon his or her rehire. If an Employee who has a Termination of Employment did not have a vested benefit under the Plan or under either the ComEd Plan or the PECO Plan recommences employment with an Employer after having a Period of Severance of at least five years, such Employee shall become a Participant as of the date of his or her rehire if he or she is then an Eligible Employee. If an Employee who has a Termination of Employment had a vested benefit under either the ComEd Plan or the PECO Plan recommences employment with an Employer after having a Period of Severance of at least five years, such Employee shall not be an Eligible Employee and shall not become a Participant upon such recommencement of employment. Notwithstanding the preceding sentence, if an Employee described in the preceding sentence was not at any time permitted to make the election described in Section 3.1(b) (relating to eligibility for participation for employees who are not new hires) or was permitted to make such election and elected to participate in the Plan but such election was not given effect as a result of such Employee's Termination of Employment, such Eligible Employee shall be permitted to elect, in the time and manner prescribed by the Committee, to either (1) participate in the Plan as of his or her rehire date or (2) participate in the ComEd Plan or the PECO Plan, as applicable, at the time prescribed therein and have his or her accrued benefit under the ComEd Plan or PECO Plan, as applicable, transferred to the Plan in the manner described in Section 3.1(c) (relating to transfer of benefits and assets to Plan). The accrued benefit under the ComEd Plan or the PECO Plan, as applicable, of an Employee who elects to participate in the Plan shall be transferred to the Plan, along with an appropriate amount of assets, and (a) the applicable Schedule shall apply with respect to the Participant's Accrued Frozen Benefit and (b) such Employee shall not be entitled to a Transition Credit.

(c) Reestablishment of Cash Balance Account for Rehired Participant. If a Participant whose Termination of Employment occurs before his or her satisfaction of the Vesting Requirement recommences employment with an Employer and becomes a Participant pursuant to paragraph (a) above, such Participant's Cash Balance Account shall be reinstated and credited with Investment Credits for the Participant's Period of Severance. If a Participant whose Termination of Employment occurs after his or her satisfaction of the Vesting Requirement receives a complete distribution of his or her benefit under the Plan and subsequently recommences employment with an Employer and becomes a Participant pursuant to paragraph (b) above, a new Cash Balance Account shall be established for such Participant as of such recommencement of employment; such new Cash Balance Account shall have an initial balance of zero and shall be credited with Service Credits and Investment Credits solely for the Participant's period of employment thereafter.

Section 9.2 Suspension of Benefits. If a Participant continues employment by an Employer beyond the Participant's Normal Retirement Age or if a former Employee again becomes an Employee after his or her Normal Retirement Age, such Participant shall not be entitled to receive any Pension during such employment. If such a Participant was receiving a Pension, the Participant's Cash Balance Account as of his or her Pension Starting Date shall be restored and thereafter credited with Service Credits and Investment Credits with respect to such period of employment and Investment Credits from the Participant's prior Pension Starting Date to the date the Participant's Cash Balance Account is so restored. Upon the Participant's Termination of Employment or subsequent Termination of Employment, as the case may be, the Participant's Accrued Benefit shall be the larger of (i) the Participant's Accrued Benefit as of the first day of the month coinciding with or next following the Participant's date of rehire, or Normal Retirement Age, as the case may be, actuarially increased to reflect the later termination

date (for purposes of this clause (i), the Investment Credits described in Section 6.1(d) with respect to such period of employment shall be the actuarial increase to the Participant's Accrued Benefit), and (ii) the Actuarial Equivalent of the Participant's Cash Balance Account, and the Accrued Frozen Benefit, as of the Participant's Termination of Employment, or subsequent Termination of Employment, as the case may be, reduced in either case by the sum of any Pension previously paid to the Participant plus interest thereon at the rate described in subdivision (3) of Article 2 (relating to definition of Actuarial Equivalent).

Section 9.3 Employment by Related Entities. If an individual is employed by an entity that is an Affiliate, then any period of employment by such entity (but only after such entity became an Affiliate) shall be taken into account solely for the purpose of determining when or whether and when such individual is eligible to participate in the Plan under Article 3 (relating to eligibility), measuring such individual's years of Vesting Service for purposes of the Vesting Requirement and determining when such individual's Termination of Employment occurs for purposes of Article 7 (relating to distributions) to the same extent such period would have been taken into account had such employment been with an Employer.

Section 9.4 Leased Employees. If an individual who performed services as a leased employee (within the meaning of section 414(n)(2) of the Code) of an Affiliate becomes an Employee, or if an Employee becomes such a leased employee, then any period as a leased employee shall be taken into account solely for the purposes of determining whether and when such individual is eligible to participate in the Plan under Article 3 (relating to eligibility), measuring such individual's years of Vesting Service for purposes of the Vesting Requirement and determining when such individual's Termination of Employment occurs for purposes of Article 7 (relating to distributions) to the same extent such period would have been taken into

account had such service or employment been with an Employer. This Section shall not apply to any period during which such a leased employee was covered by a plan described in section 414(n)(5) of the Code and leased employees do not constitute more than 20% of the Employer's nonhighly compensated work force. Notwithstanding the preceding sentences, an individual who performed services only as a leased employee prior to the Effective Date shall be treated as not performing an Hour of Service prior to the Effective Date solely for the purposes of determining whether such individual qualifies as an Eligible Employee under subdivision (11) of Article 2.

ARTICLE 10
ADMINISTRATION

Section 10.1 The Committee. (a) The Company shall be the "administrator" and a "named fiduciary" of this Plan within the meaning of such terms as used in ERISA. The board of directors of the Company shall choose annually at least three persons, one of whom shall be named Chairman, who shall act and be known as the Committee. The members of the Committee shall be "named fiduciaries" under the Plan for purposes of ERISA and shall have general responsibility, except for duties specifically vested in the Trustee, for the administration of the Plan. The Committee shall make to the board of directors of the Company such reports of the operations of the Plan, at such time and in such form, as the board may direct. The board of directors of the Company shall have the right at any time, with or without cause, to remove any member or members of the Committee. A member of the Committee may resign and such member's resignation shall be effective upon delivery of such member's written resignation to the Company. Upon the resignation, removal or failure or inability for any reason of any member of the Committee to act hereunder, the board of directors of the Company shall appoint, for the unexpired term, a successor member, provided that the Committee shall at all times

consist of at least three members. All successor members of the Committee shall have all the rights, privileges and duties of their predecessors, but shall not be held accountable for the acts of their predecessors.

(b) No member of the Committee who is a Participant shall take part in any action of the Committee or any matter involving solely such member's rights under the Plan.

(c) Promptly after the appointment of the members of the Committee and from time to time thereafter and promptly after the appointment of any successor member of the Committee, the Trustee shall be notified as to the names of the persons appointed as members or successor members of the Committee by delivery to the Trustee of a certified copy of the resolution of the board of directors of the Company making such appointment or by such other instrument as may be acceptable to the Trustee.

(d) The Committee shall have the duty and authority to interpret and construe the Plan in regard to all questions of eligibility, the status and rights of Participants, Beneficiaries and other persons under the Plan, and the manner, time, and amount of payment of any distributions under the Plan. The determination of the Committee with respect to an Employee's years of Vesting Service, the amount of the Employee's Compensation and any other matter affecting payments under the Plan shall be final and binding. Benefits under the Plan will be paid only if the Committee decides in its discretion that the applicant is entitled to them.

(e) Each Employer shall, from time to time, upon request of the Committee, furnish to the Committee such data and information as the Committee shall require in the performance of its duties.

(f) The Committee shall direct the Trustee to make payments of amounts to be distributed from the Trust under Article 7 (relating to distributions). In addition, it shall be the duty of the Committee to certify to the Trustee the names and addresses of all Participants, the amounts of all Pensions, the dates of death of Participants and all proceedings and acts of the Committee necessary or desirable for the Trustees to be fully informed as to the Pension to be paid out of the Trust.

(g) The members of the Committee may allocate their responsibilities among themselves and may designate any person, partnership or corporation to carry out any of their responsibilities. Any such allocation or designation shall be reduced to writing and such writing shall be kept with the records of the meetings of the Committee.

(h) The Committee may act at a meeting, or by writing without a meeting, by the vote or written assent of a majority of its members. The Committee shall select a Secretary and the Secretary shall be the Plan's agent for service of legal process, keep records of all meetings of the Committee, and forward all necessary communications to the Trustee. Subject to the approval of the board of directors of the Company, the Committee shall have the power to adopt and enforce such rules, regulations and procedures as it deems desirable for the conduct of its affairs and the efficient administration of the Plan and that are consistent with the provisions of the Plan and ERISA.

(i) The Employers hereby jointly and severally indemnify the members of the Committee, and each of them, from the effects and consequences of their acts, omissions and conduct in their official capacity, except to the extent that such effects and consequences shall result from their own willful misconduct.

(j) No member of the Committee shall receive any compensation or fee for services, unless otherwise agreed between such member of the Committee and the Employers, but the Employers shall reimburse the Committee members for any necessary expenditures incurred in the discharge of their duties as Committee members.

(k) The Committee may employ such counsel (who may be of counsel for any Employer) and agents and may arrange for such clerical and other services as it may require in carrying out the provisions of the Plan.

Section 10.2 Claims Procedure. Any Participant or distributee who believes he or she is entitled to benefits in an amount greater than those which he or she is receiving or has received may file a claim with the Committee. Such a claim shall be in writing and state the nature of the claim, the facts supporting the claim, the amount claimed, and the address of the claimant. The Committee shall review the claim and, unless special circumstances require an extension of time, within 90 days after receipt of the claim, give notice to the claimant, either in writing by registered or certified mail or in an electronic notification, of the Secretary's decision with respect to the claim. Any electronic notice delivered to the claimant shall comply with the standards imposed by applicable Regulations. If the Committee determines that special circumstances require an extension of time for processing the claim, the claimant shall be so advised in writing within the initial 90-day period and in no event shall such an extension exceed 90 days. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Committee expects to render the benefit determination. The notice of the decision of the Committee with respect to the claim shall be written in a manner calculated to be understood by the claimant and, if the claim is wholly or partially denied, the Committee shall notify the claimant of the adverse benefit determination and shall set forth the

specific reasons for the adverse determination, the references to the specific Plan provisions on which the determination is based, a description of any additional material or information necessary for the claimant to perfect the claim, an explanation of why such material or information is necessary, and a description of the claim review procedure under the Plan and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502 of ERISA following an adverse benefit determination on review. The Committee shall also advise the claimant that the claimant or the claimant's duly authorized representative may request a review by the Chairman of the Committee of the adverse benefit determination by filing with the Chairman of the Committee, within 60 days after receipt of a notification of an adverse benefit determination, a written request for such review. The claimant shall be informed that, within the same 60-day period, he or she (a) may be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits and (b) may submit to the Chairman written comments, documents, records and other information relating to the claim for benefits. If a request is so filed, review of the adverse benefit determination shall be made by the Chairman within, unless special circumstances require an extension of time, 60 days after receipt of such request, and the claimant shall be given written notice of the Chairman's final decision. If the Chairman determines that special circumstances require an extension of time for processing the claim, the claimant shall be so advised in writing within the initial 60-day period and in no event shall such an extension exceed 60 days. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Chairman expects to render the determination on review. The review of the Chairman shall take into account all comments, documents, records and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial

benefit determination. The notice of the final decision shall include specific reasons for the determination and references to the specific Plan provisions on which the determination is based and shall be written in a manner calculated to be understood by the claimant.

Section 10.3 Notices to Participants, Etc. All written notices, reports and statements given, made, delivered or transmitted to a Participant or Beneficiary or any other person entitled to or claiming benefits under the Plan shall be deemed to have been duly given, made or transmitted when mailed by first class mail with postage prepaid and addressed to the Participant or Beneficiary or such other person at the address last appearing on the records of the Committee. A Participant or Beneficiary or other person may record any change of his or her address from time to time by written notice filed with the Committee.

Section 10.4 Responsibility to Advise Committee of Current Address. Each person entitled to receive a payment under the Plan shall file with the Committee in writing his or her complete mailing address and each change therein. A check or communication mailed to any person at his or her address on file with the Committee shall be deemed to have been received by such person for all purposes of the Plan, and neither the Committee, the Employers nor the Trustee shall be obliged to search for or ascertain the location of any person. If the Committee shall be in doubt as to whether payments are being received by the person entitled thereto, it shall, by registered mail addressed to the person concerned at his or her last address known to the Committee, notify such person that all future Pension payments will be withheld until such person submits to the Committee evidence of his or her continued life and his or her proper mailing address.

Section 10.5 Notices to Employers or Committee. Written directions, notices and other communications from Participants or Beneficiaries or any other persons entitled to or claiming

benefits under the Plan to the Employers or the Committee shall be deemed to have been duly given, made or transmitted either when delivered to such location as shall be specified upon the form prescribed by the Committee for the giving of such directions, notices and other communications or when mailed by first class mail with postage prepaid and addressed to the addressee at the address specified upon such forms.

Section 10.6 Responsibility to Furnish Information and Sign Documents. Each person entitled to a payment under the Plan shall furnish such information and data, including birth certificates or other evidence of age satisfactory to the Committee, and sign such documents as may reasonably be requested by the Committee or the Trustee in connection with the administration of the Plan.

Section 10.7 Records. The Committee shall keep a record of all of its proceedings and shall keep or cause to be kept all books of account, records and other data as may be necessary or advisable in its judgment for the administration of the Plan.

Section 10.8 Actuary to be Employed. The Company shall engage an actuary to do such technical and advisory work as the Committee may request, including analyses of the experience of the Plan from time to time, the preparation of actuarial tables for the making of computations thereunder, and the submission to the Committee of an annual actuarial report, which report shall contain information showing the financial condition of the Plan, a statement of the contributions to be made by the Company for the ensuing year, and such other information as may be requested by the Committee.

Section 10.9 Funding Policy. The Company shall establish a funding policy and method consistent with the objectives of the Plan and the requirements of Title I of ERISA and shall

communicate such policy and method, and any changes in such policy and method, to the Trustee.

Section 10.10 Electronic Media. Notwithstanding any provision of the Plan to the contrary and for all purposes of the Plan, to the extent permitted by the Committee and any applicable law or Regulation, the use of electronic technologies shall be deemed to satisfy any written notice, consent, delivery, signature, disclosure or recordkeeping requirement under the Plan, the Code or ERISA to the extent permitted by or consistent with applicable law and Regulations. Any transmittal by electronic technology shall be deemed delivered when successfully sent to the recipient, or such other time specified by the Committee.

ARTICLE 11
PARTICIPATION BY OTHER EMPLOYERS

Section 11.1 Adoption of Plan. With the consent of the Company, any entity may become a participating Employer under the Plan with respect to all or a designated group of its employees by taking such action as shall be necessary or desirable to adopt the Plan and executing and delivering such instruments as may be necessary or desirable to put the Plan into effect with respect to such entity.

Section 11.2 Withdrawal from Participation. Any Employer may, with the consent of the Company, withdraw from participation in the Plan at any time by filing with the Committee a duly certified copy of a resolution of its board of directors to that effect and giving notice of its intended withdrawal to the Committee and the Trustee prior to the effective date of withdrawal.

Section 11.3 Company and Committee Agent for Employers. Each entity which shall become a participating Employer pursuant to Section 11.1 (relating to adoption of the Plan) or Article 12 (relating to continuance by a successor) by so doing shall be deemed to have

appointed the Company and the Committee its agent to exercise on its behalf all of the powers and authorities hereby conferred upon the Company and the Committee by the terms of the Plan, including, but not by way of limitation, the power to amend and terminate the Plan. The authority of the Company and the Committee to act as such agent shall continue unless and until the portion of the Trust held for the benefit of Employees of the particular Employer and their Beneficiaries is set aside in a separate trust as provided in Section 15.2 (relating to establishment of separate plan).

ARTICLE 12
CONTINUANCE BY A SUCCESSOR

In the event that an Employer is reorganized by way of merger, consolidation, transfer of assets or otherwise, so that another entity succeeds to all or substantially all of the Employer's business, such successor entity may be substituted for the Employer under the Plan by adopting the Plan and becoming a party to the Trust agreement. If, within 90 days following the effective date of any such reorganization, such successor entity shall not have elected to become a party to the Plan, or if the Employer adopts a plan of complete liquidation other than in connection with a reorganization, the Plan shall be automatically terminated with respect to Employees of such Employer as of the close of business on the 90th day following the effective date of such reorganization or as of the close of business on the date of adoption of such plan of complete liquidation, as the case may be. If such successor entity is substituted for the Employer by electing to become a party to the Plan as described above, then, for all purposes of the Plan, employment with such successor entity and compensation paid by such successor entity shall be considered to be employment with, and Compensation paid by, an Employer.

ARTICLE 13
MISCELLANEOUS

Section 13.1 Expenses. All costs and expenses incurred in administering the Plan and the Trust, including the expenses of the Committee, the fees of counsel and any agents for the Committee, the fees and expenses of the Trustee, the fees of counsel for the Trustee and other administrative expenses shall be paid, to the extent permitted by law, from the Trust Fund. Notwithstanding the foregoing, the Committee may authorize an Employer to act as an agent of the Plan to pay any expenses, and the Employer shall be reimbursed from the Trust Fund for such payments.

Section 13.2 Non-Assignability. (a) In General. It is a condition of the Plan, and all rights of each Participant and Beneficiary shall be subject thereto, that no right or interest of any Participant or Beneficiary in the Plan shall be assignable or transferable in whole or in part, either directly or by operation of law or otherwise, including, but not limited to, by way of limitation, execution, levy, garnishment, attachment, pledge or bankruptcy, but excluding devolution by death or mental incompetency, and no right or interest of any Participant or Beneficiary in the Plan shall be liable for, or subject to, any obligation or liability of such Participant or Beneficiary, including claims for alimony or the support of any Spouse.

(b) Exception for Qualified Domestic Relations Orders. Notwithstanding any provision of the Plan to the contrary, if a Participant's Accrued Benefit under the Plan, or any portion thereof, shall be the subject of one or more Qualified Domestic Relations Orders, such Accrued Benefit or portion thereof shall be paid to the person and at the time and in the manner specified in any such order. The Committee or its agent, in its sole discretion, shall determine whether any order constitutes a Qualified Domestic Relations Order under this paragraph (b). A domestic relations order shall not fail to constitute a Qualified Domestic Relations Order under this paragraph (b) solely because such order provides for immediate payment to an alternate

payee of the portion of the Participant's Accrued Benefit assigned to the alternate payee under the terms of such order.

Section 13.3 Employment Non-Contractual. Neither this Plan nor any action taken by the Committee confers any right upon an Employee to continue in employment with any Employer.

Section 13.4 Limitation of Rights. A Participant or distributee shall have no right, title or claim in or to any specific asset of the Trust Fund, but shall have the right only to distributions from the Trust Fund on the terms and conditions he or she herein provided. Neither this Plan nor any action taken by the Committee shall obligate any Employer to make contributions to the Trust in excess of the contributions authorized by the board of directors of the Company or create any liability on an Employer for the payment of Pensions under this Plan.

Section 13.5 Merger or Consolidation with Another Plan. A merger or consolidation with, or transfer of assets or liabilities to, any other plan shall not be effected unless the terms of such merger, consolidation or transfer are such that each Participant, distributee, Beneficiary or other person entitled to receive benefits from the Plan would, if the Plan were to terminate immediately after the merger, consolidation or transfer, receive a benefit equal to or greater than the benefit such person would be entitled to receive if the Plan were to terminate immediately before the merger, consolidation, or transfer.

Section 13.6 Construction. Wherever used in the Plan, words in the masculine gender shall include masculine or feminine gender, and, unless the context otherwise requires, words in the singular shall include the plural, and words in the plural shall include the singular. All references to employment or the rehire or termination thereof shall refer to employment by any

and all Employers, and to the extent provided herein, and, to the extent required by Section 3.2 (relating to transfers to affiliates) and Section 9.3 (relating to employment by related entities), any and all Affiliates, unless the context requires otherwise.

Section 13.7 Applicable Law. The Plan and all rights hereunder shall be governed by and construed in accordance with the laws of the State of Illinois to the extent such laws have not been preempted by applicable federal law.

Section 13.8 Severability. If a provision of the Plan shall be held illegal or invalid, the illegality or invalidity shall not affect the remaining parts of the Plan and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included in the Plan.

Section 13.9 No Guarantee. Neither the Committee, the Employers, nor the Trustee in any way guarantees the Trust from loss or depreciation nor the payment of any money that may be or become due to any person from the Trust Fund or pursuant to the Plan. Nothing herein contained shall be deemed to give any Participant, distributee, or Beneficiary an interest in any specific part of the Trust Fund or any other interest, right or claim except the right to receive benefits out of the Trust Fund in accordance with the provisions of the Plan and the Trust Fund.

Section 13.10 Military Service. Notwithstanding any provision of the Plan to the contrary, contributions, benefits and Service with respect to Military Service shall be provided in accordance with section 414(u) of the Code.

ARTICLE 14
TOP-HEAVY PLAN REQUIREMENTS

Section 14.1 Top-Heavy Plan Determination. If as of the determination date (as hereinafter defined) for any Plan Year the aggregate present value of (i) the accrued benefits under the Plan and under all other defined benefit plans in the aggregate group (as hereinafter

defined) and (ii) the aggregate account balances under all defined contribution plans in such aggregation group, in each case with respect to all participants in such plans who are key employees (as defined in section 416(i) of the Code) for such Plan Year, exceeds 60% of the aggregate present value of accrued benefits and the account balances of all participants in all such plans as of the determination date, then the Plan shall be a top-heavy plan for such Plan Year and the requirements of Sections 14.3 and 14.4 shall be applicable for such Plan Year as of the first day thereof. If the Plan shall be a top-heavy plan for any Plan Year, such requirements shall not be applicable for such subsequent Plan Year except to the extent provided in Section 14.3.

Section 14.2 Definitions and Special Rules. (a) Definitions. For purposes of this Article, the following definitions shall apply:

(i) Determination Date. The determination date for all plans in the aggregation group shall be the last day of the preceding plan year, and the valuation date applicable to a determination date shall be (a) in the case of a defined contribution plan, the date as of which account balances are determined that is coinciding with or immediately precedes the determination date, and (b) in the case of a defined benefit plan, the date as of which the most recent actuarial valuation for the plan year that includes the determination date is prepared, except that if any such plan specifies a different determination or valuation date, such different date shall be used with respect to such plan.

(ii) Aggregation Group. The aggregation group shall consist of (a) each plan of an Employer in which a key employee is a participant, (b) each other plan that enables such a plan to be qualified under section 401(a) of the Code, and (c) any other plans of an Employer that the Company designates as part of the aggregation group.

(iii) Key Employee. Key employee shall have the meaning set forth in section 416(i) of the Code.

(iv) Top-Heavy Compensation. Top-heavy compensation shall have the meaning set forth in section 1.415-2(d) of the Treasury Regulations.

(b) Special Rules. For the purpose of determining the accrued benefit or account balance of a participant, the accrued benefit or account balance of any person who has not been

actively at work with an Employer at any time during the five-year period ending on the determination date shall not be taken into account pursuant to this Section, and any person who received a distribution from a plan (including a plan that has terminated) in the aggregation group during the five-year period ending on the last day of the preceding plan year shall be treated as a participant in such plan, and any such distribution shall be included in such participant's account balance or accrued benefit, as the case may be.

Section 14.3 Minimum Benefit for Top-Heavy Years. (a) The Pension to which a Participant is entitled at Normal Retirement Age under Section 7.2 shall in no event be less than two percent of the Participant's highest average compensation (as hereinafter defined) multiplied by the number of the Participant's years of Vesting Service, determined as provided below, not in excess of ten. For purposes of this Section, (i) a Participant's years of Vesting Service shall mean his or her years of Vesting Service but excluding any year of Vesting Service completed in a Plan Year for which the Plan was not a top-heavy plan, and (ii) a Participant's highest average compensation shall be the annual average of his or her top heavy compensation for the period of consecutive calendar years not exceeding 5 during which the Participant's top heavy compensation was the greatest, except that calendar years after the last Plan Year for which the Plan was top-heavy shall be disregarded.

(b) The provisions of paragraph (a) of this Section shall not apply with respect to a Participant if, for each year in which the Plan is a top-heavy plan, (i) the eligible employee's Employer also maintains a defined contribution plan which is included in the aggregation group for such year and (ii) under such plan, contributions made and forfeitures allocated to each eligible employee (other than key employees) equal 5% of such Participant's top heavy compensation for each Plan Year the Plan is top-heavy.

Section 14.4 Top-Heavy Vesting Requirements. If a Participant's Termination of Employment shall occur during a Plan Year for which a Plan is a top-heavy plan as defined in section 416(i) of the Code and after the Participant shall have completed at least three years of Vesting Service, the Participant shall be deemed to have satisfied the Vesting Requirement and shall be entitled to the Pension described in Section 7.2 (relating to form of distribution).

ARTICLE 15
AMENDMENT, ESTABLISHMENT OF SEPARATE PLAN AND TERMINATION

Section 15.1 Amendment. The Senior Vice President and Chief Human Resources Officer of the Company or another executive officer holding title of equivalent or greater responsibility (the "Executive") may at any time and from time to time, by written instrument, amend or modify this Plan in any manner deemed by the Executive to be necessary or desirable. Any such amendment or modification shall become effective on such date as the Executive shall determine and may apply to Participants in this Plan at the time thereof as well as to future Participants, provided, however, that, unless permitted by applicable law, no such amendment or modification which reduces the basis for the computation of Pensions shall be retroactive as to service prior to the date of such amendment or modification.

Section 15.2 Establishment of Separate Plan. If an Employer shall withdraw from this Plan under Section 11.2 (relating to withdrawal from participation), the Committee shall determine the portion of the Trust Fund held by the Trustee which is applicable to the Participants of such Employer and direct the Trustee to segregate such portion in a separate trust. Such separate trust shall thereafter be held and administered as a part of the separate plan of such Employer.

Section 15.3 Termination of the Plan by an Employer. The Company may at any time, by resolution adopted by its board of directors, terminate this Plan in its entirety. In addition, any Employer may at any time terminate its participation in this Plan by resolution adopted by its board of directors to that effect. Contributions of an Employer to the Plan are conditioned on the receipt from the Internal Revenue Service of an initial favorable determination letter that this Plan and the Trust Fund as adopted by the Company meets the requirements of section 401(a) of the Code and that the Trust Fund is exempt from tax under section 501(a) of the Code, and if the Internal Revenue Service shall refuse to issue such letter, any Employer may terminate its participation in this Plan and direct the Trustee to pay and deliver to that Employer the portion of the Trust Fund applicable to its contributions.

Section 15.4 Vesting and Distribution Upon Termination or Partial Termination. Upon termination or partial termination of the Plan, the benefit as of the date of termination or partial termination, as the case may be, of all affected Participants shall be fully vested; provided, however, that full vesting shall be required with respect to a termination or partial termination only to the extent the Plan is then funded.

Allocation and distribution of the terminated portion of the Trust Fund shall thereafter be made in accordance with the applicable requirements of ERISA and the Code and with any applicable approval of the Pension Benefit Guaranty Corporation (the "PBGC"). If the Committee is notified by PBGC that PBGC is unable to determine that the Trust Fund is sufficient to discharge when due all obligations of the Plan with respect to benefits guaranteed by PBGC pursuant to section 4022 of ERISA, then the allocation and distribution of such portion of the Trust Fund shall be made only under the direction of PBGC or a United States district court pursuant to section 4044 of ERISA.

In the event that, after the termination of the Plan, any assets remain after such allocation, such assets shall be paid to the Company. The portion of the assets allocated to provide benefits to any person or group of persons may be applied for the benefit of such person or persons by the distribution of cash, continuance of the Trust Fund, establishment of a new Trust Fund, purchase of annuities from an insurance company, or otherwise, as determined by the Committee in its sole discretion; provided, however, that the benefit of any Participant or former Participant who is married and has at least 5 years of Vesting Service shall, unless such person shall elect otherwise, be paid in the form set forth in Section 7.2(b) (relating to manner of distribution with respect to married Participants) and, if the surviving Spouse of a deceased Participant or deceased former Participant is entitled to receive a benefit pursuant to Section 7.2(b) (relating to manner of distribution with respect to married Participants) or Section 7.3 (relating to pre-retirement death benefits), as the case may be, such benefit shall, unless such person shall elect otherwise, be paid in the form set forth therein.

Contributions of an Employer to the Plan are conditioned on the receipt from the Internal Revenue Service of an initial favorable determination letter that the Plan and Trust Fund as adopted by the Company meet the requirements of section 401(a) of the Code and that the Trust Fund is exempt from tax under section 501(a) of the Code, and, in the event that the Internal Revenue Service shall refuse to issue such letter, the Company may terminate the Plan and shall direct the Trustee to pay and deliver the Trust Fund to the Company.

Section 15.5 Trust Fund to Be Applied Exclusively for Participants and Their Beneficiaries. Subject only to the provisions of Section 4.2 (relating to limitation on contributions) and 15.4 (relating to vesting and distribution upon termination or partial termination), and any other provision of the Plan to the contrary notwithstanding, it shall be

impossible for any part of the Trust Fund to be used for or diverted to any purpose not for the exclusive benefit of Participants and their beneficiaries and the payment of expenses in accordance with Section 13.1 either by operation or termination of the Plan, power of amendment or otherwise.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized officers on this ______ day of ___________, 2001.

EXELON CORPORATION

By _________________________

Title _______________________

ATTEST:

____

Title __________________

Exhibit A

Incentive Pay Plans

Exelon Corporation Annual Incentive Award Plan (or the equivalent cash incentive award program applicable to employees in salary band VII or higher)

Exelon Corporation Quarterly Incentive Award Program

Table T

Transition Credit Factors

Age on 12/31/2001	Percentage	Age on 12/31/2001	Percentage
<31	2.0	41	4.6
31	2.4	42	4.7
32	2.8	43	4.8
33	3.2	44	4.9
34	3.6	45	5.0
35	4.0	46	5.2
36	4.1	47	5.4
37	4.2	48	5.6
38	4.3	49	5.8
39	4.4	50+	6.0
40	4.5		

SCHEDULE A

PROVISIONS APPLICABLE TO
ACCRUED FROZEN BENEFIT
UNDER THE COMMONWEALTH EDISON COMPANY
SERVICE ANNUITY SYSTEM

1. APPLICATION

This Schedule shall apply only to a Participant who elects to participate in the Plan pursuant to Section 3.1(b) of the Plan (relating to eligibility for participation for employees other than new hires) or Section 9.1 of the Plan (relating to recommencement of employment by terminated employee) and whose accrued benefit under the ComEd Plan is transferred to the Plan pursuant to Section 3.1(c) of the Plan (relating to transfer of benefits and assets to Plan) or Section 9.1 of the Plan. The provisions of this Schedule shall govern with respect to all matters relating to such a Participant's Accrued Frozen Benefit.

2. DEFINED TERMS

For purposes of this Schedule A, capitalized terms used herein shall have their respective meanings set forth in the Plan, except that the following words and phrases shall have the following respective meanings when capitalized unless the context clearly indicates otherwise:

A. Accrued Frozen Benefit. The amount payable with respect to a Participant's accrued benefit under the ComEd Plan determined as of December 31, 2001 commencing on the first day of the month coinciding with or next following a Participant's Schedule A Normal Retirement Age, determined as if such amount were payable in the form of a single life annuity for the life of the Participant.

B. Child. A Participant's natural child born prior to the Participant's Pension Starting Date or a child adopted by a Participant prior to the Participant's Pension Starting Date.

C. Consumer Price Index. The United States Bureau of Labor Statistics Consumer Price Index (U.S. City Average 1967 = 100). Such term shall also mean such index as it may from time to time be changed or, if it shall be discontinued, the most nearly comparable index, appropriately adjusted to yield results comparable with those which would have been produced if the index as defined in the preceding sentence had been used, as determined by the Committee.

D. Credited Service. A Participant's Credited Service includes the Participant's "credited service" as of the date he or she becomes a Participant, determined in accordance with the provisions of the ComEd Plan as in effect on such date, and the period beginning on the date the Participant becomes a Participant during which the Participant shall have been an Employee, including, (a) any period

during which the Participant is in Military Service, provided that the Participant returns to the employ of an Employer within the period prescribed by laws relating to the reemployment rights of persons in Military Service, (b) any period for which back pay is awarded to the Participant and pursuant to which award the Participant is required to receive credited service under the Plan, (c) the period following Termination of Employment on account of a total and permanent disability during which the Participant is receiving benefits under any Employer's long term disability plan and (d) as and to the extent provided by resolutions of the board of directors of the Company, (i) any period of employment by Affiliates or other companies, and (ii) any period of authorized absence from such employment or from employment as an Eligible Employee. A Participant's periods of Credited Service before and after a Period of Severance that is not included in the Participant's Credited Service pursuant to the preceding sentences shall be aggregated only if (i) the Participant completes at least one year of Credited Service after such period of absence and (ii) the number of years of such Period of Severance is less than five.

E. Dependent Minor Child. A Child who, as of the time of the Participant's retirement or death, is under the age of 21 and qualifies as a dependent of the Participant within the meaning of Section 152 of the Code.

F. Dependent Disabled Child. A Child who, as of the time of the Participant's retirement or death, has a permanent physical or mental disability, as certified by the medical director of the Company or by such other licensed physician designated by the Committee, that causes such Child to be unable to engage in substantial gainful employment, and is a dependent of the Participant within the meaning of Section 152 of the Code (determined by disregarding any age limitation contained in Section 152 of the Code).

G. Early Retirement Date. The date on which a Participant completes at least ten years of Credited Service and attains at least age 50.

H. Schedule A Actuarial Factors. The table specified by the Commissioner of Internal Revenue for purposes of section 417(e)(3) of the Code (which, as of the Effective Date, is the 1983 Group Annuity (unisex) Mortality Table (50% male, 50% female)) in effect on the date a determination hereunder occurs and an interest rate assumption using the "applicable interest rate" as defined in section 417(e)(3) of the Code for the month of November of the Plan Year immediately preceding the Plan Year in which a determination hereunder occurs.

I. Schedule A Normal Retirement Age. A Participant's 65th birthday.

3. SPECIAL RULES REGARDING COMPUTATION OF BENEFIT

A. Factors to Calculate Pension Paid Before Schedule A Normal Retirement Age

1. Pension Starting Date on or After Early Retirement Date and Prior to Schedule A Normal Retirement Age. The Pension attributable to the

Accrued Frozen Benefit of a Participant whose Termination of Employment occurs on or after his or her Early Retirement Date and whose Pension commences prior to his or her Schedule A Normal Retirement Age shall be computed by multiplying such Participant's Accrued Frozen Benefit by the applicable factor from Table B-1.

2. Pension Starting Date After Attainment of Age 60 but Prior to Early Retirement Date. The Pension attributable to the Accrued Frozen Benefit of a Participant whose Pension Starting Date occurs on or after such Participant's attainment of age 60 but prior to such Participant's attainment of his or her Early Retirement Date shall be such Participant's Accrued Frozen Benefit without any actuarial reduction.

3. Pension Starting Date After Completion of Ten Years of Credited Service but Prior to Attainment of Age 60. The Pension attributable to the Accrued Frozen Benefit of a Participant whose Pension Starting Date occurs prior to such Participant's attainment of age 60 and prior to his or her attainment of his or her Early Retirement Date, but after the Participant has completed at least ten years of Credited Service, shall be (a) if the Participant's Pension Starting Date occurs on or after his or her attainment of age 50, the amount determined by multiplying such Participant's Accrued Frozen Benefit by the applicable factor in Table F and (b) if the Participant's Pension Starting Date occurs prior to his or her attainment of age 50, the amount determined by actuarially reducing the Participant's Accrued Frozen Benefit using the factors in Table F to reduce the Accrued Frozen Benefit from age 60 to age 50 and using the Schedule A Actuarial Factors to reduce the Accrued Frozen Benefit to the Participant's Pension Starting Date.

4. Pension Starting Date Prior to Attainment of Age 60 and Prior to Completion of Ten Years of Credited Service. The Pension attributable to the Accrued Frozen Benefit of a Participant whose Pension Starting Date occurs prior to such Participant's attainment of age 60 and prior to such Participant's completion of ten years of Credited Service shall be computed by reducing the Participant's Accrued Frozen Benefit by using the Schedule A Actuarial Factors to reduce the Accrued Frozen Benefit to the Pension Starting Date.

B. Distribution with Respect to Married Participants. Notwithstanding Section 7.2(b) of the Plan, if a Participant will receive his or her Accrued Benefit in the form of a Qualified Joint and Survivor Annuity, the payments attributable to the Participant's Accrued Frozen Benefit shall equal (1) in the case of payments made during the Participant's lifetime, an amount equal to the annual Accrued Frozen Benefit the Participant would have received if the Participant's Accrued Frozen Benefit were payable in the form of a single life annuity for the Participant's lifetime reduced by the product of (i) 50% of the annual amount of Accrued Frozen Benefit the Participant would have received if the Participant's Accrued

Frozen Benefit were payable in the form of a single life annuity for the Participant's lifetime multiplied by (ii) (a) if the Participant is at least age 50 on his or her Pension Starting Date, 40% of the applicable factor set forth in Table D or (b) if the Participant is not at least age 50 on his or her Pension Starting Date, the applicable factor determined by using the Schedule A Actuarial Factors and (2) in the case of payments made to the Participant's surviving Spouse, an amount equal to 50% of the annual amount of the Accrued Frozen Benefit the Participant would have received if the Participant's Accrued Frozen Benefit were payable in the form of a single life annuity for the Participant's lifetime.

C. Post Retirement Adjustments. If a Participant's Pension Starting Date occurs on or after his or her 50th birthday and the Participant's Accrued Frozen Benefit is paid in a form other than a lump sum distribution, the annual Accrued Frozen Benefit payable pursuant to this Schedule shall, subject to the limitations set forth in this paragraph C., be adjusted each October 1 for the twelve-month period then beginning by adding a post-retirement cost of living adjustment computed by applying an adjustment percentage to the appropriate base specified in this paragraph C. A Participant whose Pension Starting Date occurs prior to his or her 50th birthday or who receives his or her Accrued Frozen Benefit in the form of a lump sum distribution shall not be entitled to any post-retirement cost of living adjustment under this Schedule. In addition, the post-retirement cost of living adjustment shall apply only to the portion of a Participant's Accrued Benefit that is attributable to his or her Accrued Frozen Benefit.

1. The adjustment percentage shall equal, for each October 1, the percentage by which the Consumer Price Index for the July immediately preceding such October 1 exceeds the Consumer Price Index for the July immediately preceding the twelve-month period beginning October 1 in which the Participant terminated employment or payment of a Pension commenced; provided, however, that:

(a) If, as of such October 1, there shall be no such excess, the adjustment percentage shall be deemed to be zero for the twelve-month period beginning on such October 1.

(b) There shall be no negative adjustment percentage.

(c) The aggregate adjustment percentage for any twelve-month period beginning October 1 shall never be lower than the aggregate adjustment percentage for the preceding such period.

(d) If the percentage increase in the Consumer Price Index computed for the twelve-month period beginning on October 1 does not exceed the aggregate adjustment percentage for the preceding twelve-month period by at least three percentage points, the aggregate adjustment percentage for the preceding twelve-month period shall continue in effect during such twelve-month period beginning on October 1.

(e) The aggregate adjustment percentage for any twelve-month period beginning on October 1 shall not be more than seven percentage points greater than that for the preceding twelve-month period. If the aggregate adjustment percentage for any twelve-month period beginning on October 1 exceeds by more than seven percentage points the aggregate adjustment percentage for the preceding twelve-month period, the excess shall be carried over to succeeding twelve-month periods until such excess is reduced to zero.

(f) The adjustment percentage for the twelve-month period beginning with the October 1 next following the date the Participant's Pension Starting Date shall be the adjustment percentage determined in accordance with the preceding provisions of this paragraph C. multiplied by a fraction the numerator of which shall be the number of full calendar months between such date and such October 1 and the denominator of which shall be twelve.

2. To determine the amount of the monthly cost of living adjustment, the adjustment percentage shall be applied to the first $500 per month of a Participant's Accrued Frozen Benefit, subject to a maximum monthly adjustment of $500 or, if the monthly amount of such Accrued Frozen Benefit is less than $500 per month, subject to a maximum monthly adjustment equal to the monthly Accrued Frozen Benefit payment. To determine the amount of the adjustment made in the case of a Qualified Joint and Survivor Annuity or surviving Spouse annuity payable pursuant to Section 7.3 of the Plan to the surviving Spouse of a deceased Participant, a family pension payable pursuant to Section 4.B. of this Schedule to a surviving Dependent Minor Child or Children of a deceased Participant or a surviving dependent's pension payable pursuant to Section 4.C. of this Schedule to a surviving Dependent Disabled Child or Children of a deceased Participant, the adjustment percentage shall be applied to the first $250 per month of such annuity or pension, subject to a maximum monthly adjustment of $175 ($250 in the case of a Qualified Joint and Survivor Annuity) or, if the monthly amount of such annuity or pension is less than $175 ($250 in the case of a Qualified Joint and Survivor Annuity), subject to a maximum monthly adjustment equal to the monthly Accrued Frozen Benefit payment.

D. Lump Sum Value. If a Participant elects to receive his or her Accrued Frozen Benefit in the form of a lump sum distribution as described in Option 2 of Section 7.2(c) of the Plan, the amount of the lump sum attributable to the Participant's Accrued Frozen Benefit shall be the greater of:

1. the lump sum actuarial equivalent of the Participant's Accrued Frozen Benefit determined using the Schedule A Actuarial Factors, and

2. an amount equal to the present value of the Participant's Accrued Frozen Benefit determined as of December 31, 2001 using a 6.5% discount rate and the 1983 Group Annuity (unisex) Mortality Table (50% male, 50% female), assuming the Accrued Frozen Benefit otherwise payable at the Schedule A Normal Retirement Age would commence at the later of the Participant's attained age at December 31, 2001 or age 60 and credited with 6.5% interest for each Plan Year subsequent to December 31, 2001 during which the Participant is a Participant, whether or not such Participant is an Eligible Employee during such Plan Year.

With respect to a Participant's lump sum value determined under subparagraph 1. above, if the Participant's Pension Starting Date occurs on or after his or her 50th birthday, the actuarial equivalent of the Participant's Accrued Frozen Benefit shall reflect the post retirement adjustments, if any, defined in Paragraph 3.C of this Schedule.

4. OPTIONAL FORMS OF BENEFIT PAYABLE UPON RETIREMENT

In lieu of the forms of benefit available under Section 7.2 of the Plan, a Participant may elect to have the portion of his or her Accrued Benefit attributable to his or her Accrued Frozen Benefit paid in the following forms, subject to Section 7.4 (relating to election and waiver procedures):

A. Optional Qualified Joint and Survivor Annuity: A Participant who is married on the Participant's Pension Starting Date may elect to receive a Qualified Joint and Survivor Annuity described in Section 7.2(b) of the Plan (relating to manner of distribution with respect to married Participants) with the portion of the Pension payable to the Participant's Spouse that is attributable to the Participant's Accrued Frozen Benefit of a percentage less than 50 of the Pension the Participant would have received if the Participant's Pension attributable to his or her Accrued Frozen Benefit were payable in the form of a single-life annuity for the Participant's lifetime. A Qualified Joint and Survivor Annuity described in this paragraph shall be payable at the same time and in the same manner as described in Section 7.2(b) of the Plan (relating to manner of distribution with respect to married Participant) and shall be computed in the same manner as described in Section 3.B. of this Schedule (relating to special rules regarding computation of benefits), except that the lesser percentage of Pension designated by the Participant shall be used.

B. Family Pension: A Participant who is not married on the Participant's Pension Starting Date and who, as of such date, has a Dependent Minor Child or Dependent Minor Children may elect to receive his or her Accrued Frozen Benefit in the form of a family pension payable in monthly payments for the Participant's lifetime and, thereafter, payable in monthly payments in equal shares to each of the Participant's Dependent Minor Children who have not yet attained age 21. The annual amount of the family pension payable to the Participant shall be the annual Accrued Frozen Benefit the Participant would have received if the Participant's Pension were payable in the form of a single life annuity for the

Participant's lifetime, reduced by the product of (1) the annual amount of the family pension designated by the Participant for the Participant's surviving Dependent Minor Child or Children which amount shall be a percentage, not to exceed 50, of the annual amount of the Participant's Pension payable in the form of a single life annuity for the Participant's lifetime multiplied by (2) (i) if the Participant is at least age 50 on his or her Pension Starting Date, the applicable factor set forth in Table E or (ii) if the Participant is not at least age 50 on his or her Pension Starting Date, the applicable factor determined by using the Schedule A Actuarial Factors. The annual amount of the family pension payable after the Participant's death to the Participant's Dependent Minor Child or Children who have not yet attained age 21 shall equal the percentage designated by the Participant, not to exceed 50, of the annual amount of the Pension the Participant would have received if the Participant's Pension were payable in the form of a single life annuity for the Participant's lifetime.

C. Surviving Dependent's Pension: A Participant who is not married on the Participant's Pension Starting Date and who, as of such date, has a Dependent Disabled Child or Dependent Disabled Children may elect to receive his or her Accrued Frozen Benefit in the form of a surviving dependent's pension payable in monthly payments for the Participant's lifetime and, thereafter, payable in monthly payments in equal shares to each of the Participant's Dependent Disabled Children who remain disabled. The annual amount of the surviving dependent's pension payable to the Participant shall be the annual Accrued Frozen Benefit the Participant would have received if the Participant's Pension were payable in the form of a single life annuity for the Participant's lifetime, reduced by the product of (1) the annual amount of the surviving dependent's pension designated by the Participant for the Participant's Dependent Disabled Child or Children, which amount shall be a percentage, not to exceed 50, of the annual amount of the Participant's Pension payable in the form of a single life annuity for the Participant's lifetime multiplied by (2) (i) if the Participant is at least age 50 on his or her Pension Starting Date, 50% of the applicable factor set forth in Table D, such factor to be determined based on the age of the other parent of such Child or Children, at the Participant's Pension Starting Date or the age such other parent would have attained had such other parent survived or if, in either case, the age of such other parent cannot be determined, the age of the Participant or (ii) if the Participant is not at least age 50 on his or her Pension Starting Date, the applicable factor determined by using the Schedule A Actuarial Factors. The annual amount of the surviving dependent's pension payable after the Participant's death to the Participant's Dependent Disabled Child or Children who remain disabled shall equal the percentage designated by the Participant, not to exceed 50, of the annual amount of the Pension the Participant would have received if the Participant's Pension were payable in the form of a single life annuity for the Participant's lifetime.

Table B1
Early Retirement Service Factors
Applicable Monthly Payments to Age 65

For purposes of Schedule A, in the case of a Pension commencing after a Participant's Early Retirement Date but prior to his or her Schedule A Normal Retirement Age, the following factors shall be applied to determine the reductions applicable to the benefit accrued while a Participant is not a member of IBEW Local Union 15 and, for purposes of Schedule B, in the case of a Pension commencing after a Participant's Early Retirement Date but prior to his or her Schedule B Normal Retirement Age, the following factors shall be applied to determine the reductions applicable to the Participant's benefit accrued under the PECO Plan*:

AGE	0	1	2	3	4	5	6	7	8	9	10	11
50	.7200	.7225	.7250	.7275	.7300	.7325	.7350	.7375	.7400	.7425	.7450	.7475
51	.7500	.7525	.7550	.7575	.7600	.7625	.7650	.7675	.7700	.7725	.7750	.7775
52	.7800	.7825	.7850	.7875	.7900	.7925	.7950	.7975	.8000	.8025	.8050	.8075
53	.8100	.8125	.8150	.8175	.8200	.8225	.8250	.8275	.8300	.8325	.8350	.8375
54	.8400	.8425	.8450	.8475	.8500	.8525	.8550	.8575	.8600	.8625	.8650	.8675
55	.8700	.8725	.8750	.8775	.8800	.8825	.8850	.8875	.8900	.8925	.8950	.8975
56	.9000	.9025	.9050	.9075	.9100	.9125	.9150	.9175	.9200	.9225	.9250	.9275
57	.9300	.9325	.9350	.9375	.9400	.9425	.9450	.9475	.9500	.9525	.9550	.9575
58	.9600	.9617	.9633	.9650	.9667	.9683	.9700	.9717	.9733	.9750	.9767	.9783
59*	.9800	.9817	.9833	.9850	.9867	.9883	.9900	.9917	.9933	.9950	.9967	.9983
					60	1.0000						

* Effective January 1, 2002, for Craft, Craft/Technical, Technical Support and Professional Support Employees with an accrued benefit under the PECO Plan, factor shall be 1.0000 at ages 59 and above

For purposes of Schedule A, in the case of a Pension commencing after a Participant's Early Retirement Date but prior to his or her Schedule A Normal Retirement Age, the following factors shall be applied to determine the reductions applicable to the benefit accrued while the Participant is a member of IBEW Local Union 15:

AGE	0	1	2	3	4	5	6	7	8	9	10	11
50	.7900	.7925	.7950	.7975	.8000	.8025	.8050	.8075	.8100	.8125	.8150	.8175
51	.8200	.8225	.8250	.8275	.8300	.8325	.8350	.8375	.8400	.8425	.8450	.8475
52	.8500	.8525	.8550	.8575	.8600	.8625	.8650	.8675	.8700	.8725	.8750	.8775
53	.8800	.8825	.8850	.8875	.8900	.8925	.8950	.8975	.9000	.9025	.9050	.9075
54	.9100	.9125	.9150	.9175	.9200	.9225	.9250	.9275	.9300	.9325	.9350	.9375
55	.9400	.9425	.9450	.9475	.9500	.9525	.9550	.9575	.9600	.9625	.9650	.9675
56	.9700	.9725	.9750	.9775	.9800	.9825	.9850	.9875	.9900	.9925	.9950	.9975
					57	1.0000						

Table D
Qualified Joint and Survivor Annuity Factors

YOUNGER (-) OR OLDER (+) THAN EMPLOYEE AT RETIREMENT	AGE OF EMPLOYEE AT RETIREMENT															
	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65
-20	.1334	.1432	.1537	.1650	.1771	.1901	.2040	.2189	.2349	.2520	.2703	.2897	.3103	.3322	.3554	.3799
-19	.1324	.1420	.1524	.1636	.1756	.1884	.2022	.2169	.2326	.2495	.2675	.2866	.3070	.3285	.3514	.3754
-18	.1312	.1408	.1511	.1621	.1739	.1866	.2002	.2147	.2302	.2469	.2646	.2835	.3035	.3247	.3471	.3707
-17	.1301	.1395	.1496	.1605	.1722	.1847	.1981	.2124	.2277	.2441	.2616	.2801	.2998	.3206	.3427	.3658
-16	.1288	.1381	.1481	.1589	.1704	.1827	.1959	.2100	.2250	.2412	.2583	.2766	.2959	.3164	.3380	.3607
-15	.1275	.1367	.1465	.1571	.1685	.1806	.1936	.2074	.2222	.2381	.2550	.2729	.2918	.3119	.3331	.3553
-14	.1261	.1351	.1448	.1553	.1664	.1784	.1911	.2048	.2193	.2349	.2514	.2690	.2876	.3073	.3280	.3498
-13	.1246	.1335	.1431	.1533	.1643	.1761	.1886	.2020	.2162	.2315	.2478	.2650	.2832	.3024	.3227	.3440
-12	.1231	.1318	.1412	.1513	.1621	.1736	.1859	.1990	.2130	.2280	.2439	.2608	.2786	.2974	.3172	.3379
-11	.1214	.1301	.1393	.1492	.1598	.1711	.1831	.1960	.2097	.2244	.2399	.2564	.2738	.2921	.3115	.3317
-10	.1198	.1282	.1373	.1470	.1574	.1684	.1802	.1928	.2062	.2206	.2358	.2519	.2688	.2867	.3056	.3253
- 9	.1180	.1263	.1352	.1447	.1548	.1657	.1772	.1895	.2026	.2166	.2315	.2472	.2637	.2812	.2995	.3187
- 8	.1162	.1243	.1330	.1423	.1522	.1628	.1741	.1861	.1989	.2126	.2271	.2424	.2585	.2755	.2933	.3120
- 7	.1143	.1222	.1307	.1398	.1495	.1599	.1709	.1826	.1951	.2084	.2225	.2374	.2531	.2696	.2869	.3051
- 6	.1123	.1201	.1284	.1372	.1467	.1568	.1676	.1790	.1911	.2041	.2178	.2323	.2475	.2636	.2804	.2980
- 5	.1103	.1178	.1259	.1346	.1438	.1537	.1641	.1752	.1871	.1997	.2130	.2271	.2419	.2575	.2738	.2909
- 4	.1082	.1155	.1234	.1319	.1409	.1504	.1606	.1714	.1829	.1951	.2081	.2217	.2361	.2512	.2671	.2836
- 3	.1060	.1132	.1209	.1291	.1378	.1471	.1570	.1675	.1786	.1905	.2031	.2163	.2302	.2449	.2602	.2762
- 2	.1038	.1108	.1182	.1262	.1347	.1437	.1533	.1635	.1743	.1858	.1980	.2108	.2243	.2385	.2533	.2687
- 1	.1015	.1083	.1155	.1233	.1315	.1403	.1496	.1594	.1699	.1811	.1928	.2053	.2183	.2320	.2463	.2612
0	.0992	.1057	.1128	.1203	.1283	.1367	.1457	.1553	.1654	.1762	.1876	.1996	.2122	.2254	.2393	.2536
+ 1	.0968	.1032	.1100	.1172	.1250	.1332	.1419	.1511	.1609	.1713	.1824	.1939	.2061	.2188	.2322	.2460
+ 2	.0944	.1005	.1071	.1142	.1216	.1296	.1380	.1469	.1563	.1664	.1771	.1882	.1999	.2122	.2250	.2383
+ 3	.0919	.0979	.1042	.1110	.1182	.1259	.1340	.1426	.1517	.1615	.1717	.1825	.1938	.2056	.2179	.2307
+ 4	.0894	.0952	.1013	.1079	.1148	.1222	.1300	.1383	.1471	.1565	.1664	.1767	.1876	.1989	.2107	.2230
+ 5	.0869	.0925	.0984	.1047	.1114	.1185	.1261	.1340	.1425	.1515	.1610	.1709	.1813	.1922	.2036	.2153
+ 6	.0844	.0897	.0954	.1015	.1080	.1148	.1221	.1297	.1379	.1465	.1556	.1652	.1751	.1856	.1964	.2077
+ 7	.0819	.0870	.0925	.0983	.1045	.1111	.1181	.1254	.1332	.1415	.1503	.1594	.1690	.1789	.1893	.2000
+ 8	.0793	.0843	.0895	.0951	.1011	.1074	.1141	.1211	.1286	.1366	.1449	.1537	.1628	.1724	.1823	.1924
+ 9	.0768	.0815	.0866	.0920	.0977	.1037	.1101	.1169	.1240	.1316	.1396	.1480	.1567	.1658	.1752	.1848
+10	.0742	.0788	.0836	.0888	.0943	.1001	.1062	.1126	.1195	.1267	.1344	.1423	.1506	.1593	.1682	.1773
+11	.0717	.0761	.0807	.0856	.0909	.0964	.1022	.1084	.1149	.1219	.1292	.1367	.1446	.1528	.1612	.1698
+12	.0692	.0734	.0778	.0825	.0875	.0928	.0984	.1042	.1105	.1171	.1240	.1312	.1386	.1463	.1543	.1624
+13	.0667	.0707	.0749	.0794	.0842	.0892	.0945	.1001	.1060	.1123	.1189	.1257	.1327	.1400	.1474	.1550
+14	.0643	.0680	.0721	.0764	.0809	.0857	.0907	.0960	.1016	.1076	.1138	.1202	.1268	.1337	.1407	.1479
+15	.0618	.0654	.0693	.0733	.0776	.0822	.0870	.0920	.0973	.1029	.1088	.1148	.1210	.1274	.1341	.1408
+16	.0594	.0629	.0665	.0704	.0744	.0788	.0833	.0881	.0931	.0983	.1038	.1095	.1153	.1214	.1276	.1340
+17	.0571	.0603	.0638	.0674	.0713	.0754	.0797	.0841	.0888	.0938	.0990	.1043	.1098	.1155	.1214	.1275
+18	.0547	.0578	.0611	.0646	.0682	.0721	.0761	.0803	.0847	.0894	.0942	.0992	.1044	.1098	.1154	.1212
+19	.0525	.0554	.0585	.0618	.0652	.0688	.0726	.0765	.0806	.0850	.0895	.0943	.0991	.1042	.1096	.1151
+20	.0502	.0530	.0559	.0590	.0622	.0656	.0691	.0728	.0767	.0808	.0850	.0895	.0941	.0989	.1040	.1093

FACTORS FOR AGE COMBINATIONS NOT SHOWN ARE COMPUTED ON THE SAME ACTUARIAL BASIS AS THAT USED FOR COMPUTATION OF THE FACTORS STATED IN THE ABOVE TABLE. AS PROVIDED IN SECTION 3.B. OF SCHEDULE A, 40% OF THE APPROPRIATE FACTOR PROVIDED FOR BY THIS TABLE IS TO BE USED IN DETERMINING THE AMOUNT OF THE QUALIFIED JOINT AND SURVIVOR ANNUITY ATTRIBUTABLE TO A PARTICIPANT'S ACCRUED FROZEN BENEFIT.

Table E
Family Annuity Factors

AGE OF YOUNGEST CHILD	AGE OF EMPLOYEE AT RETIREMENT															
	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65
20	.0012	.0014	.0016	.0018	.0020	.0023	.0027	.0030	.0034	.0038	.0043	.0049	.0055	.0063	.0071	.0080
19	.0033	.0037	.0041	.0046	.0052	.0058	.0065	.0072	.0081	.0090	.0102	.0114	.0128	.0143	.0161	.0181
18	.0055	.0061	.0068	.0076	.0084	.0094	.0104	.0116	.0129	.0145	.0162	.0181	.0203	.0227	.0255	.0287
17	.0078	.0086	.0096	.0106	.0118	.0131	.0146	.0162	.0180	.0201	.0225	.0252	.0282	.0315	.0354	.0398
16	.0101	.0112	.0124	.0138	.0153	.0170	.0188	.0209	.0233	.0260	.0291	.0325	.0364	.0408	.0458	.0514
15	.0126	.0139	.0153	.0170	.0189	.0209	.0233	.0259	.0288	.0322	.0360	.0402	.0450	.0504	.0565	.0634
14	.0151	.0166	.0184	.0204	.0226	.0251	.0279	.0310	.0345	.0386	.0431	.0482	.0540	.0604	.0677	.0758
13	.0176	.0195	.0215	.0238	.0264	.0294	.0326	.0363	.0405	.0452	.0505	.0565	.0632	.0708	.0792	.0886
12	.0203	.0224	.0247	.0274	.0304	.0338	.0376	.0418	.0466	.0521	.0582	.0651	.0728	.0815	.0911	.1016
11	.0230	.0254	.0281	.0311	.0346	.0384	.0427	.0475	.0530	.0592	.0662	.0740	.0827	.0924	.1032	.1149
10	.0258	.0285	.0315	.0350	.0388	.0431	.0480	.0534	.0596	.0666	.0744	.0832	.0929	.1036	.1154	.1284
9	.0287	.0317	.0351	.0389	.0432	.0480	.0534	.0595	.0664	.0742	.0828	.0925	.1032	.1149	.1279	.1419
8	.0316	.0350	.0387	.0430	.0477	.0531	.0591	.0658	.0734	.0819	.0915	.1020	.1136	.1264	.1404	.1556
7	.0347	.0383	.0425	.0471	.0524	.0583	.0649	.0722	.0805	.0899	.1002	.1116	.1241	.1379	.1530	.1694
6	.0378	.0418	.0463	.0514	.0572	.0636	.0708	.0788	.0878	.0979	.1090	.1213	.1347	.1495	.1656	.1831
5	.0410	.0454	.0503	.0559	.0621	.0691	.0768	.0855	.0952	.1060	.1179	.1310	.1453	.1611	.1782	.1969
4	.0443	.0490	.0544	.0604	.0671	.0746	.0830	.0923	.1027	.1142	.1268	.1407	.1559	.1726	.1908	.2105
3	.0476	.0528	.0585	.0650	.0722	.0803	.0892	.0991	.1101	.1223	.1357	.1504	.1669	.1841	.2032	.2240
2	.0511	.0566	.0628	.0697	.0774	.0860	.0955	.1060	.1176	.1305	.1446	.1601	.1770	.1954	.2155	.2372
1	.0546	.0605	.0671	.0745	.0826	.0917	.1018	.1128	.1251	.1386	.1534	.1696	.1873	.2066	.2275	.2501

FACTORS FOR AGE COMPUTATIONS NOT SHOWN ARE COMPUTED ON THE SAME ACTUARIAL BASIS AS THAT USED FOR COMPUTATION OF THE FACTORS STATED IN THE ABOVE TABLE. AS PROVIDED IN SECTION 4.B. OF SCHEDULE A, 100% OF THE APPROPRIATE FACTOR PROVIDED FOR BY THIS TABLE IS TO BE USED IN DETERMINING THE AMOUNT OF THE FAMILY ANNUITY ATTRIBUTABLE TO A PARTICIPANT'S ACCRUED FROZEN BENEFIT.

Table F
Deferred Vesting Schedule

AGE THAT VESTED BENEFITS BEGIN

AGE AT TERMINATION	50	51	52	53	54	55	56	57	58	59	60
49	70.0%	73.0%	76.0%	79.0%	82.0%	85.0%	88.0%	91.0%	94.0%	97.0%	100%
48	69.0%	72.1%	75.2%	78.3%	81.4%	84.5%	87.6%	90.7%	93.8%	96.9%	100%
47	68.0%	71.2%	74.4%	77.6%	80.8%	84.0%	87.2%	90.4%	93.6%	96.8%	100%
46	67.0%	70.3%	73.6%	76.9%	80.2%	83.5%	86.8%	90.1%	93.4%	96.7%	100%
45	66.0%	69.4%	72.8%	76.2%	79.6%	83.0%	86.4%	89.8%	93.2%	96.6%	100%
44	65.0%	68.5%	72.0%	75.5%	79.0%	82.5%	86.0%	89.5%	93.0%	96.5%	100%
43	64.0%	67.6%	71.2%	74.8%	78.4%	82.0%	85.6%	89.2%	92.8%	96.4%	100%
42	63.0%	66.7%	70.4%	74.1%	77.8%	81.5%	85.2%	88.9%	92.6%	96.3%	100%
41	62.0%	65.8%	69.6%	73.4%	77.2%	81.0%	84.8%	88.6%	92.4%	96.2%	100%
40	61.0%	64.9%	68.8%	72.7%	76.6%	80.5%	84.4%	88.3%	92.2%	96.1%	100%
39	60.0%	64.0%	68.0%	72.0%	76.0%	80.0%	84.0%	88.0%	92.0%	96.0%	100%
38	59.0%	63.1%	67.2%	71.3%	75.4%	79.5%	83.6%	87.7%	91.8%	95.9%	100%
37	58.0%	62.2%	66.4%	70.6%	74.8%	79.0%	83.2%	87.4%	91.6%	95.8%	100%
36	57.0%	61.3%	65.6%	69.9%	74.2%	78.5%	82.8%	87.1%	91.4%	95.7%	100%
35	56.0%	60.4%	64.8%	69.2%	73.6%	78.0%	82.4%	86.8%	91.2%	95.6%	100%
34	55.0%	59.5%	64.0%	68.5%	73.0%	77.5%	82.0%	86.5%	91.0%	95.5%	100%
33	54.0%	58.6%	63.2%	67.8%	72.4%	77.0%	81.6%	86.2%	90.8%	95.4%	100%
32	53.0%	57.7%	62.4%	67.1%	71.8%	76.5%	81.2%	85.9%	90.6%	95.3%	100%
31	52.0%	56.8%	61.6%	66.4%	71.2%	76.0%	80.8%	85.6%	90.4%	95.2%	100%
30	51.0%	55.9%	60.8%	65.7%	70.6%	75.5%	80.4%	85.3%	90.2%	95.1%	100%
29	50.0%	55.0%	60.0%	65.0%	70.0%	75.0%	80.0%	85.0%	90.0%	95.0%	100%
28	49.0%	54.1%	59.2%	64.3%	69.4%	74.5%	79.6%	84.7%	89.8%	94.9%	100%
27	48.0%	53.2%	58.4%	63.6%	68.8%	74.0%	79.2%	84.4%	89.6%	94.8%	100%
26	47.0%	52.3%	57.6%	62.9%	68.2%	73.5%	78.8%	84.1%	89.4%	94.7%	100%
25	46.0%	51.4%	56.8%	62.2%	67.6%	73.0%	78.4%	83.8%	89.2%	94.6%	100%
24	45.0%	50.5%	56.0%	61.5%	67.0%	72.5%	78.0%	83.5%	89.0%	94.5%	100%
23	44.0%	49.6%	55.2%	60.8%	66.4%	72.0%	77.6%	83.2%	88.8%	94.4%	100%
22	43.0%	48.7%	54.4%	60.1%	65.8%	71.5%	77.2%	82.9%	88.6%	94.3%	100%
21	42.0%	47.8%	53.6%	59.4%	65.2%	71.0%	76.8%	82.6%	88.4%	94.2%	100%
20	41.0%	46.9%	52.8%	58.7%	64.6%	70.5%	76.4%	82.3%	88.2%	94.1%	100%

NOTE: EMPLOYEES MUST HAVE 5 YEARS OF SERVICE TO QUALIFY FOR VESTING

SCHEDULE INDICATES PERCENTAGE OF VESTED BENEFIT PAYABLE
INTERPOLATION WILL BE MADE TO THE NEAREST MONTH

SCHEDULE B

PROVISIONS APPLICABLE TO
ACCRUED FROZEN BENEFIT
UNDER THE SERVICE ANNUITY PLAN
OF PECO ENERGY COMPANY

1. APPLICATION

This Schedule shall apply only to a Participant who elects to participate in the Plan pursuant to Section 3.1(b) of the Plan (relating to eligibility for participation for employees other than new hires) or Section 9.1 of the Plan (relating to recommencement of employment by terminated employee) and whose accrued benefit under the PECO Plan is transferred to the Plan pursuant to Section 3.1(c) of the Plan (relating to transfer of benefits and assets to Plan) or Section 9.1 of the Plan. The provisions of this Schedule shall govern with respect to all matters relating to such a Participant's Accrued Frozen Benefit.

2. DEFINED TERMS

For purposes of this Schedule B, capitalized terms used herein shall have their respective meanings set forth in the Plan, except that the following words and phrases shall have the following respective meanings when capitalized unless the context clearly indicates otherwise:

A. Accrued Frozen Benefit. The amount payable with respect to a Participant's accrued benefit under the PECO Plan determined as of December 31, 2001 commencing on the first day of the month coinciding with or next following a Participant's Schedule B Normal Retirement Age, determined as if such amount were payable in the form of a single life annuity for the life of the Participant.

B. Benefit Years. For periods prior to January 1, 2002, a Participant's Benefit Years includes the Participant's "benefit years" as of the date he or she becomes a Participant, determined in accordance with the provisions of the PECO Plan as in effect on December 31, 2001. For the Participant's 12 month "benefit accrual computation period" (as defined in the PECO Plan) that ends during the 2002 Plan Year, the greater of (i) the Vesting Service, for such period, determined pursuant to subdivision (43) of Article 2 of the Plan and (ii) the "benefit years", for such period, determined pursuant to the terms of the PECO Plan as in effect on December 31, 2001. For periods after the 12 month period described in the preceding sentence, a Participant's Benefit Years shall equal his or her Vesting Service for such periods.

C. Early Retirement Date. The date on which a Participant completes at least ten years of Vesting Service and attains at least age 50.

D. Schedule B Actuarial Factors. The table specified by the Commissioner of Internal Revenue for purposes of section 417(e)(3) of the Code (which, as of the Effective Date, is the 1983 Group Annuity (unisex) Mortality Table (50% male, 50% female)) in effect on the date a determination hereunder occurs and an interest rate assumption using the "applicable interest rate" as defined in section 417(e)(3) of the

Code for the month of November of the Plan Year immediately preceding the Plan Year in which a determination hereunder occurs.

E. Schedule B Normal Retirement Age. A Participant's 65th birthday.

3. SPECIAL RULES REGARDING COMPUTATION OF BENEFIT

A. Factors to Calculate Pension Paid Before Schedule B Normal Retirement Age

1. Pension Starting Date on or After Early Retirement Date and Prior to Schedule B Normal Retirement Age. The Pension attributable to the Accrued Frozen Benefit of a Participant whose Termination of Employment occurs on or after his or her Early Retirement Date and whose Pension commences prior to his or her Schedule B Normal Retirement Age shall be computed by multiplying such Participant's Accrued Frozen Benefit by the applicable factor from Table B-1.

2. Pension Starting Date After Attainment of Age 50 but Prior to Early Retirement Date. The Pension attributable to the Accrued Frozen Benefit of a Participant whose Pension Starting Date occurs on or after such Participant's attainment of age 50 but prior to such Participant's attainment of his or her Early Retirement Date and whose Pension commences prior to his or her Schedule B Normal Retirement Age shall be computed by multiplying such Participant's Accrued Frozen Benefit by the applicable factor from Table G.

3. Pension Starting Date Prior to Attainment of Age 50. The amount determined by actuarially reducing the Participant's Accrued Frozen Benefit using the factors in Table G to reduce the Accrued Frozen Benefit from age 65 to age 50 and using the Schedule B Actuarial Factors to reduce the Accrued Frozen Benefit from age 50 to the Participant's Pension Starting Date.

B. Lump Sum Value. If a Participant elects to receive his or her Accrued Frozen Benefit in the form of a lump sum distribution as described in Option 2 of Section 7.2(c) of the Plan, the amount of the lump sum attributable to the Participant's Accrued Frozen Benefit shall be the greater of:

1. the actuarial equivalent of the Participant's Accrued Frozen Benefit using the Schedule B Actuarial Factors, and

2. an amount equal to the present value of the Participant's Accrued Frozen Benefit determined as of December 31, 2001 using a 6.5% discount rate and the 1983 Group Annuity (unisex) Mortality Table (50% male, 50% female), assuming the Accrued Frozen Benefit otherwise payable at the Schedule B Normal Retirement Age would commence at the later of the Participant's attained age at December 31, 2001 or age 60 (or, effective January 1, 2002, age 59 for Craft, Craft/Technical, Technical Support and Professional

Support Employees with an Accrued Frozen Benefit) and credited with 6.5% for each Plan Year subsequent to December 31, 2001 during which the Participant is a Participant, whether or not such Participant is an Eligible Employee during such Plan Year.

4. OPTIONAL FORMS OF BENEFIT PAYABLE UPON RETIREMENT

In lieu of the optional forms of benefit available under Section 7.2(c) of the Plan, a Participant may elect to have the portion of his or her Accrued Benefit attributable to his or her Accrued Frozen Benefit paid in the following form, subject to Section 7.4 (relating to election and waiver procedures):

A. Contingent Annuity Option: A Participant (each, an "Eligible Participant") who has a Termination of Employment after he or she (1) has completed at least 14 Benefit Years, or (2) has attained age 65 and has completed at least 5 Benefit Years, or (3) has attained his or her Early Retirement Date may elect a contingent annuity option under which the Participant may designate a percentage equal to 25%, 50%, 75% or 100% of his or her Pension to be paid upon his or her death to a contingent Beneficiary designated by such Participant. The annuity otherwise payable to a Participant electing a Contingent Annuity Option or to his or her contingent Beneficiary will be actuarially reduced using the Schedule B Actuarial Factors to reflect the payments which may become payable to the Beneficiary. Notwithstanding the preceding sentence, if the Participant's Spouse is designated as the contingent Beneficiary, the actuarial reduction will not reflect the cost of a joint and survivor annuity option providing a survivor annuity to the Participant's Spouse of (1) 50% of the amount payable to the Participant, if a 50%, 75% or 100% contingent annuity option is elected, or (2) 25% of the amount payable to the Participant, if a 25% contingent annuity option is elected; provided, however, that the subsidy described in this sentence shall not apply to a former spouse who is to be treated as a Participant's spouse pursuant to a qualified domestic relations order, unless the qualified domestic relations order specifically provides that such subsidy applies to the former spouse. If the contingent Beneficiary is other than the Spouse, the percentage payable to the contingent Beneficiary after the Participant's death may not exceed the applicable percentage from Appendix B. The contingent annuity option of an electing Participant who has a Termination of Employment before he or she attains his or her Early Retirement Date shall be canceled.

APPENDIX B

MINIMUM DISTRIBUTION INCIDENTAL BENEFIT TABLE

Excess if Page of Participant over Age of Beneficiary	Applicable Percentage
10 years or less	100%
11	96%
12	93%
13	90%
14	87%
15	84%
16	82%
17	79%
18	77%
19	75%
20	73%
21	72%
22	70%
23	68%
24	67%
25	66%
26	64%
27	63%
28	62%
29	61%
30	60%
31	59%
32	59%
33	58%
34	57%
35	56%
36	56%
37	55%
38	55%
39	54%
40	54%
41	53%
42	53%
43	53%
44 and greater	52%

Table G

Reduction Factors Applicable to Accrued Frozen Benefit under Schedule B
For Pension Starting Date on or after Age 50 and before Early Retirement Age*

	Months											
Age	0	1	2	3	4	5	6	7	8	9	10	11
50	0.235	0.237	0.239	0.240	0.242	0.244	0.246	0.247	0.249	0.251	0.253	0.254
51	0.256	0.258	0.260	0.262	0.264	0.266	0.268	0.269	0.271	0.273	0.275	0.277
52	0.279	0.281	0.283	0.286	0.288	0.290	0.292	0.294	0.296	0.299	0.301	0.303
53	0.305	0.307	0.310	0.312	0.314	0.317	0.319	0.321	0.324	0.326	0.328	0.331
54	0.333	0.336	0.338	0.341	0.344	0.346	0.349	0.352	0.354	0.357	0.360	0.362
55	0.365	0.368	0.371	0.374	0.377	0.380	0.383	0.385	0.388	0.391	0.394	0.397
56	0.400	0.403	0.407	0.410	0.413	0.417	0.420	0.423	0.427	0.430	0.433	0.437
57	0.440	0.444	0.447	0.451	0.455	0.458	0.462	0.466	0.469	0.473	0.477	0.480
58	0.484	0.488	0.492	0.496	0.500	0.504	0.509	0.513	0.517	0.521	0.525	0.529
59	0.533	0.538	0.542	0.547	0.552	0.556	0.561	0.566	0.570	0.575	0.580	0.584
60	0.589	0.594	0.599	0.605	0.610	0.615	0.620	0.625	0.630	0.636	0.641	0.646
61	0.651	0.657	0.663	0.669	0.675	0.681	0.687	0.692	0.698	0.704	0.710	0.716
62	0.722	0.729	0.736	0.742	0.749	0.756	0.763	0.769	0.776	0.783	0.790	0.796
63	0.803	0.811	0.818	0.826	0.834	0.841	0.849	0.857	0.864	0.872	0.880	0.887
64	0.895	0.904	0.913	0.921	0.930	0.939	0.948	0.956	0.965	0.974	0.983	0.991
65 and Over	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

* Factors above are to be multiplied by the Frozen Accrued Benefit applicable to Schedule B. The Basis for the above Factors is the 1971 TPF&C Projection Mortality Table for Males with 1-Year Setback, and 7.00% Interest.

EXHIBIT 10-22

EXELON CORPORATION
STOCK DEFERRAL PLAN

EXELON CORPORATION
STOCK DEFERRAL PLAN

ARTICLE I

Amendment and Restatement; Purpose

Amendment and Restatement; Purpose. The Exelon Corporation Stock Deferral Plan (the "Plan") was established as the Unicom Corporation Stock Bonus Deferral Plan, and was amended and restated, effective September 30, 1998, and subsequently amended by the First Amendment thereto, also effective September 30, 1998. Effective as of October 20, 2000, sponsorship of the Plan was transferred to Exelon Corporation and, pursuant to the Second Amendment, the Plan was renamed the Exelon Corporation Stock Deferral Plan and amended to reflect the merger of Unicom Corporation with and into Exelon Corporation. The Plan is hereby amended and restated, generally effective January 1, 2001, except as specifically otherwise provided herein. The rights and benefits of any Participant (as defined below) whose employment terminated prior to January 1, 2001 shall be determined under the terms of the Plan as in effect on the date of such termination of employment.

Exelon Corporation (the "Company") maintains the Plan in order to provide to certain key employees of the Company and participating affiliates (collectively, the "Employers") the opportunity to defer the receipt of all or any portion of any incentive or other awards payable in common stock of the Company ("Exelon Stock") granted under the Exelon Corporation Long Term Incentive Plan (the "LTIP"), or of any similar award payable under any other incentive program sponsored by an Employer (collectively, "Awards").

In addition, the Employers have entered into certain agreements with key employees (collectively, the "Agreements") which provide for a certain level of incentive award or provide for payment of amounts that would have been payable in Exelon Stock as long term incentive awards under the LTIP had the employee been employed by the Employer for the full period with respect to which the award is payable ("Award Equivalents"). The Plan is also maintained to provide to such employees an opportunity to defer the receipt of any such guaranteed incentive award, or of all or any portion of such Award Equivalents, or both, as applicable.

ARTICLE II

Eligibility and Participation

2.1 Eligibility and Participation. Each individual who was a Participant in the Plan on the day before the effective date of this amendment and restatement shall continue to be a Participant hereunder. Each other employee of an Employer who, on the applicable election date described in Section 3.1, is described below, upon making a deferral election in accordance with the provisions of Article III shall become a participant ("Participant") in this Plan on the effective date of such election:

(a) an officer of the Company or any affiliate or subsidiary thereof;

(b) an employee in salary band VI or above (considered to be Key Management) under the Company's compensation system or at the equivalent payroll level under another Employer's compensation system; or

(c) any employee not described in paragraphs (a) or (b) above who, prior to October 20, 2000 was considered to be a Key Management or "Group" level employee of an Employer.

2.2 Termination of Participation. Each Participant shall remain a Participant until such individual is no longer entitled to benefits hereunder; provided, however, that a Participant (i) who is receiving benefits under a severance plan or arrangement sponsored by the Company or an affiliate, (ii) who is, as of any applicable election date, no longer described in paragraphs (a) or (b) of Section 2.1, or (iii) who has had a termination of employment or retired but has not yet received a distribution of his Plan accounts shall not be entitled to make any further deferral elections under the Plan.

ARTICLE III

Deferral Elections

3.1 Deferral Elections.

(a) Deferral Elections.

(i) On or before the election due date set forth below, while this Plan is in effect, each Participant (other than a Participant described in Section 2.1(c)) may elect to defer the receipt of all or a portion of any Award or Award Equivalent to which he may become entitled under the LTIP, any other incentive plan sponsored by an Employer or under the terms of an Agreement, as applicable;

(ii) An election made prior to October 1, 2000 to defer receipt of any Award made to Participant under the PECO Energy Company Performance Share Program as in effect prior to October 1, 2000 shall be deemed to be a deferral election under this Section 3.1(a), and except as otherwise specifically provided herein, the terms and conditions of the Plan shall apply to such deferral elections.

(b) Election Due Dates. The election due date shall be on such date as the Plan Administrator or its delegate shall specify, but no later than December 1 of the calendar year preceding the date an Award or Award Equivalent becomes payable; provided, however that for an individual who first becomes an eligible employee after an applicable election due date, the election shall be due within 30 days after the date on which such individual is notified of his or her eligibility, but not later than December 31 of the calendar year preceding the year in which the Award or Award Equivalent becomes payable.

(c) Effect of Elections. An election made pursuant to paragraph (b) hereof shall provide that the Award or Award Equivalent subject to such election shall not be paid to the Participant at the time provided under the terms of the program under which the Award was granted or Agreement, as applicable, but shall instead be paid to the Participant in accordance with the Participant's Distribution Election Form (as defined in Section 5.1).

ARTICLE IV

Accounts

Deferred Stock Accounts. Exelon Corporation shall establish on its books an account (a "Deferred Stock Account") on behalf of each Participant who has made a deferral election pursuant to Section 3.1(a). Each Deferred Stock Account shall be credited with the amount deferred pursuant to Section 3.1(a), plus an amount (the "dividend equivalents") equal to the dividends declared from

time to time on the number of shares of Exelon Stock credited to such account, determined in accordance with the following sentence. Dividends shall be credited to each Participant's Deferred Stock Account as a number of additional shares of Exelon Stock determined by dividing the aggregate amount of such dividend equivalents by the purchase price used under the Exelon Corporation Dividend Reinvestment and Stock Purchase Plan related to each such dividend; provided, however, that with respect to any dividend payable after October 20, 2000 and prior to January 1, 2001, the purchase price shall be the closing price on the date the dividend was paid. Deferred Stock Accounts shall be for bookkeeping purposes only, and neither Exelon Corporation nor any Employer shall be obligated to set aside or segregate any actual shares of Exelon Stock or any other assets in respect of such accounts.

ARTICLE V

Time and Manner of Payment

5.1 Distributions. Except as provided below, each Participant shall be entitled to elect, on such form (a "Distribution Election Form") and in such manner as may be provided by the Plan Administrator, payment of his or her Deferred Stock Account in one of the payment forms specified in subparagraph (a). A Participant's Distribution Election Form shall become irrevocable on December 1 of the year preceding such Participant's termination of employment for any reason, including death or retirement. Notwithstanding the preceding, amounts credited to a Deferred Stock Account pursuant to an election described in Section 3.1(a)(ii) shall be distributed in such form and over such time period as the Participant shall have designated at the time the deferral election was made, and such distribution election shall have become irrevocable as of such date.

(a) Payment Forms. A Participant may elect payment of such Participant's Deferred Stock Account in (i) a lump sum, or (ii) a series of annual installments; provided, however, that in the case of a Participant's death, termination of employment or commencement of a leave of absence on account of total and permanent disability (as defined under such long term disability plan as may be provided by the Participant's Employer), installment payments shall be made over a period of not more than three (3) years, and in the case of a Participant's termination of employment on account of retirement under any pension plan maintained by such Participant's Employer, installment payments shall be made over a period of not more than 15 years.

(b) Default Payments. The Deferred Stock Account of any Participant who fails to complete a Distribution Election Form shall be distributed in a

lump sum as soon as practicable following the date of the Participant's death, retirement or termination of employment, or commencement of a leave of absence on account of total and permanent disability.

(c) Time of Payment. Notwithstanding the preceding, distribution of any balance in a class year subaccount established prior to December 31, 2000 shall be made as soon as practicable after the last day of the deferral period specified in the Participant's election made prior to December 31, 1999. Subject to the following sentence, payment of any Deferred Stock Account in a lump sum shall be made as soon as practicable following the date of the Participant's termination of employment for any reason, and annual installments shall be paid on or about April 1 of the year with respect to which they are made. The net shares of Exelon Stock (including any fractional share) determined by reference to the closing price per share of Exelon Stock, as reported on the New York Stock Exchange on the business day immediately preceding the date of distribution and reduced by any amount required by law to be deducted or withheld (or to the extent determined by the Plan Administrator, in its discretion, after consultation with its advisers), including income tax withholding, shall be credited to an account established on behalf of the Participant at First Chicago Trust Company or such other institution as the Plan Administrator shall designate.

5.2 Beneficiaries. If a Participant shall die while any shares of Exelon Stock remain credited to the Deferred Stock Account established on his or her behalf under Article IV, such amount shall be distributed as provided in Section 5.1 to the beneficiary or beneficiaries as the Participant may, from time to time, designate in writing delivered to the Plan Administrator (as defined in Section 7.1 below). A Participant may revoke or change his or her beneficiary designation at any time in writing delivered to the Plan Administrator. If a Participant does not designate a beneficiary under this Plan, or if no designated beneficiary survives the Participant, the Participant's estate shall be deemed to be the Participant's beneficiary hereunder.

ARTICLE VI

Application of ERISA, Funding

6.1 Application of ERISA. The Plan is intended to constitute an unfunded plan maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees within the meaning of sections 201(2), 301(a)(3) and 401 (a)(1) of ERISA and Department of Labor Regulation ss. 2520.104-23.

6.2 Funding. The Plan shall not be a funded plan, and neither the Company nor any of the Employers shall be under any obligation to set aside any funds for the purpose of making payments under this Plan. Any payments hereunder shall be made out of the general assets of the Company and the Employers, and no Participant or beneficiary shall have any right to any specific assets.

6.3 Trust. The Company shall establish a trust for the purpose of administering assets of the Company and the Employers to be used for the purpose of satisfying their obligations under the Plan. Any such trust shall be established in such manner so as to be a "grantor trust" of which the Company is the grantor, within the meaning of section 671 et. seq. of the Code. The existence of any such trust shall not relieve the Company or any Employer of their liabilities under the Plan, but the obligation of the Company and the Employers under the Plan shall be deemed satisfied to the extent paid from the trust.

ARTICLE VII

Administration

7.1 Administration. The Plan shall be administered by the Vice President Compensation of the Company (the "Plan Administrator"). The Plan Administrator shall determine the rights of any employee or former employee of an Employer to benefits hereunder. The Plan Administrator has the sole and absolute power and authority to interpret and apply the provisions of this Plan to a particular circumstance, make all factual and legal determinations, construe uncertain or disputed terms (including, without limitation, any eligibility provisions) and make eligibility and benefit determinations in such manner and to such extent as the Plan Administrator in his or her sole discretion may determine. Benefits under the Plan will be paid only if the Plan Administrator decides, in his or her discretion, that a Participant (or his or her beneficiary) is entitled to them.

The Plan Administrator shall promulgate any rules and regulations necessary to carry out the purposes of the Plan or to interpret the terms and conditions of the Plan; provided, however, that no rule, regulation or interpretation shall be contrary to the provisions of the Plan. The rules, regulations and interpretations made by the Plan Administrator shall be applied on a uniform basis and shall be final and binding on any employee or former employee of the Employers or any successor in interest of any of them. The Plan Administrator may delegate any of its responsibilities or duties hereunder.

7.2 Claims Procedure. In accordance with the regulations of the U.S. Department of Labor, the Company shall (i) provide adequate notice in writing to

any Participant or beneficiary whose claim for benefits is denied, setting forth the specific reasons for such denial and written in a manner calculated to be understood by such Participant or beneficiary and (ii) afford a reasonable opportunity to any Participant or beneficiary whose claim for benefits has been denied for a full and fair review by the Plan Administrator of the decision denying the claim.

7.3 Expenses. All costs and expenses incurred in administering the Plan, including the expenses of the Plan Administrator, the fees of counsel and any agents of the Plan Administrator and other administrative expenses shall be paid by the Company and the Employers. The Plan Administrator, in its sole discretion, having regard to the nature of a particular expense, shall determine the portion of such expense which is to be borne by the Company or a particular Employer.

7.4 Indemnification. Neither the Plan Administrator nor any officer or employee of the Company shall be liable to any person for any action taken or omitted in connection with the interpretation and administration of the Plan unless attributable to his or her own willful misconduct or bad faith, and the Company shall indemnify and hold harmless such Plan Administrator, officers and employees from and against all claims, losses, damages, causes of action and expenses, including reasonable attorney fees and court costs, incurred in connection with such interpretation and administration of the Plan.

ARTICLE VIII

Amendment and Termination

The Company intends to maintain the Plan indefinitely. However, the Plan, or any provision thereof, may be amended, modified or terminated at any time by action of its Senior Vice President and Chief Human Resources Officer or such other senior officer to whom the Company has delegated amendment authority (without regard to any limitations imposed on such powers by the Code or ERISA), except that no such amendment or termination shall reduce or cancel the amount credited to the accounts of any Participant hereunder immediately prior to the date of such amendment or termination. Upon the termination of the Plan, all account balances hereunder shall be promptly paid to Participants or their beneficiaries.

ARTICLE IX

Miscellaneous

9.1 FICA Taxes. Notwithstanding Section 3.1, the amount deferred for any calendar year pursuant to an election made thereunder shall be reduced by an amount which, after the payment of applicable federal and state income taxes and the tax imposed under Section 3121 of the Code in respect of amounts deferred, is equal to the amount of the tax imposed under Section 3121 of the Code on the amount otherwise subject to deferral (determined without regard to this Section 9.1) pursuant to Section 3.1 for such calendar year.

9.2 Nonassignment of Benefits. It shall be a condition of the payment of benefits under this Plan that neither such benefits nor any portion thereof shall be assigned, alienated or transferred to any person voluntarily or by operation of any law, including any assignment, division or awarding of property under state domestic relations law (including community property law). Any such attempted or purported assignment, alienation or transfer shall be void.

9.3 No Guarantee of Employment. Nothing contained in this Plan shall be construed as a contract of employment between any Employer and any employee or as conferring a right on any employee to be continued in the employment of any Employer, or as a limitation of the right of an Employer to discharge any of its employees, with or without cause.

9.4. Adoption/Withdrawal by Subsidiaries. Any participating affiliate may, with the consent of the Company, adopt the Plan for the benefit of its employees who are Eligible Employees by delivery to the Company of a resolution of its board of directors or duly authorized committee to such effect, which resolution shall specify the date for which this Plan shall be effective with respect to the employees of such participating affiliate who are Eligible Employees. A participating affiliate may terminate its participation in the Plan at any time by giving written notice to the Company and the Plan Administrator. Upon such a withdrawal, the Plan Administrator may, in its discretion, (i) distribute the account balances of each Participant attributable to such participating affiliate at such time and in such manner as the Plan Administrator shall determined, but not later than such payments would have been made had such participating affiliate not withdrawn from the Plan or (ii) transfer the benefits of such Participants under this Plan with respect to such participating affiliate directly to such participating affiliate at which time the remaining Employers shall have no further responsibility in respect of such amounts.

9.5 Gender and Number. Except when the context indicates to the contrary, when used herein, masculine terms shall be deemed to include the feminine and singular the plural.

9.6 Headings. The headings of Articles and Sections are included solely for convenience of reference, and if there is any conflict between such headings and the text of the Plan, the text shall control.

9.7 Invalidity. If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and the Plan shall be enforced and construed as if such provisions, to the extent invalid or unenforceable, had not been included.

9.8 Successors and Assigns. The provisions of the Plan shall bind and inure to the benefit of the Company and each Employer and their successors and assigns, as well as each Participant and his successors.

9.9 Law Governing. Except as provided by any federal law, the provisions of the Plan shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, Exelon Corporation has caused this Plan to be executed effective as of January 1st, 2001.

EXELON CORPORATION

By:________________________
S. Gary Snodgrass
Senior Vice President &
Chief Human Resources Officer

EXHIBIT 10-29

FIRST AMENDMENT TO
EXELON CORPORATION EMPLOYEE SAVINGS PLAN

WHEREAS, Exelon corporation, a Pennsylvania corporation (the "Company"), has adopted and maintains a profit sharing plan with a qualified cash or deferred arrangement for the benefit of employees of the Company and certain of its subsidiaries titled "Exelon Corporation Employee Savings Plan" (the "Plan") which has been amended and restated effective as of March 30, 2001; and

WHEREAS, the Company desires to amend the Plan in certain respects.

NOW, THEREFORE, RESOLVED, that pursuant to the power of amendment contained in Section 16.1 of the Plan, the Plan is hereby amended as follows:

1. Effective as of the date hereof, the Plan shall be amended as follows:

a. Section 3.2(b) of the Plan is amended by deleting the first sentence thereof in its entirety and inserting in lieu thereof the following:

With respect to quarterly incentive awards earned prior to January 1, 2002, each Eligible Employee may request, in the manner prescribed by the Committee, to reduce his or her compensation by an amount equal to 100 percent of any such quarterly incentive awards that would otherwise be paid to such Participant; provided, however, that for the Plan Year which includes the Effective Date, such reduction shall be available solely with respect to quarterly incentive awards payable on or after the later of (i) the Effective Date and (ii) the first date thereafter which the Committee determines is administratively practicable with respect to Employees of such Participant's Employer.

b. Section 4.1(c) of the Plan is amended by deleting the first sentence thereof in its entirety and inserting in lieu thereof the following:

With respect to quarterly incentive awards earned prior to January 1, 2002, and subject to the limitations set forth in subdivision (11) of Article 2 (relating to the $170,000 limitation on compensation) and Sections 4.2 (relating to the $10,500 limit on Before-Tax Contributions), 4.4 (relating to limitations on contributions for highly compensated Eligible Employees), 4.5 (relating to the limitation on Employer Contributions) and 7.4 (relating to limitations on allocations imposed by section 415 of the Code), each Employer shall contribute on behalf of each Participant who has filed a request in accordance with Section 3.2(b) an amount equal to 100 percent of the amount of any such quarterly incentive awards payable to such Participant on or after the effective date of such request.

2. Effective January 1, 2002, the Plan shall be amended as follows:

a. Section 4.1(a) of the Plan is amended by deleting the number "12" contained in clause (2) of the second paragraph thereof and inserting in lieu thereof the word "six".

b. Section 5.2(a) of the Plan is amended in its entirety to read as follows:

(a) The Trustee shall be authorized to receive, hold and distribute in accordance with the Plan, a direct rollover contribution consisting of cash, transferred to the Plan by (i) a

qualified plan described in section 401(a) or 403(a) of the Code, including after-tax employee contributions to such plan, (ii) an annuity contract described in section 403(b) of the Code, excluding after-tax employee contributions or (iii) an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state. The Trustee shall also be authorized to receive, hold and distribute in accordance with the Plan, a Participant contribution of an eligible rollover distribution from (A) a qualified plan described in section 401(a) or 403(a) of the Code, (B) an annuity contract described in section 403(b) of the Code, (C) an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state or (D) an individual retirement account or annuity described in section 408(a) or 408(b) of the Code that is eligible to be rolled over and would otherwise be includible in gross income. The amounts transferred must be eligible rollover distributions, as defined in section 402(c) of the Code. An eligible rollover distribution to a "Separation Eligible Participant" from the PECO Energy Company Service Annuity System may also be contributed to this Plan in accordance herewith no later than December 31, 2002.

c. Section 5.2(b) of the Plan is amended by deleting the first sentence thereof in its entirety and inserting in lieu thereof the following:

Except as otherwise provided in paragraph (a) of this Section, if an individual desires to make a rollover contribution pursuant to such paragraph (a), such contribution either (i) shall be delivered by the individual to the Committee and by the Committee to the Trustee on or before the 60th day after the day on which the Employee receives the distribution or on or before such later date as may be prescribed by law, or (ii) shall be transferred on behalf of the individual directly from the trust from which the eligible rollover distribution is made.

d. Section 8.1(a) of the Plan is amended by deleting the number "12" from the last sentence thereof and inserting in lieu thereof the word "six".

e. Section 8.3(e) of the Plan is amended in its entirety to read as follows:

(e) Direct Rollover Option. In the case of a distribution from the Plan (excluding any amount offset against the Participant's account balance to repay the outstanding balance of any unpaid

loan) which is an "eligible rollover distribution" within the meaning of section 402(c)(4) of the Code, a Participant (or surviving spouse of a Participant) may elect that all or any portion of such distribution shall be directly transferred as a rollover contribution from this Plan to (i) an individual retirement account described in section 408(a) of the Code, (ii) an individual retirement annuity described in section 408(b) of the Code, (iii) an annuity plan described in section 403(a) of the Code or (iv) another plan qualified under section 401(a) of the Code (the terms of which permit the acceptance of rollover contributions); provided, however, that the portion of any such distribution consisting of after-tax contributions may only be so transferred as part of a distribution made on or after January 1, 2002 and may only be transferred to such an account or annuity described in section 408 of the Code, or to such a retirement or annuity plan described in Section 401(a) or 403(a) of the Code that is a defined contribution plan that agrees to separately account for amounts so transferred, including separately accounting for the portion of such amount which is includible of gross income and the portion of such distribution which is not so includible.

f. Section 11.2 of the Plan is amended in its entirety to read as follows:

Section 11.2. Claims Procedure. Any Participant or distributee who believes he or she is entitled to benefits in an amount greater than those which he or she is receiving or has received may file a claim with the Committee. Such a claim shall be in writing and state the nature of the claim, the facts supporting the claim, the amount claimed, and the address of the claimant. The Committee shall review the claim and, unless special circumstances require an extension of time, within 90 days after receipt of the claim, give notice to the claimant, either in writing by registered or certified mail or in an electronic notification, of the Secretary's decision with respect to the claim. Any electronic notice delivered to the claimant shall comply with the standards imposed by applicable Regulations. If the Committee determines that special circumstances require an extension of time for processing the claim, the claimant shall be so advised in writing within the initial 90-day period and in no event shall such an extension exceed 90 days. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Committee expects to render the benefit determination. The notice of the decision of the Committee with respect to the claim shall be written in a manner calculated to be understood by the claimant and, if the claim is wholly or partially denied, the Committee shall notify the claimant of the adverse benefit determination and shall set forth the specific reasons for the adverse determination, the

references to the specific Plan provisions on which the determination is based, a description of any additional material or information necessary for the claimant to perfect the claim, an explanation of why such material or information is necessary, and a description of the claim review procedure under the Plan and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502 of ERISA following an adverse benefit determination on review. The Committee shall also advise the claimant that the claimant or the claimant's duly authorized representative may request a review by the Chairman of the Committee of the adverse benefit determination by filing with the Chairman of the Committee, within 60 days after receipt of a notification of an adverse benefit determination, a written request for such review. The claimant shall be informed that, within the same 60-day period, he or she (a) may be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits and (b) may submit to the Chairman written comments, documents, records and other information relating to the claim for benefits. If a request is so filed, review of the adverse benefit determination shall be made by the Chairman within, unless special circumstances require an extension of time, 60 days after receipt of such request, and the claimant shall be given written notice of the Chairman's final decision. If the Chairman determines that special circumstances require an extension of time for processing the claim, the claimant shall be so advised in writing within the initial 60-day period and in no event shall such an extension exceed 60 days. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Chairman expects to render the determination on review. The review of the Chairman shall take into account all comments, documents, records and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The notice of the final decision shall include specific reasons for the determination and references to the specific Plan provisions on which the determination is based and shall be written in a manner calculated to be understood by the claimant.

4. Effective as of the date on which the first cash dividend is declared by the Company on or after January 1, 2002, the Plan shall be amended as follows:

a. Section 3.2(a) of the Plan is amended by deleting in its entirety the fourth sentence thereof.

b. Section 3.2(b) of the Plan is amended by deleting the words "and the rules governing dividend distributions specified in paragraph (a) of this Section" contained in the last sentence thereof.

c. Section 8.1(f) of the Plan is amended in its entirety to read as follows:

(f) Dividend Distributions in Respect of the Employer Stock Fund. Dividends shall be allocated to the accounts of each Participant, any portion of whose account balance is invested in the Employer Stock Fund in accordance with Section 7.1(b), based upon the total number of shares of Common Stock represented by the Participant's proportionate share of the Employer Stock Fund as of such date as may be determined from time to time by the Committee on or before each dividend record date. Cash dividends shall be reinvested in Common Stock (through the Employer Stock Fund) unless the Participant (or his or her Beneficiary) elects, at the time and in the manner prescribed by the Committee, to receive a cash distribution in an amount equal to such dividend, payable not later than 90 days after the end of the Plan Year in which such dividend was paid.

5. Effective as of the first payroll period following the ratification of the Collective Bargaining Agreement, dated April 18, 2001, entered into by and between the Company and IBEW Local Union 15, (a) clause (i) of the first paragraph of Section 4.1(a) shall be amended by deleting the number "10" and inserting in lieu thereof the number "15" and (b) Section 4.3(a) of the Plan shall be amended by deleting the number "70" contained in clause (i) thereof and inserting in lieu thereof the number "82 1/3".

IN WITNESS WHEREOF, the Company has caused its corporate seal to be hereunto affixed by its officers thereunto duly authorized this ___ day of December, 2001.

EXELON CORPORATION

By:_____________________________
S. Gary Snodgrass
Senior Vice President

EXHIBIT 10-30

SECOND AMENDED AND RESTATED
EXELON CORPORATION
KEY MANAGEMENT
SEVERANCE PLAN

SECOND AMENDED AND RESTATED
EXELON CORPORATION
KEY MANAGEMENT SEVERANCE PLAN

1. AMENDMENT AND RESTATEMENT; PURPOSE OF THE PLAN

The Unicom Corporation Key Management Severance Plan (as amended and restated, the "Plan") was established, effective June 15, 1998, by Unicom Corporation ("Unicom") to provide certain key employees of Commonwealth Edison Company ("ComEd") and other subsidiaries of Unicom (jointly and severally referred to herein as the "Company" prior to October 20, 2000) certain severance benefits in the event the employment of such employees terminates under the circumstances described herein. The Plan was amended and restated, effective March 8, 1999, to reflect a policy approved by the Board of Directors of the Company which provides benefits in the event a key employee's employment is terminated by the Company other than for Cause or the employee resigns for Good Reason within 24 months following a Change in Control of the Company.

The Plan was further amended, effective October 20, 2000 (the "Merger Effective Date"), to reflect the merger of Unicom Corporation with PECO Energy Company. From and after the Merger Effective Date, Exelon Corporation ("Exelon") and any subsidiary thereof of which Exelon owns at least 50% of all of the outstanding voting power are jointly and severally referred to herein as the "Company".

The Plan was further amended and restated effective June 1, 2001 ("Restatement Date"), to reflect a policy approved by the Board of Directors of Exelon which provides additional protection in the event of a new Change in Control of Exelon or an Imminent Control Change of Exelon. The Plan, as so amended and restated, shall apply solely to persons who satisfy the applicable eligibility criteria in Section 2 and all the criteria for participation in Section 3.

This document serves as both the Plan document and the summary plan description which is required to be provided to participants under the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

2. ELIGIBILITY

1.1 Eligibility in General. In order to be eligible to become a Participant, each individual whose position is in Salary Band VII or above (an "Executive") must execute non-competition, non-solicitation, confidential information and intellectual property covenants ("Restrictive Covenants") which are substantially in the form attached hereto and made a part hereof as Exhibit I.

1.2 Benefits Provided Under Section 4. Each Executive shall be eligible for the benefits provided under Section 4 hereof in the event such Executive has a Termination of Employment; provided, however, that any Executive whose Termination of Employment is covered under Section 5 hereof or who is entitled to benefits under a change in control agreement entered into after October 20, 2000 between such Executive and the Company ("Individual Change in Control Agreement") shall not be entitled to benefits under

Section 4, except as expressly provided in Section 5 or such Individual Change in Control Agreement (which expressly refers to the benefits under Section 4 of this Plan), until such Executive is no longer eligible for benefits under Section 5 or under such Individual Change in Control Agreement, as applicable.

1.3 Benefits Provided Under Section 5. Eligibility for the benefits provided under Section 5 hereof due to a Termination of Employment during the Current Post-Merger Period shall be limited to Executives who, (i) on the day prior to the Merger Effective Date, were on the payroll of a Unicom subsidiary or PECO Energy Company, and (ii) execute an acceptance of substitution of the benefits under the Plan as it existed on the day prior to the Restatement Date or of the benefits under an individual Change in Control Agreement between the Executive and PECO Energy Company entered into prior to the Merger Effective Date (a "PECO Agreement"), as applicable, for the benefits under the Plan as it exists on and after the Restatement Date (the "Acceptance of Substitution") in a form satisfactory to the Company. Any otherwise eligible Executive who is required, but declines, to execute an Acceptance of Substitution under Section 3 shall be covered with respect to a Termination of Employment occurring during the Current Post-Merger Period solely under the terms of Section 5 of the Plan as in effect immediately prior to the Restatement Date or under the terms of such Executive's PECO Agreement, as applicable, and shall not thereafter be eligible for benefits under Section 5 of the Plan in the event of a Change in Control or Imminent Control Change. In all events, benefits provided under Section 5 hereof shall be subject to the provisions of any agreement between an Executive and the Company that provided that such Executive would be ineligible for the benefits under Section 5 or "change in control benefits" in the event of a termination of employment, or under which the Executive had agreed, prior to the Merger Effective Date or Restatement Date, to terminate his or her employment.

3. PARTICIPATION

Each eligible Executive shall become a participant in the Plan ("Participant") upon his or her execution of an agreement with the Company in such form as the Company, in its sole discretion, shall require or permit (the "Severance Agreement"). Each Executive shall also be required to execute, no later than the date of the Participant's Termination of Employment or, if later, such date indicated by the Plan Administrator which shall be no less than 45 days after the date the Executive is provided with a copy of a Severance Agreement, a waiver and release of claims against the Company ("Waiver and Release") which is substantially in the form attached hereto and made a part hereof as Exhibit II. The Company shall have no obligation to Executive under this Plan unless and until Executive executes the Restrictive Covenants, a Severance Agreement, Acceptance of Substitution (if applicable) and a Waiver and Release. If a court determines that Executive has breached any Restrictive Covenant, the Company shall not be obligated to pay or provide any severance pay or other benefits under Section 4 or 5 of this Plan, all unexercised Stock Options shall terminate as of the date of such breach, and all Restricted Stock shall be forfeited as of the date of such breach.

4. BENEFITS

If a Participant is entitled to benefits under Section 5, then such Participant shall not be eligible for benefits under this Section 4 unless so expressly provided in Section 5. Subject to the preceding sentence, benefits under the Plan shall be those described in this Section 4; provided, however, that if, under the terms of an offer of employment or employment agreement with the Company, a Participant would be entitled to additional benefits (e.g., years of credited service and/or age under a SERP, or other special termination provisions), the terms of such offer of employment or other agreement shall be incorporated into any Severance Agreement hereunder, provided further, however, that if, under the terms of any such offer of employment or employment agreement with the Company, a Participant would be entitled to benefits which, in aggregate, exceed the value of benefits under the Plan, the terms of such offer of employment or other agreement shall control and no payments or benefits shall be provided under this Plan.

1.4 Severance Pay. Each Participant shall receive severance pay at a monthly rate equal to 1/12 of the sum of (a) the Participant's annual base salary in effect as of the date of Termination of Employment , plus (b) the Severance Incentive. Payment shall be made biweekly for the duration of the applicable Salary Continuation Period, as indicated below, commencing no later than the second paydate which occurs after the date of the Participant's Termination of Employment, but in no event earlier than the date which is eight days after the date the Participant returns an executed Waiver and Release to the Plan Administrator. Payment will be made in accordance with the Company's normal payroll practices, net of applicable taxes and other deductions.

Participant Title	Salary Continuation Period
Senior Vice President and above	24 months
Other Officers and Executives	15 months

1.5 Annual Incentive Awards. Each Participant shall receive a Target Incentive which shall be prorated by multiplying the amount of such Target Incentive by a fraction the numerator of which is the number of days elapsed during such calendar year as of the date of such Termination of Employment and the denominator of which is 365. Payment of Target Incentives under this Section 4.2 shall be made in a lump sum net of applicable taxes and other deductions no earlier than the date which is eight days after the date the Participant returns an executed Waiver and Release to the Plan Administrator.

1.6 Stock Options. No Participant shall be entitled to participate in any grants of Stock Options (as defined in Section 5.1(b)) made after such Participant's Termination of Employment. Except as provided below, any Stock Options granted to a Participant prior to such Participant's Termination of Employment shall be exercisable only to the extent such Stock Options are exercisable as of the date of such Termination of Employment and shall thereafter be exercised in accordance with the provisions of the LTIP. Stock Options which remain unexercisable as of the date of a Participant's Termination of Employment shall be forfeited. Notwithstanding the preceding, if, as of the date of a Participant's Termination of Employment (or, if later, the last day of such Participant's

Salary Continuation Period), such Participant has attained at least age 50 (but not age 55) and completed at least 10 years of service as defined under any defined benefit plan maintained by an Employer (a "Pension Plan") (or who, pursuant to the terms of an offer of employment or employment agreement or under any provision of a Pension Plan or SERP, is credited with a number of additional years of age and/or service that would enable such Participant to satisfy the above eligibility requirements), then any Stock Options granted to such Participant which have not become exercisable prior to the date of the Termination of Employment shall (i) become fully vested, and (ii) remain exercisable until (1) the option expiration date for any such Stock Options granted prior to January 1, 2002 or (2) the fifth anniversary of the Termination Date or, if earlier, the option expiration date for any such Stock Options granted on or after January 1, 2002.

1.7 Other LTIP Awards. Awards of Performance Shares and/or Restricted Stock (as defined in Sections 5.1(c) and 5.1(d), respectively) shall be payable to a Participant to the extent provided under the terms of such Awards.

1.8 Health Care Coverage. During the Salary Continuation Period, a Participant shall continue to participate in the health care plans under which he or she was covered immediately prior to his or her Termination of Employment. The Participant's out of pocket costs (including premiums, deductibles and co-payments) for such coverage shall be the same as that in effect from time to time for active peer employees during such period. Coverage under this Paragraph 4.4 shall be provided for the duration of the Salary Continuation Period in lieu of continuation coverage under Section 4980B of the Code and Section 601 to 609 of ERISA ("COBRA") for the same period. At the end of the Salary Continuation Period, COBRA continuation coverage may be elected for the remaining balance of the statutory coverage period, if any; provided, however that a Participant who, as of the last day of the Salary Continuation Period has attained at least age 50 (but not age 55) and completed at least 10 years of service under the terms of any Pension Plan (or who, pursuant to the terms of an offer of employment or employment agreement or under any provision of a Pension Plan or SERP, is credited with a number of additional years of age and/or service that would enable such Participant to satisfy the above eligibility requirements) shall be entitled to elect retiree health coverage under the Company's health care plans on the same terms and subject to the same conditions as active peer employees who have attained age 55 and are eligible to begin receiving early retirement benefits under the Pension Plan.

1.9 Retirement Plans. During the Salary Continuation Period, a Participant shall accrue credited service under the SERP. The amount of any payment made under Section 4.1 to the Participant during such period shall be taken into account as compensation for purposes of the SERP, and each Participant may also elect to participate in the Exelon Corporation Deferred Compensation Plan during the Salary Continuation Period with respect to the portion of any such payment which is attributable to base salary. A Participant in the Plan shall not accrue service or otherwise actively participate in any tax-qualified retirement or savings plan sponsored by the Company during the Salary Continuation Period, and shall not be entitled to commence to receive benefits under any such plan until after the expiration of the Salary Continuation Period.

1.10 Life Insurance and Disability Coverage. Continued coverage under the life insurance and long term disability plans sponsored by the Company shall be extended to each Participant through the last day of the Salary Continuation Period applicable to such Participant on the same terms and subject to the same conditions as are applicable to active peer employees.

1.11 Deferred Compensation Plans. The elections, if any, made by an Executive under any non-qualified deferred compensation plan sponsored by the Company shall remain in effect through the last day of such participant's Salary Continuation Period, but such individual shall not be entitled to make any deferral additional elections with respect to such plans after December 31 of the year in which occurs the Participant's Termination of Employment.

1.12 Executive Perquisites. Executive perquisites shall terminate effective as of the date of a Participant's Termination of Employment, and any Company-owned property shall be required to be returned to the Company no later than such date; provided, however, that each Participant who is an officer of the Company and who is retiring at the end of the Salary Continuation Period shall be entitled to financial counseling services for a period of 24 months following the date of such Participant's Termination of Employment.

(a) Outplacement Services. Each Participant shall be entitled to outplacement services at the expense of the Company for such period (which shall not be less than six months) and subject to such terms and conditions as the Plan Administrator, in its sole discretion, determines are appropriate. No cash shall be paid in lieu of such fees and costs.

5. CHANGE IN CONTROL BENEFITS

A Participant described in Section 2.2 who is not subject to an Individual Change in Control Agreement shall be entitled to benefits pursuant to this Section 5 if such a Participant has a Termination of Employment during the Current Post-Merger Period (subject to Section 2.3), Post-Change Period or Imminent Control Change Period, and such Participant shall not be eligible for benefits under Section 4 unless so expressly provided in this Section 5; provided, however, that if, under the terms of an offer of employment or employment agreement with the Company, a Participant would be entitled to benefits which exceed the level of benefits under the Plan, the terms of such offer of employment or other agreement shall control and no payments or benefits shall be provided under this Plan to the extent that such payment or benefits would reasonably be considered, by the Plan Administrator, duplicative.

1.13 Termination During the Current Post-Merger Period or Post-Change Period. If, during the Current Post-Merger Period or Post-Change Period, an eligible Executive has a Termination of Employment and becomes a Participant, the Company's sole obligations under Section 4 and Sections 5.1 and 5.2 shall be as set forth in this Section 5.1 (subject to Section 5.3, 5.5, 5.6, 5.7 and 5.8).

(a) Severance Payments. The Company shall pay or provide (or cause to be provided) such Participant, according to the payment terms set forth in Section 5.3 below, the following:

(i) Accrued Obligations. All Accrued Obligations;

(ii) Annual Incentive for Year of Termination. An amount equal to the Target Incentive applicable to such Participant under the Incentive Plan for the performance period in which the Termination Date occurs;

(iii) Deferred Compensation and Non-Qualified Defined Contribution Plans. All amounts previously deferred by, or accrued to the benefit of, such Participant under the Exelon Corporation Deferred Compensation Plan, the Exelon Corporation Deferred Stock Plan, any successor of either of them, or under any other non-qualified defined contribution or deferred compensation plan of the Company (unless such Participant has made an irrevocable election in writing, filed with the Company no more than 60 days after the Applicable Trigger Date (or such earlier date as counsel to the Company may deem to be required to avoid constructive receipt of such amounts), and in any event at least 90 days prior to the Termination Date to have such amounts paid under the terms of the Exelon Corporation Deferred Compensation Plan or the Exelon Corporation Deferred Stock Plan, as applicable, any successor of either or under any other non-qualified defined contribution or deferred compensation plan of the Company (including any elections in effect thereunder)) whether vested or unvested, together with any accrued earnings thereon, to the extent that such amounts and earnings have not been previously paid by the Company and are not provided under the terms of any such non-qualified plan;

(iv) Pension Enhancements. An amount equal to the positive difference, if any, between

(1) the lump sum value of such Participant's benefit under the SERP, calculated as if such Participant had

(a) become fully vested in all benefits,

(b) attained as of the Termination Date an age that is two years greater than such Participant's actual age and that includes the number of years of age credited to such Participant pursuant to any other agreement between the Company and such Participant,

(c) accrued a number of years of service (for purposes of determining the amount of such benefits, entitlement to - but not commencement of - early retirement benefits, and all other purposes of such defined benefit plans) that is two years greater than the number of years of service actually accrued by such Participant as of the Termination Date and that includes the number of years of service credited to such Participant pursuant to any other agreement between the Company and such Participant, and

(d) received the severance benefits specified in Sections 5.1(a)(ii) and 5.1(a)(vi) as covered compensation in equal monthly installments during the Severance Period, minus

(2) the aggregate amounts paid or payable to such Participant under the SERP;

(v) Unvested Benefits Under Defined Benefit Plan. To the extent not paid pursuant to clause (iii) or (iv) of this Section 5.1(a), an amount equal to the actuarial equivalent present value of the unvested portion of such Participant's accounts or accrued benefits under any tax-qualified (under Section 401(a) of the Code) defined benefit retirement plan maintained by the Company as of the Termination Date and forfeited by such Participant by reason of the Termination of Employment; and

(vi) Multiple of Salary and Severance Incentive. An amount equal to two (2) times the sum of (x) Base Salary plus (y) the Severance Incentive.

(b) Stock Options. Each of such Participant's stock options, stock appreciation rights or similar incentive awards granted under the LTIP ("Stock Options") shall (i) become fully vested, and (ii) remain exercisable until (1) the option expiration date for any such Stock Options granted prior to January 1, 2002 or (2) the fifth anniversary of the Termination Date or, if earlier, the option expiration date for any such Stock Options granted on or after January 1, 2002.

(c) LTIP Vesting. On the Termination Date, all of the performance shares, performance units or similar stock incentive awards granted to such Participant under the Exelon Performance Share Program under the LTIP ("Performance Shares") to the extent earned by and awarded to such Participant (i.e. as to which the first year of the performance cycle has elapsed) as of the Termination Date, shall become fully vested at the actual level earned and awarded, and, to the extent not yet earned by and awarded to such Participant (i.e. as to which the first year of the performance cycle has not elapsed) as of the Termination Date, shall become fully vested at the LTIP Target Level.

(d) Other Restricted Stock. All forfeiture conditions that as of the Termination Date are applicable to any deferred stock unit, restricted stock or restricted share units awarded to such Participant by Exelon other than under the Exelon Performance Share Program under the LTIP ("Restricted Stock") shall lapse immediately and all such awards will become fully vested, and within ten business days after the Termination Date, Exelon shall deliver or cause to be delivered to such Participant all of such shares theretofore held by or on behalf of Exelon.

(e) Continuation of Welfare Benefits. During the Severance Period and continuing through such later date as may be specified in any welfare plan of the Company (including medical, prescription, dental, disability, employee life, group life, accidental death, and travel accident insurance benefits but excluding any severance pay) ("Welfare Plan") that covered the Participant or such Participant's family prior to such Participant's Termination of Employment, the Company shall continue to provide (or shall cause the continued provision) to such Participant and such Participant's family welfare benefits under the Welfare Plans to the same extent as if such Participant had remained employed during the Severance Period. Such provision of welfare benefits shall be subject to the following:

(i) In determining benefits applicable under such Welfare Plans, such Participant's annual compensation attributable to base salary and incentives for any plan year or calendar year, as applicable, shall be deemed to be not less than such Participant's Base Salary and annual incentive.

(ii) The cost of such welfare benefits to such Participant and family under this Section 5.1(e) shall not exceed the cost of such benefits to peer executives who are actively employed after the Termination Date.

(iii) Such Participant's rights under this Section 5.1(e) shall be in addition to and not in lieu of any post-termination continuation coverage or conversion rights such Participant may have pursuant to applicable law, including, without limitation, continuation coverage required by COBRA.

(iv) If such Participant has, as of the last day of the Severance Period, attained age 50 and completed at least 10 years of service with the Company (five years with respect to any Termination of Employment occurring during the Current Post-Merger Period), such Participant shall be entitled to the retiree benefits provided under any Welfare Plan of the Company; provided, however, that for purposes hereof, any years of age and/or credited service granted to such Participant in any other plan or agreement between such Participant and the Company shall be taken into account. For purposes of determining eligibility for (but not the time of commencement of) such retiree benefits, such Participant shall also be considered (1) to have remained employed until the last day of the Severance Period and to have retired on the last day of such period, and

(2) to have attained at least the age such Participant would have attained on the last day of the Severance Period.

Notwithstanding the foregoing, if such Participant obtains a specific type of coverage under welfare plan(s) sponsored by another employer of such Participant (e.g. medical, prescription, vision, dental, disability, individual life insurance benefits, group life insurance benefits, but excluding for the purposes of this sentence retiree benefits if such Participant is so eligible), then the Company shall not be obligated to provide any such specific type of coverage.

(f) Outplacement. To the extent actually incurred by such Participant, the Company shall pay or cause to be paid on behalf of such Participant, as incurred, all reasonable fees and costs charged by a nationally recognized outplacement firm selected by such Participant for outplacement services provided for up to 12 months after the Termination Date. No cash shall be paid in lieu of such fees and costs.

(g) Indemnification. Such Participant shall be indemnified and held harmless by the Company to the greatest extent permitted under applicable law as the same now exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification than was permitted prior to such amendment) and the Company's by-laws as such exist on the Restatement Date if such Participant was, is, or is threatened to be, made a party to any pending, completed or threatened action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or any other proceeding whether civil, criminal, administrative or investigative, and whether formal or informal, by reason of the fact that such Participant is or was, or had agreed to become, a director, officer, employee, agent, or fiduciary of the Company any other entity which such Participant is or was serving at the request of the Company ("Proceeding"), against all expenses (including all reasonable attorneys' fees) and all claims, damages, liabilities and losses incurred or suffered by such Participant or to which such Participant may become subject for any reason. Upon receipt from such Participant of (i) a written request for an advancement of expenses, which such Participant reasonably believes will be subject to indemnification hereunder and (ii) a written undertaking by such Participant to repay any such amounts if it shall ultimately be determined that such Participant is not entitled to indemnification under this Plan or otherwise, the Company shall advance such expenses to such Participant or pay such expenses for such Participant, all in advance of the final disposition of any such matter.

(h) Directors' and Officers' Liability Insurance. For a period of six years after the Termination Date (or for any known longer applicable statute of limitations period), the Company shall provide such Participant with coverage under a directors' and officers' liability insurance policy in an amount no less than, and on terms no less favorable than, those provided to senior executive officers and directors of the Company on the Applicable Trigger Date.

1.14 Termination During an Imminent Control Change Period. If, during an Imminent Control Change Period, a Participant has a Termination of Employment, then, unless such Termination of Employment occurred during the Current Post-Merger Period, such Participant shall receive benefits as provided in Section 4 and the Company's sole obligations to such Participant under Sections 5.1 and 5.2 shall be as set forth in this Section 5.2 (and subject to Sections 5.3, 5.5, 5.6, 5.7 and 5.8). The Company's obligations to such Participant under this Section 5.2 shall be reduced by any amounts or benefits paid or provided pursuant to Section 4. If such Participant's Termination of Employment occurred during any portion of an Imminent Control Change Period that is also the Current Post-Merger Period, the Company's obligations to such Participant, if any, shall be determined under Section 5.1.

(a) Cash Severance Payments. If the Imminent Control Change Period culminates in a Change Date, the Company shall pay (or cause to be paid) to such Participant, a lump-sum cash amount, within thirty business days after the later of the Termination Date or the Change Date, equal to the sum of all amounts described in Section 5.1(a)(i) through (v). The amount described in Section 5.1(a)(vi) shall be paid to such Participant as described in Section 5.3, provided that amounts that would have been paid prior to the Change Date shall be paid in a lump sum (without interest) within 30 business days after the Change Date.

(b) Vested Stock Options. Such Participant's Stock Options, to the extent vested on the Termination Date,

(i) will not expire (unless such Stock Options would have expired had such Participant remained an employee of the Company) during the Imminent Control Change Period; and

(ii) will continue to be exercisable after the Termination Date to the extent provided in the applicable grant agreement or the LTIP, and thereafter, such Stock Options shall not be exercisable during the Imminent Control Change Period.

If the Imminent Control Change Period lapses without a Change Date, then such Participant's Stock Options, to the extent vested on the Termination Date, may be exercised, in whole or in part, during the 30-day period following the lapse of the Imminent Control Change, or, if larger, the period during which such Participant's vested Stock Options could otherwise be exercised under the terms of the applicable grant agreement or the LTIP (but in no case shall any Stock Options remain exercisable after the date on which such Stock Options would have expired if such Participant had remained an employee of the Company).

If the Imminent Control Change Period culminates in a Change Date, then effective upon the Change Date, such Participant's Stock Options, to the extent vested on the Termination Date, may be exercised in whole or in part by such Participant at any time until (1) the option expiration date for such Stock Options granted prior to January 1, 2002 or (2) the earlier of the fifth anniversary of the

Change Date or the option expiration date for such Stock Options granted on or after January 1, 2002.

(c) Unvested Stock Options. Such Participant's Stock Options that are not vested on the Termination Date

(i) will not expire (unless such Stock Options would have expired had such Participant remained an employee of the Company) during the Imminent Control Change Period; and

(ii) will not continue to vest and will not be exercisable during the Imminent Control Change Period after the expiration of the period for post-termination exercise under the terms of the applicable Stock Option agreement.

If the Imminent Control Change lapses without a Change Date, such unvested Stock Options will thereupon expire.

If the Imminent Control Change culminates in a Change Date, then immediately prior to the Change Date, such unvested Stock Options shall become fully vested, and may thereupon be exercised in whole or in part by such Participant at any time until (1) the option expiration date for such Stock Options granted prior to January 1, 2002 or (2) the earlier of the fifth anniversary of the Change Date, or the option expiration date for such Stock Options granted on or after January 1, 2002.

(d) Performance Shares. Such Participant's Performance Shares granted under the Exelon Performance Share Program under the LTIP will not be forfeited during the Imminent Control Change Period, and will not continue to vest during the Imminent Control Change Period. If the Imminent Control Change lapses without a Change Date, such Performance Shares shall be governed according to the terms of Section 4. If the Imminent Control Change Period culminates in a Change Date:

(1) All Performance Shares granted to such Participant under the Exelon Performance Share Program under the LTIP, which, as of the Termination Date, have been earned by and awarded to such Participant, shall become fully vested at the actual earned level on the Change Date, and

(2) All of the Performance Shares granted to such Participant under the Exelon Performance Share Program under the LTIP which, as of the Termination Date, have not been earned by and awarded to such Participant shall become fully vested on the Change Date at the LTIP Target Level.

(e) Restricted Stock. Such Participant's unvested Restricted Stock will:

(i) not be forfeited during the Imminent Control Change Period; and

(ii) not continue to vest during the Imminent Control Change Period.

If the Imminent Control Change Period lapses without a Change Date, such unvested Restricted Stock shall thereupon be forfeited.

If the Imminent Control Change Period culminates in a Change Date, then immediately prior to the Change Date, such Participant's Restricted Stock shall become fully vested, and within ten business days after the Change Date, the Company shall deliver to such Participant all of such shares theretofore held by or on behalf of the Company, which will be subject to the same terms which other stockholders of the Company receive in the transaction.

(f) Continuation of Welfare Benefits. The Company shall continue to provide (or cause to be provided) to such Participant and such Participant's family welfare benefits (other than any severance pay that may be considered a welfare benefit) that covered the Participant or such Participant's family prior to such Participant's Termination of Employment, during the Imminent Change Period which are at least as favorable as welfare benefits under the most favorable Welfare Plans of the Company applicable with respect to peer executives who are actively employed by the Company after the Termination Date and their families; subject to the following:

(i) in determining benefits applicable under such Welfare Plans, such Participant's annual compensation attributable to base salary and incentives for any plan year or calendar year, as applicable, shall be deemed to be not less than such Participant's Base Salary and annual incentive;

(ii) the cost of such welfare benefits to such Participant and family under this Section 5.2(f) shall not exceed the cost of such benefits to peer executives who are actively employed by the Company after the Termination Date; and

(iii) such Participant's rights under this Section 5.2(f) shall be in addition to and not in lieu of any post-termination continuation coverage or conversion rights such Participant may have pursuant to applicable law, including, without limitation, continuation coverage required by COBRA.

If the Imminent Control Change Period lapses without a Change Date, welfare benefit plan coverage under this Section 5.2(f) shall thereupon cease, subject to such Participant's rights, if any, to continued coverage under a Welfare Plan, Section 4, or applicable law. If the Imminent Control Change Period culminates in a Change Date, then for the remainder of the Severance Period (and continuing through such later date as any Welfare Plan may specify), the Company shall continue to provide such Participant and such Participant's family welfare benefits as described in, and subject to the limitations of Section 5.1(e).

Notwithstanding the foregoing, if such Participant obtains a specific type of coverage under welfare plan(s) sponsored by another employer of such Participant (e.g. medical, prescription, vision, dental, disability, individual life insurance benefits, group life insurance benefits, but excluding for the purposes of this sentence retiree benefits if such Participant is so eligible), then the Company shall not be obligated to provide such any specific type of coverage.

(g) Outplacement. To the extent actually incurred by such Participant, the Company shall pay or cause to be paid on behalf of such Participant, as incurred, all reasonable fees and costs charged by a nationally recognized outplacement firm selected by such Participant for outplacement services provided for up to 12 months after the Termination Date. No cash shall be paid in lieu of such fees and costs.

(h) Indemnification. Such Participant shall be indemnified and held harmless by the Company to the same extent as provided in Section 5.1(g), but only during the Imminent Control Change Period (or greater period provided under the Company's by-laws) if the Imminent Control Change Period lapses without a Change Date.

(i) Termination During an Imminent Control Change Period: Directors' and Officers' Liability Insurance. The Company shall provide the same level of directors' and officers' liability insurance for such Participant as provided in Section 5.1(h), but only during the Imminent Control Change Period (or greater period provided under the Company's by-laws) if the Imminent Control Change Period lapses without a Change Date.

5.3 Timing of Severance Payments. Unless otherwise specified herein, the amounts described in Sections 5.1(a)(i), (ii), (iii), (iv) and (v) shall be paid within 30 business days of the Termination Date. The severance payments described in Section 5.1(a)(vi) shall be paid beginning no later than the second paydate which occurs after the Termination Date, in periodic payments to a Participant according to the Company's normal payroll practices at a monthly rate equal to 1/12 of the sum of (i) such Participant's Base Salary in effect as of the Termination Date plus (ii) the Severance Incentive.

5.4 Other Terminations of Employment by the Company or a Participant.

(a) Obligations. If, during the Current Post-Merger Period, the Post-Change Period, or the Imminent Control Change Period, (i) the Company terminates an eligible Executive's employment for Cause (or causes a Participant to be terminated for Cause) ("Cause Termination") or disability (as determined by the Plan Administrator in good faith), (ii) an Executive elects to retire or otherwise terminate employment other than for Good Reason, disability or death, or (iii) an eligible Executive's employment terminates on account of death or disability, the Company shall have no obligations to such Executive under Section 5 (subject to Section 5.7). The remaining applicable provisions of this Plan (including the Restrictive Covenants) shall continue to apply.

(b) Procedural Requirements. The Company shall strictly observe or cause to be strictly observed each of the following procedures in connection with any Cause Termination during the Current Post-Merger Period, the Post-Change Period or the Imminent Control Change Period: an eligible Executive's termination of employment shall not be deemed to be for Cause under this Section 5.4 unless and until there shall have been delivered to such Executive a written notice of the determination of the Chief Executive Officer of the Executive's employer ("CEO") (after reasonable written notice of such consideration by the CEO of acts or omissions alleged to constitute Cause is provided to such Executive and such Executive is given an opportunity to present a written response to the CEO regarding such allegations), finding that, in his or her good faith opinion, such Executive's acts, or failure to act, constitutes Cause and specifying the particulars thereof in detail.

5.5 Sole and Exclusive Obligations. The obligations of the Company under this Plan with respect to any Termination of Employment occurring during the Current Post-Merger Period, Post-Change Period, or Imminent Control Change Period shall supersede any severance obligations of the Company in any other plan of the Company or agreement between such Participant and the Company, including, without limitations, Section 4, any Individual Change in Control Agreement affecting such Participant or any other plan or agreement (including an offer of employment or employment contract) of the Company which provides for severance benefits, except as explicitly provided in Section 5.2 or an Individual Change in Control Agreement. In the event of any inconsistency, ambiguity or conflict between the terms of such other plan of the Company or agreement between a Participant and the Company, and this Plan with respect to any severance obligations of the Company (other than obligations with respect to age and/or credited service under the SERP in any agreement other than a prior Individual Change in Control Agreement), this Plan shall govern.

5.6 Payment Capped. If at any time or from time to time, it shall be determined by the Company's independent auditors that any payment or other benefit to a Participant pursuant to Section 5 of this Plan or otherwise ("Potential Parachute Payment") is or will become subject to the excise tax imposed by Section 4999 of the Code or any similar tax payable under any United States federal, state, local, foreign or other law ("Excise Taxes"), then the Potential Parachute Payments payable to such Participant shall be reduced to the largest amount which would both (a) not cause any Excise Tax to be payable by such Participant and (b) not cause any Potential Parachute Payments to become nondeductible by the Company by reason of Section 280G of the Code (or any successor provision).

5.7 Arbitration. Any dispute, controversy or claim between the parties hereto arising out of or in connection with or relating to this Section 5 (other than disputes related to an alleged breach of the Restrictive Covenants) or any breach or alleged breach thereof, or any benefit or alleged benefit hereunder, shall be settled by arbitration in Chicago, Illinois, before an impartial arbitrator pursuant to the rules and regulations of the American Arbitration Association ("AAA") pertaining to the arbitration of labor disputes. Any party may invoke the right to arbitration. The arbitrator shall be selected by means

of the parties striking alternatively from a panel of seven arbitrators supplied by the Chicago office of AAA. The arbitrator shall have the authority to interpret and apply the provisions of this Section, consistent with Section 12.7 below. The decision of the arbitrator shall be final and binding upon the parties and a judgment thereon may be entered in the highest court of a forum, state or federal, having jurisdiction. No arbitration shall be commenced after the date when institution of legal or equitable proceedings based upon such subject matter would be barred by the applicable statutes of limitations. Notwithstanding anything to the contrary contained in this Section 5.7 or elsewhere in this Plan, any party may bring an action in the District Court of Cook County, or the United States District Court for the Northern District of Illinois, if jurisdiction there lies, in order to maintain the status quo ante of the parties. The "status quo ante" is defined as the last peaceable, uncontested status between the parties. However, neither the party bringing the action nor the party defending the action thereby waives its right to arbitration of any dispute, controversy or claim arising out of or in connection or relating to this Plan. Notwithstanding anything to the contrary contained in this Section 5.7 or elsewhere in this Plan, any party may seek relief in the form of specific performance, injunctive or other equitable relief in order to enforce the decision of the arbitrator. The parties agree that in any arbitration commenced pursuant to this Plan, the parties shall be entitled to such discovery (including depositions, requests for the production of documents and interrogatories) as would be available in a federal district court pursuant to Rules 26 through 37 of the Federal Rules of Civil Procedure. In the event that either party fails to comply with its discovery obligations hereunder, the arbitrator shall have full power and authority to compel disclosure or impose sanctions to the full extent of Rule 37 of the Federal Rules of Civil Procedure.

5.8 No Adverse Effect on Pooling of Interests. Any benefits provided to a Participant under this Plan may be reduced or eliminated to the extent necessary, in the reasonable judgment of the Board, to enable Exelon to account for a merger, consolidation or similar transaction as a pooling of interests; provided that (i) the Board shall have exercised such judgment and given such Participant written notice thereof prior to the Change Date and (ii) the determination of the Board shall be supported by a written certificate of Exelon's independent auditors, a copy of which shall be provided to such Participant before the Change Date.

6. TERMINATION OF PARTICIPATION; CESSATION OF BENEFITS

A Participant's benefits under Section 4 of the Plan shall terminate on the last day of the Participant's Salary Continuation Period; provided that a Participant's right to benefits shall terminate immediately on such date as the Company discovers that the Participant has breached any of the Restrictive Covenants, in which case the Company may require the repayment of amounts paid prior to such breach in accordance with Paragraph 4.1, and shall discontinue the payment of any additional amounts under Section 4 of the Plan.

A Participant's benefits under Section 5 of the Plan shall terminate on the later of the last day of the Participant's Severance Period or the date all benefits to which the Participant is entitled to have been paid from the Plan; provided that a Participant's right to benefits shall terminate immediately on the date the Company discovers that the Participant has breached any

of the Restrictive Covenants, in which case the Company may require the repayment of amounts paid prior to such breach in accordance with Section 5, and shall discontinue the payment of any additional amounts under Section 5 of the Plan.

7. DEFINITIONS

In addition to terms previously defined, when used in the Plan, the following capitalized terms shall have the following meanings unless the context clearly indicates otherwise:

1.15 "Accrued Annual Incentive" means the amount of any annual incentive earned but not yet paid with respect to the Company's latest fiscal year ended prior to the Termination Date.

1.16 "Accrued Base Salary" means the amount of a Participant's Base Salary that is accrued but not yet paid as of the Termination Date.

1.17 "Accrued LTIP Award" means the amount of any LTIP award earned and vested, but either deferred or not yet paid as of the Termination Date.

1.18 "Accrued Obligations" means, as of any date, the sum of a Participant's Accrued Base Salary, Accrued Annual Incentive, Accrued LTIP Award, any accrued but unpaid paid time off, and any other amounts and benefits which are then due to be paid or provided to such Participant by the Company, but have not yet been paid or provided (as applicable).

1.19 "Applicable Trigger Date" means

(a) the Restatement Date, with respect to the Current Post-Merger Period;

(b) the Change Date, with respect to the Post-Change Period; or

(c) the date of an Imminent Control Change, with respect to the Imminent Control Change Period.

1.20 "Base Salary" for purposes of Section 5, means not less than 12 times the highest monthly base salary paid or payable to a Participant by the Company in respect of the 12-month period immediately before the Applicable Trigger Date.

1.21 "Beneficial Owner" means such term as defined in Rule 13d-3 of the SEC under the Exchange Act.

1.22 "Board" means the Board of Directors of Exelon or, from and after the effective date of a Corporate Transaction (as defined in the definition of Change in Control), the Board of Directors of the corporation resulting from a Corporate Transaction or, if securities representing at least 50% of the aggregate voting power of such resulting corporation are directly or indirectly owned by another corporation, such other corporation.

1.23 "Cause" means, with respect to any Executive:

(a) an Executive's willful commission of act(s) or omission(s) which have, have had, or are likely to have a material adverse effect on the business, operations, financial condition or reputation of the Exelon or any of its affiliates;

(b) an Executive's conviction (including a plea of guilty or nolo contendere) of a felony or any crime of fraud, theft, dishonesty or moral turpitude;

(c) an Executive's material violation of any statutory or common law duty of loyalty to the Company or any of its affiliates; or

(d) solely with respect to a termination of employment during an Imminent Control Change Period, an Executive's failure to meet objective performance criteria of the position, provided that, this subsection (d) shall be inapplicable if the Imminent Control Change culminates in a Change Date.

1.24 "Change Date" means each date on which a Change in Control occurs after the Restatement Date.

1.25 "Change in Control" means:

(a) any SEC Person becomes the Beneficial Owner of 20% or more of the then outstanding common stock of Exelon or of Voting Securities representing 20% or more of the combined voting power of all the then outstanding Voting Securities of Exelon (such an SEC Person, a "20% Owner"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change in Control: (1) any acquisition directly from Exelon (excluding any acquisition resulting from the exercise of an exercise, conversion or exchange privilege unless the security being so exercised, converted or exchanged was acquired directly from Exelon), (2) any acquisition by Exelon, (3) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by Exelon or any corporation controlled by Exelon (a "Company Plan"), or (4) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this definition; provided further, that for purposes of clause (2), if any 20% Owner of Exelon other than Exelon or any Company Plan becomes a 20% Owner by reason of an acquisition by Exelon, and such 20% Owner of Exelon shall, after such acquisition by Exelon, become the beneficial owner of any additional outstanding common shares of Exelon or any additional outstanding Voting Securities of Exelon (other than pursuant to any dividend reinvestment plan or arrangement maintained by Exelon) and such beneficial ownership is publicly announced, such additional beneficial ownership shall constitute a Change in Control; or

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Incumbent Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by Exelon's

shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest (as such terms are used in Rule 14a-11 promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger or consolidation ("Merger"), or the sale or other disposition of more than 50% of the operating assets of Exelon (determined on a consolidated basis), other than in connection with a sale-leaseback or other arrangement resulting in the continued utilization of such assets (or the operating products of such assets) by Exelon (such reorganization, merger, consolidation, sale or other disposition, a "Corporate Transaction"); excluding, however, a Corporate Transaction pursuant to which:

(i) all or substantially all of the individuals and entities who are the Beneficial Owners, respectively, of the outstanding common stock of Exelon and outstanding Voting Securities of Exelon immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than 60% of, respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which, as a result of such transaction, owns Exelon or all or substantially all of the assets of Exelon either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Corporate Transaction of the outstanding common stock of Company and outstanding Voting Securities of Exelon, as the case may be;

(ii) no SEC Person (other than the corporation resulting from such Corporate Transaction, and any Person which beneficially owned, immediately prior to such corporate Transaction, directly or indirectly, 20% or more of the outstanding common stock of Exelon or the outstanding Voting Securities of Exelon, as the case may be) becomes a 20% Owner, directly or indirectly, of the then-outstanding common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding voting securities of such corporation; and

(iii) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(d) Approval by Exelon's shareholders of a plan of complete liquidation or dissolution of Exelon, other than a plan of liquidation or dissolution which results

in the acquisition of all or substantially all of the assets of Exelon by an affiliated company.

Notwithstanding the occurrence of any of the foregoing events, a Change in Control shall not occur with respect to a Participant if, in advance of such event, such Participant agrees in writing that such event shall not constitute a Change in Control.

1.26 "Code" means the Internal Revenue Code of 1986, as amended.

1.27 "Current Post-Merger Period" means, applicable only with respect to a Participant who was on the payroll of PECO Company or a Unicom subsidiary on the day prior to the Merger Effective Date, the period commencing on the Restatement Date and ending on the earlier of the Termination Date or October 20, 2002. To the extent that, prior to October 21, 2002, the Current Post-Merger Period includes any portion of an Imminent Control Change Period, the terms of this Plan applicable to the Current Post-Merger Period shall govern.

1.28 "Exchange Act" means the Securities Exchange Act of 1934, as amended.

1.29 "Good Reason" means a material reduction of a Participant's salary, incentive compensation or benefits, unless such reduction is part of a policy, program or arrangement applicable to peer executives of the Company and of any successor entity; or a material reduction or material adverse alteration in the nature of a Participant's position, duties, function, responsibilities or authority; provided, however, that for purposes of Section 5:

(a) a Termination of Employment for "Good Reason" shall instead mean a termination initiated by an eligible Executive upon notice to the Company as described below in subsection (d)(i) of this Section, based on the occurrence of any one or more of the following actions or omissions that, unless otherwise specified, occurs during the Current Post-Merger Period, the Post-Change Period, or the Imminent Control Change Period:

(i) a material adverse reduction in the nature or scope of an eligible Executive's office, position, duties, functions, responsibilities or authority;

(ii) a material reduction of an eligible Executive's salary, incentive compensation or aggregate benefits unless such reduction is part of a policy, program or arrangement applicable to peer executives of the Executive's employer and of any successor entity;

(iii) the failure of any successor to Exelon to assume this Plan;

(iv) a relocation, of more than 50 miles of (i) an eligible Executive's workplace, or (ii) the principal offices of Exelon or its successor (if such offices are such Executive's workplace), in each case without the consent of such Executive; provided, however, in both cases of (i) and (ii) of this

Section 3.4(a), such new location is farther from such Executive's residence that the prior location;

(v) a requirement of the greater of (i) more than 24 days of travel per year, or (ii) at least 20% more business travel than was required of such Executive prior to the Applicable Trigger Date; or

(vi) a material breach of this Plan by the Company or its successor.

(b) Additional Basis for Good Reason During the Current Post-Merger Period. With respect to the Current Post-Merger Period, "Good Reason" shall have the meaning set forth in above in subsection (a) and shall also include any of the following which occurred prior to the Restatement Date:

(i) a material adverse alteration in the nature or scope of an eligible Executive's position, duties, functions, responsibilities or authority;

(ii) a determination by a Participant, made in good faith during the Executive's participation in this Plan and prior to the Restatement Date, that, as a result of the change in control resulting in the merger of Unicom Corporation and PECO Energy Corporation, such Participant is substantially unable to perform, or that there has been a material reduction in, any of such Executive's duties, functions, responsibilities or authority; provided that the notice described below in subsection (d)(i) of this Section shall be given prior to June 15, 2001;

(iii) a relocation of more than 50 miles of (i) such Executive's workplace, or (ii) the principal offices of Exelon if such offices are the Participant's workplace), in each case without the consent of the Executive; or

(iv) a requirement of at least 20% more business travel than was required of such Executive prior to the change in control resulting in the merger of Unicom Corporation and PECO Energy Corporation.

(c) Application of "Good Reason" Definition During the Imminent Control Change Period. During the Imminent Control Change Period, "Good Reason" shall not include the events or conditions described in subsection (a)(i), (a)(iv) or (a)(v) above unless the Imminent Control Change Period culminates in a Change Date.

(d) Limitations on Good Reason. Notwithstanding the foregoing provisions of this Section, no act or omission shall constitute a material breach of this Plan by the Company, nor grounds for "Good Reason":

(i) unless the Executive gives the Company 30 days' prior notice of such act or omission, and the Company fails to cure such act or omission within the 30-day period;

(ii) if the Executive first acquired knowledge of such act or omission more than 12 months before such Participant gives the Company such notice; or

(iii) if the Executive has consented in writing to such act or omission in a document that makes specific reference to this Section.

(e) Notice by a Participant. In the event of any Termination of Employment by an eligible Executive for Good Reason, such Executive shall as soon as practicable thereafter notify the Company of the events constituting such Good Reason by a Notice of Termination. Subject to the limitations in subsection (d) above, a delay in the delivery of such Notice of Termination shall not waive any right of an Executive under this Plan.

1.30 "Imminent Control Change" means, as of any date on or after the Restatement Date and prior to the Change Date, the occurrence of any one or more of the following:

(a) Exelon enters into an agreement the consummation of which would constitute a Change in Control;

(b) Any SEC Person commences a "tender offer" (as such term is used in Section 14(d) of the Exchange Act) or exchange offer, which, if consummated, would result in a Change in Control; or

(c) Any SEC Person files with the SEC a preliminary or definitive proxy solicitation or election contest to elect or remove one or more members of the Board, which, if consummated or effected, would result in a Change in Control;

provided, however, that an Imminent Control Change will lapse and cease to qualify as an Imminent Control Change:

(i) With respect to an Imminent Control Change described in clause (a) of this definition, the date such agreement is terminated, cancelled or expires without a Change Date occurring;

(ii) With respect to an Imminent Control Change described in clause (b) of this definition, the date such tender offer or exchange offer is withdrawn or terminates without a Change Date occurring;

(iii) With respect to an Imminent Control Change described in clause (c) of this definition, (1) the date the validity of such proxy solicitation or election contest expires under relevant state corporate law, or (2) the date such proxy solicitation or election contest culminates in a shareholder vote, in either case without a Change Date occurring; or

(iv) The date a majority of the members of the Incumbent Board make a good faith determination that any event or condition described in clause (a), (b), or (c) of this definition no longer constitutes an Imminent Control

Change, provided that such determination may not be made prior to the twelve (12) month anniversary of the occurrence of such event.

1.31 "Imminent Control Change Period" means the period (excluding any portion of such period in effect during the Current Post-Merger Period) commencing on the date of an Imminent Control Change, and ending on the first to occur thereafter of

(a) a Change Date, provided

(i) such date occurs after October 20, 2002 and no later than the one-year anniversary of the Termination Date, and

(ii) either the Imminent Control Change has not lapsed, or the Imminent Control Change in effect upon such Change Date is the last Imminent Control Change in a series of Imminent Control Changes unbroken by any period of time between the lapse of an Imminent Control Change and the occurrence of a new Imminent Control Change;

(b) the date an Imminent Control Changes lapses without the prior or concurrent occurrence of a new Imminent Control Change; or

(c) the twelve-month anniversary of the Termination Date.

1.32 "Incentive Plan" means any annual incentive award arrangement of the Company.

1.33 "including" means including without limitation.

1.34 "Incumbent Board" - see definition of Change in Control.

1.35 "LTIP" means the Exelon Corporation Long-Term Incentive Plan, as amended from time to time, or any successor thereto, and including any Stock Options or Restricted Stock granted thereunder to replace stock options or restricted stock initially granted under the Unicom Corporation Long-Term Incentive Plan.

1.36 "LTIP Performance Period" means the performance period applicable to an LTIP award, as designated in accordance with the LTIP.

1.37 "LTIP Target Level" means, in respect of any grant of Performance Shares under the Exelon Performance Share Program under the LTIP, the number of Performance Shares which a Participant would have been awarded (prior to the Termination Date) for the LTIP Performance Period corresponding to such grant if the business and personal performance goals related to such grant were achieved at the 100% (target) level as of the end of the first year of the LTIP Performance Period.

1.38 "Merger" - see definition of Change in Control.

1.39 "Notice of Termination" means a written notice given in accordance with Section 11.8 which sets forth (i) the specific termination provision in this Plan relied

upon by the party giving such notice, (ii) in reasonable detail the specific facts and circumstances claimed to provide a basis for such Termination of Employment or Cause Termination, and (iii) if the Termination Date is other than the date of receipt of such Notice of Termination, the Termination Date.

1.40 "Performance Shares" - see Section 5.1(c).

1.41 "Person" means any individual, sole proprietorship, partnership, joint venture, limited liability company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or government instrumentality, division, agency, body or department.

1.42 "Post-Change Period" means the period commencing on a Change Date and ending on the earlier of (a) the Termination Date or (b) the second anniversary of such Change Date; provided that no duplicate benefits shall be paid with respect to simultaneous or overlapping Post-Change Periods.

1.43 "Restricted Stock" -- see Section 5.1(d).

1.44 "Salary Continuation Period" means the period indicated in Section 4.1 during which benefits are payable under the Plan.

1.45 "SEC" means the United States Securities and Exchange Commission.

1.46 "SEC Person" means any person (as such term is used in Rule 13d-5 of the SEC under the Exchange Act) or group (as such term is defined in Sections 3(a)(9) and 13(d)(3) of the Exchange Act), other than (a) Exelon or any Person that directly or indirectly controls, is controlled by, or is under common control with, Exelon (an "Affiliate"). For purposes of this definition the term "control" with respect to any Person means the power to direct or cause the direction of management or policies of such Person, directly or indirectly, whether through the ownership of Voting Securities, by contract or otherwise., or (b) any employee benefit plan (or any related trust) of Exelon or any of its Affiliates.

1.47 "Section" means, unless the context otherwise requires, a section of this Plan.

1.48 "SERP" means the PECO Energy Company Supplemental Retirement Plan or the Commonwealth Edison Supplemental Management Retirement Plan, whichever is applicable to a Participant, or any successor to either or both.

1.49 "Severance Incentive" means the average of the annual incentive awards paid to a Participant under the LTIP (or such other Incentive Plan under which the Participant is entitled to such awards), a successor plan or otherwise with respect to each of the two calendar years preceding the year in which occurs the Participant's Termination of Employment; provided, however, that for purposes of Section 5, "Severance Incentive" shall mean the greater of (a) the Target Incentive for the performance period in which the Termination Date occurs, or (b) the average (mean) of the actual annual incentives paid (or payable, to the extent not previously paid) to a Participant under the Incentive Plan for

each of the two calendar years preceding the calendar year in which the Termination Date occurs.

1.50 "Severance Period" means the period beginning on a Participant's Termination Date, provided such Participant's Termination of Employment entitles such Participant to benefits under Section 5.1, or 5.2, and ending on the second anniversary thereof. There shall be no Severance Period if a Participant's Termination of Employment is on account of retirement, death or disability (as determined by the Plan Administrator in good faith) or if a Participant's employment is terminated by the Company for Cause or by a Participant other than for Good Reason.

1.51 "Stock Options" -- see Section 5.1(b).

1.52 "Target Incentive" as of a certain date means an amount equal to the product of Base Salary determined as of such date multiplied by the percentage of such Base Salary to which a Participant would have been entitled immediately prior to such date under the LTIP or any other Incentive Plan for the applicable performance period if the performance goals established pursuant to the LTIP or such Incentive Plan were achieved at the 100% (target) level as of the end of the applicable performance period; provided, however, that any reduction in a Participant's Base Salary or annual incentive that would qualify as Good Reason shall be disregarded for purposes of this definition.

1.53 "Taxes" means the incremental federal, state, local and foreign income, employment, excise and other taxes payable by a Participant with respect to any applicable item of income.

1.54 "Termination Date" means the effective date of an eligible Executive's termination of employment with the Company for any or no reason, which shall be the last day on which such Executive is employed by the Company; provided, however, that (a) if the Company terminates such Executive's employment other than for Cause or disability or if such Participant terminates such Executive's employment for Good Reason, then the Termination Date shall be the date of receipt of the Notice of Termination by such Executive (if such Notice is given by the Company) or by the Company (if such Notice is given by such Executive), or such later date, not more than 15 days after the giving of such Notice, specified in such Notice as of which such Executive's employment shall be terminated; and (b) if such Executive's employment is terminated by reason of death or disability, the Termination Date shall be the date of such Executive's death or the disability.

1.55 "Termination of Employment" means:

(a) a termination of an eligible Executive's employment by the Company for reasons other than for Cause; or

(b) a resignation by an eligible Executive for Good Reason.

The following shall not constitute a Termination of Employment for purposes of the Plan: (i) a termination of employment for Cause, (ii) an Executive's resignation other than for Good

Reason, (iii) the cessation of an Executive's employment with the Company or any Affiliate due to death, retirement, or disability (as determined by the Plan Administrator in good faith), or (iv) the cessation of an Executive's employment with the Company or any subsidiary thereof as the result of the sale, spin-off or other divestiture of a plant, division, business unit or subsidiary or a merger or other business combination followed by employment (or reemployment) with the purchaser or successor in interest to the Participant's employer with regard to such plant, division, business unit or subsidiary. Any dispute regarding whether an Executive's Termination of Employment for purposes of Section 5 is based on Good Reason shall be submitted to binding arbitration pursuant to Section 5.7.

1.56 "20% Owner" -- see paragraph (a) of the definition of "Change in Control."

1.57 "Voting Securities" means with respect to a corporation, securities of such corporation that are entitled to vote generally in the election of directors of such corporation.

8. FUNDING

Nothing in the Plan shall be interpreted as requiring the Company to set aside any of its assets for the purpose of funding its obligations under the Plan. No person entitled to benefits under the Plan shall have any right, title or claim in or to any specific assets of the Company, but shall have the right only as a general creditor to receive benefits from the Company on the terms and conditions provided in the Plan.

9. ADMINISTRATION OF THE PLAN

Exelon Corporation is the "administrator" and a "named fiduciary" of the Plan for purposes of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan shall be administered on a day-to-day basis by the Compensation Vice President of Exelon (the "Plan Administrator"). The Plan Administrator has the sole and absolute power and authority to interpret and apply the provisions of this Plan to a particular circumstance, make all factual and legal determinations, construe uncertain or disputed terms and make eligibility and benefit determinations in such manner and to such extent as the Plan Administrator, in his or her sole discretion may determine. Benefits under the Plan will be paid only if the Plan Administrator, in his or her discretion, determines that an individual is entitled to them.

The Plan Administrator shall promulgate any rules and regulations necessary to carry out the purposes of the Plan or to interpret the terms and conditions of the Plan; provided, however, that no rule, regulation or interpretation shall be contrary to the provisions of the Plan. The rules, regulations and interpretations made by the Plan Administrator shall be applied on a uniform basis and shall be final and binding on any Executive or former Executive and any successor in interest.

The Plan Administrator may delegate any administrative duties, including, without limitation, duties with respect to the processing, review, investigation, approval and payment of severance pay and provision of severance benefits, to designated individuals or committees.

10. CLAIMS PROCEDURE

The Plan Administrator shall determine the status of an individual as an Executive and the eligibility and rights of any Executive or former Executive as a Participant to any severance pay or benefits hereunder. Any Executive or former Executive who believes that he or she is entitled to receive severance pay or benefits under the Plan, including severance pay or benefits other than those initially determined by the Plan Administrator, may file a claim in writing with the Plan Administrator. No later than 90 days after the receipt of the claim the Plan Administrator shall either allow or deny the claim in writing.

A denial of a claim, in whole or in part, shall be written in a manner calculated to be understood by the claimant and shall include the specific reason or reasons for the denial; specific reference to pertinent Plan provisions on which the denial is based; a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and an explanation of the claims review procedure.

A claimant whose claim is denied (or his or her duly authorized representative) may, within 60 days after receipt of the denial of his or her claim, request a review upon written application to an officer designated by Exelon and specified in the claim denial; review pertinent documents; and submit issues and comments in writing.

The designated officer shall notify the claimant of his or her decision on review within 60 days after receipt of a request for review unless special circumstances require an extension of time for processing, in which case a decision shall be rendered as soon as possible, but not later than 120 days after receipt of a request for review. Notice of the decision on review shall be in writing. The officer's decision on review shall be final and binding on any claimant or any successor in interest.

11. AMENDMENT OR TERMINATION OF PLAN

Exelon's Chief Human Resources Officer or another designated officer of the Company may amend, modify or terminate the Plan at any time by written instrument; provided, however, that no amendment, modification or termination shall deprive any Participant of any payment or benefit that the Plan Administrator previously has determined is payable under the Plan. Notwithstanding the foregoing, no amendment or termination that materially adversely affects any Participant's benefits under Section 5 shall become effective as to such Participant during: (a) the Current Post-Merger Period, (b) the 24-month period following the Change Date or (c) during the Imminent Control Change Period (unless such Participant consents to such termination or amendment). Any purported Plan termination or amendment in violation of this Section 11 shall be void and of no effect.

12. MISCELLANEOUS

1.58 Limitation on Rights. Participation in the Plan is limited to the individuals described in Sections 2 and 3, and the Plan shall not apply to any voluntary or involuntary termination of employment that is not a Termination of Employment occurring on or after the Restatement Date of the Plan.

1.59 No Set-off by Company. A Participant's right to receive when due the payments and other benefits provided for under this Plan is absolute, unconditional and subject to no setoff, counterclaim or legal or equitable defense. Time is of the essence in the performance by the Company of its obligations under this Plan. Any claim which the Company may have against a Participant, whether for a breach of this Plan, the Severance Agreement, or otherwise, shall be brought in a separate action or proceeding and not as part of any action or proceeding brought by such Participant to enforce any rights against the Company under this Plan.

1.60 No Mitigation. A Participant shall not have any duty to mitigate the amounts payable by the Company under this Plan by seeking new employment following termination. Except as specifically otherwise provided in this Plan, all amounts payable pursuant to this Plan shall be paid without reduction regardless of any amounts of salary, compensation or other amounts which may be paid or payable to the Executive as the result of the Executive's employment by another employer.

1.61 Affiliates. To the extent that immediately prior to the Applicable Trigger Date, a Participant has been on the payroll of, and participated in the incentive or employee benefit plans of, an Affiliate of Exelon (as defined in Section 7.32), the references to the Company or Exelon contained in applicable Sections of this Plan referring to benefits to which a Participant may be entitled shall be read to refer to such Affiliate.

1.62 Headings. Headings of sections in this document are for convenience only, and do not constitute any part of the Plan.

1.63 Severability. If any one or more Sections, subsections or other portions of this Plan are declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any Section, subsection or other portion not so declared to be unlawful or invalid. Any Section, subsection or other portion so declared to be unlawful or invalid shall be construed so as to effectuate the terms of such Section, subsection or other portion to the fullest extent possible while remaining lawful and valid.

1.64 Governing Law. The Plan shall be construed and enforced in accordance with ERISA and the laws of the Commonwealth of Pennsylvania to the extent such laws are not preempted by ERISA.

1.65 No Right to Continued Employment. Nothing in this Plan shall guarantee the right of a Participant to continue in employment, and the Company retains the right to terminate a Participant's employment at any time for any reason or for no reason.

1.66 Successors and Assigns. This Plan shall be binding upon and inure to the benefit of Exelon Corporation and its successors and assigns and shall be binding upon and inure to the benefit of a Participant and his or her legal representatives, heirs and assigns. Before or upon the consummation of any Change in Control, Exelon shall obtain from each individual, entity or group that becomes a successor of Exelon by reason of the Change in Control, the unconditional written agreement of such individual, entity or

group to assume this Plan and to perform all of the obligations of the Company under the Plan. Any successor to the business or assets of Exelon which assumes or agrees to perform this Plan by operation of law, contract, or otherwise shall be jointly and severally liable with Exelon under this Plan as if such successor were Exelon.

No rights, obligations or liabilities of a Participant hereunder shall be assignable without the prior written consent of Exelon Corporation. In the event of the death of a Participant prior to receipt of severance pay or benefits to which he or she is entitled hereunder (and, with respect to benefits under Section 4 or Section 5, after he or she has signed the Waiver and Release), the severance pay described in Sections 4.1, 5.1, or 5.2, as applicable, shall be paid to his or her estate, and the Participant's dependents who are covered under any health care plans maintained by the Company shall be entitled to continued rights under Section 4.4 or Section 5.1(e) or Section 5.2(f), as applicable; provided that the estate or other successor of the Participant has not revoked such Waiver and Release.

1.67 Notices. All notices and other communications under this Plan shall be in writing and delivered by hand, by nationally-recognized delivery service that promises overnight delivery, or by first-class registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to a Participant, to such Participant at his most recent home address on file with the Company.

If to the Company: to the Plan Administrator.

or to such other address as either party shall have furnished to the other in writing. Notice and communications shall be effective when actually received by the addressee.

1.68 Number and Gender. Wherever appropriate, the singular shall include the plural, the plural shall include the singular, and the masculine shall include the feminine.

1.69 Tax Withholding. The Company may withhold from any amounts payable under this Plan or otherwise payable to a Participant any Taxes the Company determines to be appropriate under applicable law and may report all such amounts payable to such authority as is required by any applicable law or regulation.

13. ADMINISTRATIVE INFORMATION

Plan Sponsor: Address:	Exelon Corporation P.O. Box 805379 Chicago, Illinois 60680-5379
Employer Identification Number:	23-2990190
Plan Administrator: Address and Telephone:	Vice President Compensation Exelon Corporation

P.O. Box 805379
Chicago, Illinois 60680-5379
(312) 394-4015

Agent for Service of Legal Process:	Vice President Compensation Exelon Corporation P.O. Box 805379 Chicago, Illinois 60680-5379
Plan Number:	501
Type of Plan:	Severance benefit plan (welfare)
Plan Year:	Calendar year

14. ERISA RIGHTS

As a Participant in the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all plan participants shall be entitled to:

Examine, without charge, at the Plan Administrator's office at 10 S. Dearborn Street, Chicago, Illinois all Plan documents and copies of all documents filed by the Plan with the U.S. Department of Labor; and

Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.

In addition to creating rights for Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to act prudently and in the interest of you and other Participant and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining your interest in the Plan or from exercising your rights under ERISA. If your claim for a benefit from the Plan is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have your claim reviewed and reconsidered. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If

you lose and the court finds your claim to be frivolous, the court may order you to pay these costs and fees. If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Area Office of the U.S. Labor-Management Services Administration, Department of Labor.

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EXHIBIT I

EXELON CORPORATION
RESTRICTIVE COVENANTS

This agreement and covenant (the "Agreement"), made as of the _____ day of _________, ______, is made by and among Exelon Corporation, incorporated under the laws of the Commonwealth of Pennsylvania (together with successors thereto, "Exelon"), ______________, a ________________ corporation (together with successors thereto, the "Employer"), and ______________________ ("you").

WHEREAS, Exelon amended and restated the Exelon Corporation Key Management Severance Plan (the "Severance Plan") effective as of June 1, 2001, and as amended, modified and supplemented;

WHEREAS, you may be eligible to become a Participant (as defined in the Severance Plan) in the Severance Plan as an employee of the Employer;

WHEREAS, in order to be a Participant in and be eligible for benefits under the Severance Plan, you must execute this covenant;

NOW THEREFORE, in consideration for becoming eligible to participate in the Severance Plan and your commencement of employment with the Employer, you covenant the following:

CONFIDENTIAL INFORMATION.

(a) Obligation to Keep Confidential Information Confidential. You acknowledge that in the course of performing services for Exelon and its affiliates (together, the "Company"), you may create (alone or with others), learn of, have access to and receive Confidential Information. Confidential Information (as defined below) shall not include: (i) information that is or becomes generally known through no fault of yours; (ii) information received from a third party outside of the Company that was disclosed without a breach of any confidentiality obligation; or (iii) information approved for release by written authorization of the Company. You recognize that all such Confidential Information is the sole and exclusive property of the Company or of third parties which the Company is obligated to keep confidential, that it is the Company's policy to keep all such Confidential Information confidential, and that disclosure of Confidential Information would cause damage to the Company. You agree that, except as required by your duties of employment with the Company or any of its affiliates, and except in connection with enforcing your rights under the Severance Plan or if compelled by a court or governmental agency, in each case provided that prior written notice is given to Exelon, you will not, without the written consent of Exelon, willfully disseminate or otherwise disclose, directly or indirectly, any Confidential Information obtained during your employment with the Company, and will take all necessary precautions to prevent disclosure, to any unauthorized individual or entity inside or outside the Company, and will not use the Confidential Information or permit

its use for your personal benefit or any other person or entity other than the Company. These obligations shall continue during and after the termination of your employment (whether or not after a Change in Control or Imminent Control Change, as such terms are defined in the Severance Plan).

(b) Definition of Confidential Information. "Confidential Information" shall mean any information, ideas, processes, methods, designs, devices, inventions, data, techniques, models and other information developed or used by the Company and not generally known in the relevant trade or industry relating to the Company's products, services, businesses, operations, employees, customers or suppliers, whether in tangible or intangible form, which gives the Company a competitive advantage in the harnessing, production, transmission, distribution, marketing or sale of energy or the transmission or distribution thereof through wire or cable or similar medium or in the energy services industry and other businesses in which the Company is engaged, or of third parties which the Company is obligated to keep confidential, or which was learned, discovered, developed, conceived, originated or prepared during or as a result of your performance of any services on behalf of the Company and which falls within any of the following general categories:

(i) information relating to trade secrets of the Company or any customer or supplier of the Company;

(ii) information relating to existing or contemplated products, services, technology, designs, processes, formulae, algorithms, research or product developments of the Company or any customer or supplier of the Company;

(iii) information relating to business plans or strategies, sales or marketing methods, methods of doing business, customer lists, customer usages and/or requirements, supplier information of the Company or any customer or supplier of the Company;

(iv) information subject to protection under the Uniform Trade Secrets Act, as adopted by the Commonwealth of Pennsylvania, or to any comparable protection afforded by applicable law; or

(v) any other confidential information which either the Company or any customer or supplier of the Company may reasonably have the right to protect by patent, copyright or by keeping it secret and confidential.

15. NON-COMPETITION. DURING THE PERIOD BEGINNING ON THE DATE OF EXECUTION OF THIS AGREEMENT AND ENDING ON THE SECOND ANNIVERSARY OF THE TERMINATION DATE (AS SUCH TERM IS DEFINED IN THE SEVERANCE PLAN), WHETHER OR NOT AFTER A CHANGE IN CONTROL OR IMMINENT CONTROL CHANGE, YOU HEREBY AGREE THAT WITHOUT THE WRITTEN CONSENT OF EXELON YOU SHALL NOT AT ANY TIME, DIRECTLY OR INDIRECTLY, IN ANY CAPACITY:

(c) engage or participate in, become employed by, serve as a director of, or render advisory or consulting or other services in connection with, any Competitive

Business (as defined below); provided, however, that after the Termination Date this Section 2 shall not preclude you from being an employee of, or consultant to, any business unit of a Competitive Business if (i) such business unit does not qualify as a Competitive Business in its own right and (ii) you do not have any direct or indirect involvement in, or responsibility for, any operations of such Competitive Business that cause it to qualify as a Competitive Business.

(d) make or retain any financial investment, whether in the form of equity or debt, or own any interest, in any Competitive Business. Nothing in this subsection shall, however, restrict you from making an investment in any Competitive Business if such investment does not (i) represent more than 1% of the aggregate market value of the outstanding capital stock or debt (as applicable) of such Competitive Business, (ii) give you any right or ability, directly or indirectly, to control or influence the policy decisions or management of such Competitive Business, and (iii) create a conflict of interest between your employment duties and your interest in such investment.

(e) Definition of Competitive Business. "Competitive Business" means, as of any date, any utility business and any individual or entity (and any branch, office, or operation thereof) which engages in, or proposes to engage in (with your assistance) (i) the harnessing, production, transmission, distribution, marketing or sale of energy or the transmission or distribution thereof through wire or cable or similar medium, (ii) any other business engaged in by the Company prior to your Termination Date which represents for any calendar year or is projected by the Company (as reflected in a business plan adopted by any Company before your Termination Date) to yield during any year during the first three-fiscal year period commencing on or after your Termination Date, more than 5% of the gross revenue of any individual Company, and, in either case, which is located (x) anywhere in the United States, or (y) anywhere outside of the United States where Company is then engaged in, or proposes as of the Termination Date to engage in, to your knowledge, any of such activities.

16. NON-SOLICITATION. DURING THE PERIOD BEGINNING ON THE DATE OF EXECUTION OF THIS AGREEMENT AND ENDING ON THE SECOND ANNIVERSARY OF ANY TERMINATION DATE, WHETHER OR NOT AFTER A CHANGE IN CONTROL OR IMMINENT CONTROL CHANGE, YOU SHALL NOT, DIRECTLY OR INDIRECTLY:

(f) other than in connection with the good-faith performance of your duties as an officer of the Company cause or attempt to cause any employee or agent of the Company to terminate his or her relationship with the Company;

(g) employ, engage as a consultant or adviser, or solicit the employment or engagement as a consultant or adviser, of any employee or agent of the Company (other than by the Company), or cause or attempt to cause any Person to do any of the foregoing;

(h) establish (or take preliminary steps to establish) a business with, or cause or attempt to cause others to establish (or take preliminary steps to establish) a

business with, any employee or agent of the Company, if such business is or will be a Competitive Business; or

(i) interfere with the relationship of the Company with, or endeavor to entice away from the Company, any Person who or which at any time during the period commencing one year prior to the Termination Date was or is, to your knowledge, a material customer or material supplier of, or maintained a material business relationship with, the Company.

17. INTELLECTUAL PROPERTY. DURING THE PERIOD OF YOUR EMPLOYMENT WITH THE COMPANY, AND THEREAFTER UPON THE COMPANY'S REQUEST, WHETHER OR NOT AFTER A CHANGE IN CONTROL OR IMMINENT CONTROL CHANGE, YOU SHALL DISCLOSE IMMEDIATELY TO THE COMPANY ALL IDEAS, INVENTIONS AND BUSINESS PLANS THAT HE MAKES, CONCEIVES, DISCOVERS OR DEVELOPS ALONE OR WITH OTHERS DURING THE COURSE OF YOUR EMPLOYMENT WITH THE COMPANY OR DURING THE ONE YEAR PERIOD FOLLOWING YOUR TERMINATION DATE, INCLUDING ANY INVENTIONS, MODIFICATIONS, DISCOVERIES, DEVELOPMENTS, IMPROVEMENTS, COMPUTER PROGRAMS, PROCESSES, PRODUCTS OR PROCEDURES (WHETHER OR NOT PROTECTABLE UPON APPLICATION BY COPYRIGHT, PATENT, TRADEMARK, TRADE SECRET OR OTHER PROPRIETARY RIGHTS) ("WORK PRODUCT") THAT: (I) RELATE TO THE BUSINESS OF THE COMPANY OR ANY CUSTOMER OR SUPPLIER TO THE COMPANY OR ANY OF THE PRODUCTS OR SERVICES BEING DEVELOPED, MANUFACTURED, SOLD OR OTHERWISE PROVIDED BY THE COMPANY OR THAT MAY BE USED IN RELATION THEREWITH; OR (II) RESULT FROM TASKS ASSIGNED TO YOU BY THE COMPANY; OR (III) RESULT FROM THE USE OF THE PREMISES OR PERSONAL PROPERTY (WHETHER TANGIBLE OR INTANGIBLE) OWNED, LEASED OR CONTRACTED FOR BY THE COMPANY. YOU AGREE THAT ANY WORK PRODUCT SHALL BE THE PROPERTY OF THE COMPANY AND, IF SUBJECT TO COPYRIGHT, SHALL BE CONSIDERED A "WORK MADE FOR HIRE" WITHIN THE MEANING OF THE COPYRIGHT ACT OF 1976, AS AMENDED (THE "ACT"). IF AND TO THE EXTENT THAT ANY SUCH WORK PRODUCT IS NOT A "WORK MADE FOR HIRE" WITHIN THE MEANING OF THE ACT, YOU HEREBY ASSIGN TO THE COMPANY ALL RIGHT, TITLE AND INTEREST IN AND TO THE WORK PRODUCT, AND ALL COPIES THEREOF, AND THE COPYRIGHT, PATENT, TRADEMARK, TRADE SECRET AND ALL PROPRIETARY RIGHTS IN THE WORK PRODUCT, WITHOUT FURTHER CONSIDERATION, FREE FROM ANY CLAIM, LIEN FOR BALANCE DUE OR RIGHTS OF RETENTION THERETO ON YOUR PART.

(j) The Company hereby notifies you that the preceding paragraph does not apply to any inventions for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on your own time, unless: (i) the invention relates (a) to the Company's business, or (b) to the Company's actual or demonstrably anticipated research or development, or (ii) the invention results from any work performed by you for the Company.

(k) You agree that upon disclosure of Work Product to the Company, you will, during your employment and at any time thereafter, at the request and cost of the Company, execute all such documents and perform all such acts as the Company or its duly authorized agents may reasonably require: (i) to apply for, obtain and vest in the name of the Company alone (unless the Company otherwise directs) letters patent, copyrights or other analogous protection in any country throughout the world, and when so obtained or vested to renew and restore the same; and (ii) to prosecute or defend any opposition proceedings in respect of such applications and any opposition proceedings or petitions or applications for

revocation of such letters patent, copyright or other analogous protection, or otherwise in respect of the Work Product.

(l) In the event that the Company is unable, after reasonable effort, to secure your execution as provided in subsection (b) above, whether because of your physical or mental incapacity or for any other reason whatsoever, you hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as your agent and attorney-in-fact, to act for and on your behalf to execute and file any such application or applications and to do all other lawfully permitted acts to further the prosecution, issuance and protection of letters patent, copyright and other intellectual property protection with the same legal force and effect as if personally executed by you.

18. REASONABLENESS OF RESTRICTIVE COVENANTS.

(m) You acknowledge that the covenants contained in Sections 2, 3, and 4 are reasonable in the scope of the activities restricted, the geographic area covered by the restrictions, and the duration of the restrictions, and that such covenants are reasonably necessary to protect the Company's legitimate interests in its Confidential Information and in its relationships with its employees, customers and suppliers.

(n) The Company and you have all consulted with their respective legal counsel and have been advised concerning the reasonableness and propriety of such covenants. You acknowledge that your observance of the covenants contained in Sections 2, 3, and 4 will not deprive you of the ability to earn a livelihood or to support your dependents.

(o) All of the provisions of this Restrictive Covenant shall survive any termination of employment without regard to (i) the reasons for such termination or (ii) the expiration of any participation in the Severance Plan.

(p) The Company shall have no further obligation to pay or provide severance or benefits under the Plan if a court determines that you have breached any covenant in this Restrictive Covenant.

19. COUNTERPARTS. THIS AGREEMENT MAY BE EXECUTED IN SEVERAL COUNTERPARTS, EACH OF WHICH SHALL BE DEEMED TO BE AN ORIGINAL, BUT ALL OF WHICH TOGETHER WILL CONSTITUTE ONE AND THE SAME INSTRUMENT.

20. HEADINGS. THE HEADINGS OF THIS AGREEMENT ARE NOT PART OF THE PROVISIONS HEREOF AND SHALL NOT HAVE ANY FORCE OR EFFECT.

21. APPLICABLE LAW. THE PROVISIONS OF THIS AGREEMENT SHALL BE INTERPRETED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA WITHOUT REGARD TO ITS CHOICE OF LAW PRINCIPLES.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates specified below.

EXECUTIVE

EXELON CORPORATION

By:

Title:

(Employer, if different from Exelon)

By:

Title:

14152671v4

EXHIBIT 10-31

EXELON CORPORATION

CHANGE IN CONTROL EMPLOYMENT AGREEMENT

TABLE OF CONTENTS

		PAGE
Article I.	Definitions	1
1.1	"Accrued Annual Incentive"	1
1.2	"Accrued Base Salary"	1
1.3	"Accrued LTIP Award"	1
1.4	"Accrued Obligations"	1
1.5	"Affiliate"	1
1.6	"Agreement Date"	2
1.7	"Agreement Term"	2
1.8	"Annual Incentive"	2
1.9	"Applicable Trigger Date"	2
1.10	"Article"	2
1.11	"Base Salary"	2
1.12	"Beneficial Owner"	2
1.13	"Beneficiary"	3
1.14	"Board"	3
1.15	"Cause"	3
1.16	"Change Date"	3
1.17	"Change in Control"	3
1.18	"Code"	5
1.19	"Company"	5
1.20	"Competitive Business"	5
1.21	"Confidential Information"	5
1.22	"Current Post-Merger Period"	6
1.23	"Disability"	6
1.24	"Disaggregated Entity"	6
1.25	"Disaggregation"	6
1.26	"Employer"	6
1.27	"Exchange Act"	6
1.28	"Good Reason"	6
1.29	"Imminent Control Change"	6
1.30	"Imminent Control Change Period"	7
1.31	"Incentive Plan"	7
1.32	"including"	8
1.33	"Incumbent Board"	8
1.34	"IRS"	8
1.35	"LTIP"	8
1.36	"LTIP Performance Period"	8
1.37	"LTIP Target Level"	8
1.38	"Merger"	8
1.39	"Notice of Termination"	8
1.40	"Performance Shares"	8
1.41	"Person"	8
1.42	"Plans"	8
1.43	"Post-Change Period"	8

PAGE

1.44 "Post-Disaggregation Period" 8
1.45 "Post-Significant Acquisition Period" 9
1.46 "Restricted Stock" 9
1.47 "SEC" 9
1.48 "SEC Person" 9
1.49 "Section" 9
1.50 "SERP" 9
1.51 "Severance Incentive" 9
1.52 "Severance Period" 9
1.53 "Significant Acquisition" 9
1.54 "Stock Options" 10
1.55 "Target Incentive" 10
1.56 "Taxes" 10
1.57 "Termination Date" 10
1.58 "Termination of Employment" 10
1.59 "20% Owner" 11
1.60 "Voting Securities" 11
1.61 "Welfare Plans" 11

Article II. Terms of Employment 11

2.1 Position and Duties During Current Post-Merger Period. 11
2.2 Position and Duties During a Post-Change Period. 11
2.3 Position and Duties During an Imminent Control Change Period. 11
2.4 Position and Duties During a Post-Significant Acquisition Period. 12
2.5 Position and Duties During a Post-Disaggregation Period. 12
2.6 Executive's Obligations 12
2.7 Base Salary During the Current Post-Merger Employment Period and Post-Change Period 12
2.8 Annual Incentive 13
2.9 Other Compensation and Benefits 13

Article III. Termination of Employment 16

3.1 Disability 16
3.2 Death. 17
3.3 Termination by the Company for Cause 17
3.4 Termination by the Executive for Good Reason. 19

Article IV. Company's Obligations Upon Certain Terminations of Employment 22

4.1 Termination During the Current Post-Merger Period, Post-Change Period, or Post-Significant Acquisition Period .. 22
4.2 Termination During an Imminent Control Change Period. 26
4.3 Termination During a Post-Disaggregation Period. 29
4.4 Timing of Severance Payments. 31
4.5 Waiver and Release 31

PAGE

4.6	Breach of Covenants	31
4.7	Termination by the Company for Cause	31
4.8	Termination by Executive Other Than for Good Reason	31
4.9	Termination by the Company for Disability	31
4.10	Upon Death	32
4.11	Sole and Exclusive Obligations	32
Article V.	Certain Additional Payments by the Company	32
5.1	Gross-Up Payment	32
5.2	Limitation on Gross-Up Payments	33
5.3	Additional Gross-up Amounts	34
5.4	Amount Increased or Contested	34
5.5	Refunds	36
Article VI.	Expenses, Interest and Dispute Resolution	36
6.1	Enforcement and Late Payments	36
6.2	Interest.	37
6.3	Arbitration	37
Article VII.	No Adverse Effect on Pooling of Interests	38
Article VIII.	No Set-off or Mitigation	38
8.1	No Set-off by Company	38
8.2	No Mitigation	38
Article IX.	Restrictive Covenants	38
9.1	Confidential Information.	38
9.2	Non-Competition :	39
9.3	Non-Solicitation	39
9.4	Intellectual Property	40
9.5	Reasonableness of Restrictive Covenants	41
9.6	Right to Injunction; Survival of Undertakings	41
Article X.	Non-Exclusivity of Rights	42
10.1	Other Rights	42
10.2	No Right to Continued Employment	42
Article XI.	Miscellaneous	42
11.1	No Assignability	43
11.2	Successors	43
11.3	Affiliates	43
11.4	Payments to Beneficiary	43

PAGE

11.5	Non-Alienation of Benefits	43
11.6	Severability	43
11.7	Amendments	43
11.8	Notices	43
11.9	Joint and Several Liability	44
11.10	Counterparts	44
11.11	Governing Law	44
11.12	Captions	44
11.13	Number and Gender	44
11.14	Tax	44
11.15	No Waiver	45
11.16	Entire Agreement	45

CORPORATION

CHANGE-IN-CONTROL EMPLOYMENT AGREEMENT

THIS AGREEMENT dated as of June 1, 2001 (the "Agreement Date") is made by and among Exelon Corporation, incorporated under the laws of the Commonwealth of Pennsylvania (together with successors thereto, the "Company"), _____________________, a _______________ corporation (together with successors thereto, the "Subsidiary"), and _____________________ ("Executive").

RECITALS

The Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued services of the Executive, despite the possibility or occurrence of a Change in Control of the Company. The Board believes it is imperative to reduce the distraction of the Executive that would result from the personal uncertainties caused by a pending or threatened Change in Control or a Significant Acquisition, to encourage the Executive's full attention and dedication to the Company, and to provide the Executive with compensation and benefits arrangements upon a Change in Control which are competitive with those of similarly-situated corporations. This Agreement is intended to accomplish these objectives.

ARTICLE I.

DEFINITIONS

As used in this Agreement, the terms specified below shall have the following meanings:

1.1 "Accrued Annual Incentive" means the amount of any Annual Incentive earned but not yet paid with respect to the Company's latest fiscal year ended prior to the Termination Date.

1.2 "Accrued Base Salary" means the amount of Executive's Base Salary that is accrued but not yet paid as of the Termination Date.

1.3 "Accrued LTIP Award" means the amount of any LTIP Award earned and vested, but either deferred or not yet paid as of the Termination Date.

1.4 "Accrued Obligations" means, as of any date, the sum of Executive's Accrued Base Salary, Accrued Annual Incentive, Accrued LTIP Award, any accrued but unpaid paid time off, and any other amounts and benefits which are then due to be paid or provided to Executive by the Company, but have not yet been paid or provided (as applicable).

1.5 "Affiliate" means any Person (including the Subsidiary) that directly or indirectly controls, is controlled by, or is under common control with, the Company. For purposes of this definition the term "control" with respect to any Person means the power to direct or cause the

direction of management or policies of such Person, directly or indirectly, whether through the ownership of Voting Securities, by contract or otherwise.

1.6 "Agreement Date" -- see the introductory paragraph of this Agreement.

1.7 "Agreement Term" means the period commencing on the Agreement Date and ending on the second anniversary of the Agreement Date or, if later, such later date to which the Agreement Term is extended under the following sentence, unless earlier terminated as provided herein. Commencing on the first anniversary of the Agreement Date, the Agreement Term shall automatically be extended each day by one day to create a new two-year term until, at any time after the first anniversary of the Agreement Date, the Company delivers written notice (an "Expiration Notice") to Executive that the Agreement shall expire on a date specified in the Expiration Notice (the "Expiration Date") that is not less than 12 months after the date the Expiration Notice is delivered to Executive; provided, however, that if a Change Date, Imminent Control Change, Disaggregation or Significant Acquisition occurs before the Expiration Date specified in the Expiration Notice, then such Expiration Notice shall be void and of no further effect. If such Imminent Control Change or Disaggregation does not culminate in a Change Date, then such Expiration Notice shall be reinstated and the Agreement shall expire on the date originally specified as the Expiration Date, or if later, the date the Imminent Control Change lapses or the end of the sixtieth day after the Disaggregation. Notwithstanding anything herein to the contrary, the Agreement Term shall end at the end of the Severance Period if applicable, or if there is no Severance Period, the earliest of the following: (a) the second anniversary of the Change Date, (b) eighteen (18) months after the Significant Acquisition, provided there has been no Change Date, (c) the end of the sixtieth day after the Disaggregation if there has been no Change Date after the Disaggregation, or (d) the Termination Date.

1.8 "Annual Incentive" -- see Section 2.8.

1.9 "Applicable Trigger Date" means

(a) the Agreement Date with respect to the Current Post-Merger Period;

(b) the Change Date with respect to the Post-Change Period;

(c) the date of an Imminent Control Change with respect to the Imminent Control Change Period;

(d) the date of a Significant Acquisition with respect to a Post-Significant Acquisition Period; and

(e) the date of a Disaggregation with respect to a Post-Disaggregation Period.

1.10 "Article" means an article of this Agreement.

1.11 "Base Salary" -- see Section 2.7.

1.12 "Beneficial Owner" means such term as defined in Rule 13d-3 of the SEC under the Exchange Act.

1.13 "Beneficiary" -- see Section 11.4.

1.14 "Board" means the Board of Directors of Company or, from and after the effective date of a Corporate Transaction (as defined in Section 1.17), the Board of Directors of the corporation resulting from a Corporate Transaction or, if securities representing at least 50% of the aggregate voting power of such resulting corporation are directly or indirectly owned by another corporation, such other corporation.

1.15 "Cause" -- see Section 3.3.

1.16 "Change Date" means the date on which a Change in Control first occurs during the Agreement Term.

1.17 "Change in Control" means, except as otherwise provided below, the first to occur of any of the following during the Agreement Term:

(a) any SEC Person becomes the Beneficial Owner of 20% or more of the then outstanding common stock of the Company or of Voting Securities representing 20% or more of the combined voting power of all the then outstanding Voting Securities of Company (such an SEC Person, a "20% Owner"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change in Control: (1) any acquisition directly from the Company (excluding any acquisition resulting from the exercise of an exercise, conversion or exchange privilege unless the security being so exercised, converted or exchanged was acquired directly from the Company), (2) any acquisition by the Company, (3) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company (a "Company Plan"), or (4) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this definition; provided further, that for purposes of clause (2), if any 20% Owner of the Company other than the Company or any Company Plan becomes a 20% Owner by reason of an acquisition by the Company, and such 20% Owner of the Company shall, after such acquisition by the Company, become the beneficial owner of any additional outstanding common shares of the Company or any additional outstanding Voting Securities of the Company (other than pursuant to any dividend reinvestment plan or arrangement maintained by the Company) and such beneficial ownership is publicly announced, such additional beneficial ownership shall constitute a Change in Control; or

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Incumbent Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest (as such terms are used in Rule 14a-11 promulgated under the Exchange Act) or

other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger or consolidation ("Merger"), or the sale or other disposition of more than 50% of the operating assets of the Company (determined on a consolidated basis), other than in connection with a sale-leaseback or other arrangement resulting in the continued utilization of such assets (or the operating products of such assets) by the Company (such reorganization, merger, consolidation, sale or other disposition, a "Corporate Transaction"); excluding, however, a Corporate Transaction pursuant to which:

(i) all or substantially all of the individuals and entities who are the Beneficial Owners, respectively, of the outstanding common stock of Company and outstanding Voting Securities of the Company immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than 60% of, respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which, as a result of such transaction, owns the Company or all or substantially all of the assets of the Company either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Corporate Transaction of the outstanding common stock of Company and outstanding Voting Securities of the Company, as the case may be;

(ii) no SEC Person (other than the corporation resulting from such Corporate Transaction, and any Person which beneficially owned, immediately prior to such corporate Transaction, directly or indirectly, 20% or more of the outstanding common stock of the Company or the outstanding Voting Securities of the Company, as the case may be) becomes a 20% Owner, directly or indirectly, of the then-outstanding common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding voting securities of such corporation; and

(iii) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(d) Approval by the Company's shareholders of a plan of complete liquidation or dissolution of the Company, other than a plan of liquidation or dissolution which results in the acquisition of all or substantially all of the assets of the Company by an affiliated company.

Notwithstanding the occurrence of any of the foregoing events, a Change in Control shall not occur with respect to Executive if, in advance of such event, Executive agrees in writing that such event shall not constitute a Change in Control.

1.18 "Code" means the Internal Revenue Code of 1986, as amended.

1.19 "Company" - see the introductory paragraph to this Agreement.

1.20 "Competitive Business" means, as of any date, any utility business and any individual or entity (and any branch, office, or operation thereof) which engages in, or proposes to engage in (with Executive's assistance) (i) the harnessing, production, transmission, distribution, marketing or sale of energy or the transmission or distribution thereof through wire or cable or similar medium, (ii) any other business engaged in by the Company prior to Executive's Termination Date which represents for any calendar year or is projected by the Company (as reflected in a business plan adopted by the Company before Executive's Termination Date) to yield during any year during the first three-fiscal year period commencing on or after Executive's Termination Date, more than 5% of the gross revenue of Company, and, in either case, which is located (x) anywhere in the United States, or (y) anywhere outside of the United States where Company is then engaged in, or proposes as of the Termination Date to engage in to the knowledge of the Executive, any of such activities.

1.21 "Confidential Information" shall mean any information, ideas, processes, methods, designs, devices, inventions, data, techniques, models and other information developed or used by the Company or any Affiliate and not generally known in the relevant trade or industry relating to the Company's or its Affiliates' products, services, businesses, operations, employees, customers or suppliers, whether in tangible or intangible form, which gives the Company and its Affiliates a competitive advantage in the harnessing, production, transmission, distribution, marketing or sale of energy or the transmission or distribution thereof through wire or cable or similar medium or in the energy services industry and other businesses in which the Company or an Affiliate is engaged, or of third parties which the Company or Affiliate is obligated to keep confidential, or which was learned, discovered, developed, conceived, originated or prepared during or as a result of Executive's performance of any services on behalf of the Company and which falls within any of the following general categories:

(a) information relating to trade secrets of the Company or Affiliate or any customer or supplier of the Company or Affiliate;

(b) information relating to existing or contemplated products, services, technology, designs, processes, formulae, algorithms, research or product developments of the Company or Affiliate or any customer or supplier of the Company or Affiliate;

(c) information relating to business plans or strategies, sales or marketing methods, methods of doing business, customer lists, customer usages and/or requirements, supplier information of the Company or Affiliate or any customer or supplier of the Company or Affiliate;

(d) information subject to protection under the Uniform Trade Secrets Act, as adopted by the State of Illinois, or to any comparable protection afforded by applicable law; or

(e) any other confidential information which either the Company or Affiliate or any customer or supplier of the Company or Affiliate may reasonably have the right to protect by patent, copyright or by keeping it secret and confidential.

1.22 "Current Post-Merger Period" means the period commencing on the Agreement Date and ending on the earlier of the Termination Date or October 20, 2002. To the extent that, prior to October 21, 2002, the Current Post-Merger Period includes any portion of an Imminent Control Change Period or a Post-Significant Acquisition Period, the terms of this Agreement applicable to the Current Post-Merger Period shall govern. To the extent that, prior to October 21, 2002, the Current Post-Merger Period includes any portion of a Post-Disaggregation Period, the terms of this Agreement applicable to the Post-Disaggregation Period shall govern.

1.23 "Disability" - see Section 3.1(b).

1.24 "Disaggregated Entity" means the Disaggregated Unit or any other Person (other than the Company or an Affiliate) that controls or is under common control with the Disaggregated Unit.

1.25 "Disaggregation" means the consummation, in contemplation of a Change in Control, of a sale, spin-off or other disaggregation by the Company or the Affiliate or business unit of the Company ("Disaggregated Unit") which employed Executive immediately prior to the sale, spin-off or other disaggregation.

1.26 "Employer" means, collectively or severally, the Company and the Subsidiary (or other Affiliate employing Executive).

1.27 "Exchange Act" means the Securities Exchange Act of 1934, as amended.

1.28 "Good Reason" -- see Section 3.4.

1.29 "Imminent Control Change" means, as of any date on or after the Agreement Date and prior to the Change Date, the occurrence of any one or more of the following:

(a) the Company enters into an agreement the consummation of which would constitute a Change in Control;

(b) Any SEC Person commences a "tender offer" (as such term is used in Section 14(d) of the Exchange Act) or exchange offer, which, if consummated, would result in a Change in Control; or

(c) Any SEC Person files with the SEC a preliminary or definitive proxy solicitation or election contest to elect or remove one or more members of the Board, which, if consummated or effected, would result in a Change in Control;

provided, however, that an Imminent Control Change will lapse and cease to qualify as an Imminent Control Change:

(i) With respect to an Imminent Control Change described in clause (a) of this definition, the date such agreement is terminated, cancelled or expires without a Change Date occurring;

(ii) With respect to an Imminent Control Change described in clause (b) of this definition, the date such tender offer or exchange offer is withdrawn or terminates without a Change Date occurring;

(iii) With respect to an Imminent Control Change described in clause (c) of this definition, (1) the date the validity of such proxy solicitation or election contest expires under relevant state corporate law, or (2) the date such proxy solicitation or election contest culminates in a shareholder vote, in either case without a Change Date occurring; or

(iv) The date a majority of the members of the Incumbent Board make a good faith determination that any event or condition described in clause (a), (b), or (c) of this definition no longer constitutes an Imminent Control Change, provided that such determination may not be made prior to the twelve (12) month anniversary of the occurrence of such event.

1.30 "Imminent Control Change Period" means the period (excluding any portion of such period in effect during the Current Post-Merger Period, but including any portion of such period after a Disaggregation occurring after October 20, 2002) commencing on the date of an Imminent Control Change, and ending on the first to occur thereafter of

(a) a Change Date, provided

(i) such date occurs after October 20, 2002 and no later than the one-year anniversary of the Termination Date, and

(ii) either the Imminent Control Change has not lapsed, or the Imminent Control Change in effect upon such Change Date is the last Imminent Control Change in a series of Imminent Control Changes unbroken by any period of time between the lapse of an Imminent Control Change and the occurrence of a new Imminent Control Change;

(b) if Executive's business unit undergoes Disaggregation after October 20, 2002, and Executive retains substantially the same position with the Disaggregated Entity as immediately prior to such Disaggregation (determined without regard to reporting obligations) the earlier to occur after such Disaggregation of a Change Date or the end of the 60th day following such Disaggregation without the occurrence of a Change Date,

(c) the date an Imminent Control Changes lapses without the prior or concurrent occurrence of a new Imminent Control Change; or

(d) the twelve-month anniversary of the Termination Date.

1.31 "Incentive Plan" means any annual incentive award arrangement of the Company.

1.32 "including" means including without limitation.

1.33 "Incumbent Board" - see definition of Change in Control.

1.34 "IRS" means the Internal Revenue Service of the United States of America.

1.35 "LTIP" means the Exelon Corporation Long-Term Incentive Plan, as amended from time to time, or any successor thereto, and including any Stock Options or Restricted Stock granted thereunder to replace stock options or restricted stock initially granted under the Unicom Corporation Long-Term Incentive Plan.

1.36 "LTIP Performance Period" means the performance period applicable to an LTIP award, as designated in accordance with the LTIP.

1.37 "LTIP Target Level" means, in respect of any grant of Performance Shares under the Exelon Performance Share Program under the LTIP, the number of Performance Shares which Executive would have been awarded (prior to the Termination Date) for the LTIP Performance Period corresponding to such grant if the business and personal performance goals related to such grant were achieved at the 100% (target) level as of the end of the first year of the LTIP Performance Period.

1.38 "Merger" - see definition of Change in Control.

1.39 "Notice of Termination" means a written notice given in accordance with Section 11.8 which sets forth (i) the specific termination provision in this Agreement relied upon by the party giving such notice, (ii) in reasonable detail the specific facts and circumstances claimed to provide a basis for such Termination of Employment, and (iii) if the Termination Date is other than the date of receipt of such Notice of Termination, the Termination Date.

1.40 "Performance Shares" - see Section 4.1(c). After a Disaggregation, "Performance Shares" shall also refer to performance shares, performance units or similar stock incentive awards granted by a Disaggregated Entity (or an affiliate thereof) in replacement of performance shares, performance units or similar stock incentive awards granted under the Exelon Performance Share Program under the LTIP.

1.41 "Person" means any individual, sole proprietorship, partnership, joint venture, limited liability company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or government instrumentality, division, agency, body or department.

1.42 "Plans" means plans, practices, policies and programs of the Company (or, if applicable to Executive, the Disaggregated Entity or Affiliate).

1.43 "Post-Change Period" means the period commencing on the Change Date and ending on the earlier of the Termination Date or the second anniversary of the Change Date.

1.44 "Post-Disaggregation Period" means the period commencing on the first date during the Agreement Term on which a Change in Control occurs following a Disaggregation,

provided such Change Date occurs no more than 60 days following such Disaggregation, and ending on the earlier of the Termination Date or the second anniversary of the Change Date. If no Change Date occurs within 60 days after the Disaggregation, there shall be no Post-Disaggregation Period.

1.45 "Post-Significant Acquisition Period" means the period (excluding any portion thereof in effect during the Current Post-Merger Period) commencing on the date of a Significant Acquisition that occurs during the Agreement Term prior to a Change Date, and ending on the first to occur of (a) the end of the 18-month period commencing on the date of the Significant Acquisition, (b) the Change Date, or (c) the Termination Date.

1.46 "Restricted Stock" -- see Section 4.1(d). After a Disaggregation, "Restricted Stock" shall also refer to deferred stock units, restricted stock or restricted share units granted by a Disaggregated Entity (or an affiliate thereof) in replacement of deferred stock units, restricted stock or restricted share units granted by the Company other than under the Exelon Performance Share Program under the LTIP.

1.47 "SEC" means the United States Securities and Exchange Commission.

1.48 "SEC Person" means any person (as such term is used in Rule 13d-5 of the SEC under the Exchange Act) or group (as such term is defined in Sections 3(a)(9) and 13(d)(3) of the Exchange Act), other than (a) the Company or an Affiliate, or (b) any employee benefit plan (or any related trust) or Company or any of its Affiliates.

1.49 "Section" means, unless the context otherwise requires, a section of this Agreement.

1.50 "SERP" means the PECO Energy Company Supplemental Retirement Plan or the Commonwealth Edison Supplemental Management Retirement Plan, whichever is applicable to Executive, or any successor to either or both.

1.51 "Severance Incentive" means the greater of (a) the Target Incentive for the performance period in which the Termination Date occurs, or (b) the average (mean) of the actual Annual Incentives paid (or payable, to the extent not previously paid) to the Executive under the Incentive Plan for each of the two calendar years preceding the calendar year in which the Termination Date occurs.

1.52 "Severance Period" means the period beginning on the Executive's Termination Date, provided Executive's Termination of Employment entitles Executive to benefits under Section 4.1, 4.2 or 4.3, and ending [ON THE THIRD ANNIVERSARY THEREOF/THIRTY MONTHS LATER]. There shall be no Severance Period if Executive's Termination of Employment is on account of death or Disability or if Executive's employment is terminated by the Company for Cause or by Executive other than for Good Reason.

1.53 "Significant Acquisition" means a Corporate Transaction affecting the Executive's business unit (or, if Executive is employed at the headquarters for the Company's corporate business operations ("Corporate Center"), a Corporate Transaction that affects the Corporate Center) that is consummated after the Agreement Date and prior to the Change Date,

which Corporate Transaction is not a Change in Control, provided that as a result of such Corporate Transaction, all or substantially all of the individuals and entities who are the Beneficial Owners, respectively, of the outstanding common stock of Company and outstanding Voting Securities of the Company immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than 60% but not more than 66-2/3% of, respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which, as a result of such transaction, owns the Company or all or substantially all of the assets of the Company either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Corporate Transaction of the outstanding common stock of Company and outstanding Voting Securities of the Company, as the case may be.

1.54 "Stock Options" -- see Section 4.1(b). After a Disaggregation, "Stock Options" shall also refer to stock options, stock appreciation rights, or similar incentive awards granted by the Disaggregated Entity (or an affiliate thereof) in replacement of stock options, stock appreciation rights, or similar incentive awards granted under the LTIP.

1.55 "Target Incentive" as of a certain date means an amount equal to the product of Base Salary determined as of such date multiplied by the percentage of such Base Salary to which Executive would have been entitled immediately prior to such date under the Incentive Plan for the applicable performance period if the performance goals established pursuant to such Incentive Plan were achieved at the 100% (target) level as of the end of the applicable performance period; provided, however, that any reduction in Executive's Base Salary or Annual Incentive that would qualify as Good Reason shall be disregarded for purposes of this definition.

1.56 "Taxes" means the incremental federal, state, local and foreign income, employment, excise and other taxes payable by Executive with respect to any applicable item of income.

1.57 "Termination Date" means the effective date of Executive's Termination of Employment, which shall be the last day on which Executive is employed by the Company, an Affiliate or a Disaggregated Entity; provided, however, that (a) if the Company terminates the Executive's employment other than for Cause or Disability or if the Executive terminates Executive's employment for Good Reason, then the Termination Date shall be the date of receipt of the Notice of Termination by Executive (if such Notice is given by the Company, an Affiliate or a Disaggregated Entity) or by the Company, an Affiliate or a Disaggregated Entity (if such Notice is given by Executive), or such later date, not more than 15 days after the giving of such Notice, specified in such Notice as of which Executive's employment shall be terminated; and (b) if Executive's employment is terminated by reason of death or Disability, the Termination Date shall be the date of Executive's death or the Disability Effective Date (as described in Section 3.1(a)).

1.58 "Termination of Employment" means any termination of Executive's employment with the Company and its Affiliates, whether such termination is initiated by the Employer or by Executive; provided that if the Executive's cessation of employment with the Company and its

Affiliates is effected through a Disaggregation, and Executive is employed in substantially the same position (without regard to reporting obligations) by the Disaggregated Entity immediately following the Disaggregation, and a Change Date occurs no more than 60 days after such Disaggregation, then the Disaggregation shall not be deemed to effect a "Termination of Employment" for purposes of this Agreement, and after the Disaggregation, "Termination of Employment" means any termination of Executive's employment with the Disaggregated Entity, whether such termination is initiated by the Disaggregated Entity or by Executive.

1.59 "20% Owner" -- see paragraph (a) of the definition of "Change in Control."

1.60 "Voting Securities" means with respect to a corporation, securities of such corporation that are entitled to vote generally in the election of directors of such corporation.

1.61 "Welfare Plans" - see Section 2.9(a)(ii).

ARTICLE II.

TERMS OF EMPLOYMENT

2.1 Position and Duties During Current Post-Merger Period. During the Current Post-Merger Period prior to the Termination Date, (i) Executive's position (including status, offices, titles, and reporting requirements) shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned to the Executive at any time during the 90-day period immediately preceding [UNICOM: JUNE 28, 2000] [PECO: OCTOBER 20, 2000], and (ii) the Executive's services shall be performed at the location where the Executive was employed immediately preceding [UNICOM: JUNE 28, 2000] [PECO: OCTOBER 20, 2000] or any office or location less than 50 miles from such location (unless such other location is closer to Executive's residence than the prior location), or any other location to which Executive has consented.

2.2 Position and Duties During a Post-Change Period. During the Post-Change Period prior to the Termination Date, (i) Executive's position (including status, offices, titles, and reporting requirements) shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 90-day period immediately before the Change Date (or if the Change Date ended an Imminent Control Change Period, during the 90-day period immediately before the beginning of the Imminent Control Change Period) and (ii) Executive's services shall be performed at the location where Executive was employed immediately before the Change Date (or if the Change Date ended an Imminent Control Change Period, before the beginning of such Imminent Control Change Period) or any other location no more than 50 miles from such location (unless such other location is closer to Executive's residence than the prior location).

2.3 Position and Duties During an Imminent Control Change Period. During the portion of any Imminent Control Change Period that occurs after the Current Post-Merger Period and before the Termination Date, the Company may in its discretion change the Executive's position, authority and duties and may change the location where Executive's services shall be performed.

2.4 Position and Duties During a Post-Significant Acquisition Period. During the portion of any Post-Significant Acquisition Period that occurs after the Current Post-Merger Period and before the Termination Date, the Company may in its discretion change the Executive's position, authority and duties, and may change the location where Executive's services shall be performed.

2.5 Position and Duties During a Post-Disaggregation Period. During the Post-Disaggregation Period, (i) Executive's position (including status, offices, titles and reporting requirements) with the Disaggregated Entity shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned to Executive by the Disaggregated Entity immediately following the Disaggregation, and (ii) unless Executive otherwise consents, Executive's services shall be performed at the location where Executive was employed immediately prior to the Change Date or any other location no more than 50 miles from such location (unless such other location is closer to Executive's residence than the prior location); provided, however, that in determining whether the Executive's Termination of Employment is for Cause, "Cause" shall be determined as though the provisions of Section 3.3(a) applied commencing with the first day of the Post-Disaggregation Period.

2.6 Executive's Obligations. During the Executive's employment (other than any periods of paid time off, sick leave or disability to which Executive is entitled), Executive agrees to devote Executive's full attention and time to the business and affairs of the Company (or, in the case of a Disaggregation, the Disaggregated Entity) and to use Executive's best efforts to perform such duties. Executive may (i) serve on corporate, civic or charitable boards or committees, (ii) deliver lectures, fulfill speaking engagements or teach at educational institutions and (iii) manage personal investments, so long as such activities are consistent with the Plans of the Employer (or in the case of a Disaggregation, the Disaggregated Entity) in effect from time to time, and do not significantly interfere with the performance of Executive's duties under this Agreement.

2.7 Base Salary During the Current Post-Merger Employment Period and Post-Change Period.

(a) Base Salary During the Current Post-Merger Period and Post-Change Period. Prior to the Termination Date during the Current Post-Merger Period and the Post-Change Period, the Company shall pay or cause to be paid to Executive an annual base salary in cash, which shall be paid in a manner consistent with the Employer's payroll practices in effect immediately before the Applicable Trigger Date at an annual rate not less than 12 times the highest monthly base salary paid or payable to Executive by the Employer in respect of the 12-month period immediately before the Applicable Trigger Date (such annual rate salary, the "Base Salary"). During the Current Post-Merger Period and the Post-Change Period, the Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to Executive prior to the Applicable Trigger Date and thereafter shall be reviewed and shall be increased at any time and from time to time as shall be substantially consistent with increases in base salary awarded to peer executives of the Company generally. Base Salary shall not be reduced after any such increase unless such reduction is part of a policy, program or arrangement applicable to peer executives of the Company, and the term Base Salary as used in this

Agreement shall refer to Base Salary as so increased. Any increase in Base Salary shall not limit or reduce any other obligation of the Company to the Executive under this Agreement.

(b) Base Salary During the Imminent Control Change Period, Post-Significant Acquisition Period and Post-Disaggregation Period. Section 2.7(a) shall not apply during the Imminent Control Change Period, Post-Significant Acquisition Period or Post-Disaggregation Period.

2.8 Annual Incentive.

(a) Annual Incentive During the Current Post-Merger Period and the Post-Change Period. In addition to Base Salary, the Company shall provide or cause to be provided to Executive the opportunity to receive payment of an annual incentive (the "Annual Incentive") with an award opportunity no less, including target performance goals not materially more difficult to achieve, than that in effect immediately prior to the Applicable Trigger Date for each applicable performance period which commences prior to the Termination Date and ends during the Current Post-Merger Period and the Post-Change Period.

(b) Annual Incentive during the Imminent Control Change Period, Post-Significant Acquisition Period or Post-Disaggregation Period. Section 2.8(a) shall not apply during the Imminent Control Change Period, Post-Significant Acquisition Period or Post-Disaggregation Period.

2.9 Other Compensation and Benefits.

(a) Other Compensation and Benefits during the Current Post-Merger Period and Post-Change Period. In addition to Base Salary and Annual Incentive, prior to the Termination Date the Company shall provide or cause to be provided, throughout the Current Post-Merger Period and the Post-Change Period, the following other compensation and benefits to Executive, provided that, in no event shall such additional compensation and benefits (including incentives, measured with respect to long term and special incentives, to the extent, if any, that such distinctions are applicable) be materially less favorable, in the aggregate, than the greater of (A) those provided by the Employer for the Executive (including any such compensation and benefits provided under Plans) as in effect at any time during the 90-day period immediately preceding the Applicable Trigger Date, or (B) those provided at any time after the Applicable Trigger Date to peer executives of the Company generally :

(i) Incentive, Savings and Retirement Plans. Executive shall be entitled to participate in all incentive, savings and retirement Plans applicable to peer executives of the Company generally.

(ii) Welfare Benefit Plans. Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit Plans ("Welfare Plans") (including medical, prescription, dental, disability, employee life, group life, accidental death and

travel accident insurance benefits, but excluding any severance pay) provided by the Employer from time to time to peer executives of the Company generally.

(iii) Other Employee Benefits. Executive shall be entitled to other employee benefits, perquisites and fringe benefits in accordance with the most favorable Plans applicable to peer executives of the Company generally.

(iv) Expenses. Executive shall be entitled to receive prompt reimbursement for all reasonable business expenses incurred by the Executive in accordance with the most favorable Plans applicable to peer executives of the Company generally.

(v) Office and Support Staff. Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to secretarial and other assistance substantially equivalent to the office or offices, furnishings, appointments and assistance as in effect with respect to Executive on the Applicable Trigger Date.

(vi) Paid Time Off. Executive shall be entitled to paid time off in accordance with the Plans applicable to peer executives of the Company generally.

(vii) LTIP Awards. Awards under the LTIP shall be granted to Executive with aggregate target opportunities (including target performance goals not materially more difficult to achieve) no less than the average of the Executive's awards (expressed as a percentage of Executive's Base Salary in effect at the beginning of the applicable performance period) granted in the three-year period ending on the Applicable Trigger Date.

(b) Other Compensation and Benefits During the Imminent Control Change Period, Post-Significant Acquisition Period or Post-Disaggregation Period. Section 2.9(a) shall not apply during Imminent Control Change Period, Post-Significant Acquisition Period or Post-Disaggregation Period.

(c) Stock Options, Restricted Stock, and Performance Shares During the Post-Disaggregation Period.

(i) Stock Options.

(A) Extinguished or Converted at Disaggregation. If so provided in the documents and instruments ("Disaggregation Documents") pursuant to which the Disaggregation is effected, then all of Executive's Stock Options shall (I) be extinguished immediately prior to the Disaggregation for such consideration as is provided for in the Disaggregation Documents (but not less than the product of the number of Executive's vested Stock Options multiplied by the difference between the fair market value of Exelon stock immediately prior to the Disaggregation and the

option exercise price), or (II) be converted into options to acquire stock of the Disaggregated Entity or an affiliate thereof on a basis determined by the Company in good faith to preserve economic value.

(B) Extinguished or Converted at Merger. If the Change in Control following the Disaggregation is a Merger, and if so provided in the agreement pursuant to which the Merger is effected, then all of Executive's Company Stock Options that were not extinguished or converted to options to acquire stock in the Disaggregated Entity or an affiliate shall (I) be extinguished immediately prior to the Change in Control for such consideration as is provided for Stock Options of peer executives employed by the Company or an Affiliate, or (II) be converted into options to acquire stock of the corporation resulting from the Merger ("Merger Survivor") or an affiliate thereof, on the same basis as Stock Options of employees of the Company are converted.

(C) Stock Options after the Disaggregation. Executive's unextinguished Stock Options, whether or not they are converted to options for stock of the Disaggregated Entity or Merger Survivor, shall continue to vest and, once vested, shall remain exercisable in accordance with their terms, subject to Section 4.3(b).

(ii) Performance Shares.

(A) Extinguished or Converted at Disaggregation. If so provided in the Disaggregation Documents, all of Executive's Performance Shares shall (I) be extinguished immediately prior to the Disaggregation for such consideration as is provided under the Disaggregation Documents (but no less than the fair market value, immediately prior to the Disaggregation, of a number of Exelon shares equal to the sum of Executive's earned and awarded Performance Shares and the target number of Executive's Performance Shares that have not yet been earned and awarded), or (II) shall be converted into performance shares with respect to the Disaggregated Entity or an affiliate (on a basis determined by the Company in good faith to preserve economic value for the Executive).

(B) Extinguished or Converted at Merger. If the Change in Control following the Disaggregation is a Merger, and if so provided in the agreement pursuant to which the Merger is effected, then all of Executive's Performance Shares that were not extinguished or converted to performance shares of the Disaggregated Entity or an affiliate shall (I) be extinguished immediately prior to the Change in Control for such consideration as is provided for Performance Shares of peer executives employed

by the Company or an Affiliate, or (II) be converted into performance shares of the Merger Survivor or an affiliate thereof, on the same basis as Performance Shares of employees of the Company are converted.

(C) Performance Shares after the Disaggregation. Executive's unextinguished Performance Shares, whether or not they are converted into performance shares of the Disaggregated Entity or Merger Survivor, will continue to vest during the Post-Disaggregation Period, subject to Section 4.3(c).

(iii) Restricted Stock.

(A) Extinguished or Converted at Disaggregation. If so provided in the Disaggregation Documents, all of Executive's Restricted Stock shall (I) be extinguished immediately prior to the Disaggregation for an amount equal to the fair market value of an equal number of shares of Exelon common stock, or (II) shall be converted into restricted stock of the Disaggregated Entity or an affiliate (on a basis determined by the Company in good faith to preserve economic value for the Executive).

(B) Extinguished or Converted at Merger. If the Change in Control following the Disaggregation is a Merger, and if so provided in the agreement pursuant to which the Merger is effected, then all of Executive's Restricted Stock that was not extinguished or converted to restricted stock of the Disaggregated Entity or an affiliate shall (I) be extinguished immediately prior to the Change in Control for such consideration as is provided for Restricted Stock of peer executives employed by the Company or an Affiliate, or (II) be converted into restricted stock of the Merger Survivor or an affiliate thereof, and such converted restricted stock will continue to vest during the Post-Disaggregation Period prior to the Termination Date.

(C) Restricted Stock after the Disaggregation. Executive's unextinguished Restricted Stock, whether or not converted to restricted stock of the Disaggregated Entity or Merger Survivor, will continue to vest during the Post-Disaggregation Period, subject to Section 4.3(d).

ARTICLE III.

TERMINATION OF EMPLOYMENT

3.1 Disability.

(a) During the Agreement Term, the Employer (or, if applicable, the Disaggregated Entity) may terminate Executive's employment at any time because of Executive's Disability by giving Executive or his legal representative, as applicable,

(i) written notice in accordance with Section 11.8 of the Company's intention to terminate Executive's employment pursuant to this Section and (ii) a certification of Executive's Disability by a physician selected by the Employer or its insurers, subject to the reasonable consent of Executive or Executive's legal representative, which consent shall not be unreasonably withheld or delayed. Executive's employment shall terminate effective on the 30th day after Executive's receipt of such notice (which such 30th day shall be deemed to be the "Disability Effective Date") unless, before such 30th day, Executive shall have resumed the full-time performance of Executive's duties.

(b) "Disability" means any medically determinable physical or mental impairment that has lasted for a continuous period of not less than six months and can be expected to be permanent or of indefinite duration, and that renders Executive unable to perform the duties required under this Agreement.

3.2 Death. Executive's employment shall terminate automatically upon Executive's death during the Agreement Term.

3.3 Termination by the Company for Cause.

(a) Termination for Cause During the Current Post-Merger Period, Post-Change Period, and Post-Disaggregation Period. During the Current Post-Merger Period and the Post-Change Period, the Company may terminate Executive's employment (or cause Executive's employment to be terminated) for Cause solely in accordance with all of the substantive and procedural provisions of this Section 3.3(a).

(i) Definition of Cause. For a Termination of Employment for Cause for which the Notice of Termination is given during the Current Post-Merger Period, the Post-Change Period or the Post-Disaggregation Period, "Cause" means any one or more of the following:

(1) the Executive's willful commission of acts or omissions which have, have had, or are likely to have a material adverse effect on the business, operations, financial condition or reputation of the Company or an Affiliate;

(2) the Executive's conviction (including a plea of guilty or nolo contendere) of a felony or any crime of fraud, theft, dishonesty or moral turpitude; or

(3) the Executive's material violation of any statutory or common-law duty of loyalty to the Company or an Affiliate.

For purposes of this Section, no act, or failure to act, on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or

upon the instructions of the chief executive officer or a senior officer of the Company other than Executive or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company.

(ii) Procedural Requirements for Termination for Cause. The Executive's Termination of Employment shall not be deemed to be for Cause under this Section 3.3(a) unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than 60% of the entire membership of the Board at a meeting of such Board called and held for such purpose (after reasonable written notice of such meeting is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive's acts, or failure to act, constitutes Cause and specifying the particulars thereof in detail.

(iii) Post-Disaggregation Period. In the event Executive's Termination of Employment is from a Disaggregated Entity in a Post-Disaggregation Period, the definition of Cause and the procedural requirements for termination for Cause in this Section 3.3(a) shall be applied by substituting "Disaggregated Entity" for "Company," "affiliate of the Disaggregated Entity" for "Affiliate," and "Disaggregated Entity's Board" for "Board." Further, the Company shall have no obligation to provide payments or benefits under Section 4.3 if the Board determines that the Company could have terminated Executive's employment for Cause as defined above in Section 3.3(a)(i)(1), if the Executive had been employed by the Company, such determination by the Board to be made as provided in Section 3.3(a)(ii) but applying the flush language at the end of Section 3.3(a)(i) by substituting "Disaggregated Entity" for "Company" and "Disaggregated Entity's Board" for "Board."

(b) Termination for Cause During the Imminent Control Change Period or Post-Significant Acquisition Period. During the Imminent Control Change Period and any Post-Significant Acquisition Period, the Company may terminate Executive's employment (or cause Executive's employment to be terminated) for Cause solely in accordance with all of the substantive and procedural provisions of this Section 3.3(b).

(i) Definition of Cause. For a Termination of Employment for Cause for which the Notice of Termination is given during the Imminent Control Change Period or Post-Significant Acquisition Period, "Cause" means any one or more of the following:

(1) the Executive's willful commission of acts or omissions which have, have had, or are likely to have a material adverse effect on the business, operations, financial condition or reputation of the Company or an Affiliate;

(2) the Executive's conviction (including a plea of guilty or nolo contendere) of a felony or any crime of fraud, theft, dishonesty or moral turpitude;

(3) the Executive's material violation of any statutory or common law duty of loyalty to the Company or an Affiliate; or

(4) Executive's failure to meet objective performance criteria of the position, provided that, in the case of a Termination of Employment during an Imminent Control Change Period (other than after a Disaggregation) this Section 3.3(b)(i)(4) shall be inapplicable if the Imminent Change in Control culminates in a Change Date.

For purposes of this Section, no act, or failure to act, on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the chief executive officer or a senior officer of the Company other than Executive or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company.

(ii) Procedural Requirements for Termination for Cause. The Executive's Termination of Employment shall not be deemed to be for Cause under this Section 3.3(b) unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board, finding that the Executive's acts or failure to act, constitute Cause and specifying the particulars thereof in detail. Executive shall receive advance notice of such vote of the Board, but shall not have the right to appear in person or by counsel before the Board.

3.4 Termination by the Executive for Good Reason. During the Current Post-Merger Period, the Post-Change Period, an Imminent Control Change Period, a Post-Significant Acquisition Period or Post-Disaggregation Period, Executive may terminate his or her employment for Good Reason in accordance with the substantive and procedural provisions of this Section 3.4.

(a) Definition of Good Reason. For purposes of this Section 3.4(a), and subject to the provisions of subsections (b) through (f), "Good Reason" means the occurrence of any one or more of the following actions or omissions prior to the Termination Date during the Current Post-Merger Period, the Post-Change Period, the Imminent Control Change Period, the Post-Significant Acquisition Period or the Post-Disaggregation Period:

(i) a material adverse reduction in the nature or scope of the Executive's office, position, duties, functions, responsibilities or authority (other than in a Post-Significant Acquisition Period);

(ii) a material reduction of the Executive's salary, incentive compensation or aggregate benefits unless such reduction is part of a policy, program or arrangement applicable to peer executives of the Company and of any successor entity;

(iii) the failure of any successor to the Company to assume this Agreement;

(iv) a relocation (other than in a Post-Significant Acquisition Period), of more than 50 miles of (i) the Executive's workplace, or (ii) the principal offices of the Company or its successor (if such offices are the Executive's workplace), in each case without the consent of the Executive; provided, however, in both cases of (i) and (ii) of this Section 3.4(a), such new location is farther from Executive's residence that the prior location;

(v) a requirement (other than in a Post-Significant Acquisition Period) of the greater of (i) more than 24 days of travel per year, or (ii) at least 20% more business travel than was required of the Executive prior to the Applicable Trigger Date;

(vi) any failure by the Company to comply with any of the provisions of Sections 2.7, 2.8 and 2.9 of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive; or

(vii) a material breach of this Agreement by the Company or its successor;

provided that the occurrence of a Disaggregation shall not be Good Reason if the Executive retains substantially the same position (determined without regard to reporting requirements) with the Disaggregated Entity, with substantially the same compensation and benefits in the aggregate, as immediately prior to such Disaggregation, notwithstanding Sections 3.4(a)(i), 3.4(a)(ii) and 3.4(a)(vi).

(b) Additional Basis for Good Reason During the Current Post-Merger Period. With respect to the Current Post-Merger Period, "Good Reason" shall have the meaning set forth in Section 3.4(a) and shall also include any of the following which occurred prior to the Agreement Date:

(i) a material adverse alteration in the nature or scope of the Executive's position, duties, functions, responsibilities or authority;

(ii) a determination by the Executive, made in good faith during the term of the Executive's change in control employment agreement dated as of [UNICOM: SEPTEMBER __, 1999; PECO: _________________] and prior to the Agreement Date, that, as a result of the change in control resulting in the merger of Unicom Corporation and PECO Energy Corporation, the Executive is substantially unable to perform, or that there has been a material reduction in, any of the Executive's duties, functions, responsibilities or authority;

(iii) a relocation of more than 50 miles of the Executive's workplace, without the consent of the Executive;

(iv) a requirement of at least 20% more business travel than was required of the Executive prior to the change in control resulting in the merger of Unicom Corporation and PECO Energy Corporation.

(c) Application of "Good Reason" Definition During the Imminent Control Change Period. During the Imminent Control Change Period, "Good Reason" shall not include the events or conditions described in Section 3.4(a)(i), 3.4(a)(iv) or 3.4(a)(v) unless the Imminent Control Change Period culminates in a Change Date. Further, if Executive's Termination of Employment occurs during an Imminent Control Change Period that culminates in a Change Date, then, except as provided in Section 3.4(d), the definition of "Good Reason" shall be applied as though Sections 2.2, 2.7, 2.8, and 2.9 were applicable during the Imminent Control Change Period prior to the Executive's Termination of Employment.

(d) Special Conditions Relating to Good Reason During the Post-Disaggregation Period. If Executive retains substantially the same position with the Disaggregated Entity as immediately prior to the Disaggregation (determined without regard to reporting requirements), then (1) Section 3.4(a)(i) shall apply only with respect to the Executive's office, duties, functions, responsibilities or authority as in effect at the Disaggregated Entity on the day following the Disaggregation, (2) subsections 3.4(a)(iv) and 3.4(a)(v) shall apply only with respect to relocations or travel required more than 60 days after the Disaggregation and shall be applied by substituting "Disaggregated Entity" for "any successor to the Company", and (3) all references in Section 3.4 to the Company or its successor shall be to the Disaggregated Entity or its successor.

(e) Limitations on Good Reason. Notwithstanding the foregoing provisions of this Section 3.4, no act or omission shall constitute a material breach of this Agreement by the Company, nor grounds for "Good Reason":

(i) unless the Executive gives the Company and the Employer 30 days' prior notice of such act or omission and the Company fails to cure such act or omission within the 30-day period;

(ii) if the Executive first acquired knowledge of such act or omission more than 12 months before the Executive gives the Company and the Employer such notice; or

(iii) if the Executive has consented in writing to such act or omission in a document that makes specific reference to this Section.

(f) Notice by Executive. In the event of any Termination of Employment by Executive for Good Reason, Executive shall as soon as practicable thereafter notify the Company and the Employer (and Disaggregated Entity, if applicable) of the events constituting such Good Reason by a Notice of Termination. Subject to the limitations in Section 3.4(e), a delay in the delivery of such Notice of Termination shall not waive any right of Executive under this Agreement.

ARTICLE IV.

COMPANY'S OBLIGATIONS UPON CERTAIN TERMINATIONS OF EMPLOYMENT

4.1 Termination During the Current Post-Merger Period, Post-Change Period, or Post-Significant Acquisition Period. If, during the Current Post-Merger Period, Post-Change Period or Post-Significant Acquisition Period (other than any portion of any of such periods that are also a Post-Disaggregation Period), the Employer terminates Executive's employment other than for Cause or Disability, or Executive terminates employment for Good Reason, the Company's sole obligations to Executive under Articles II and IV shall be as set forth in this Section 4.1.

(a) Termination during the Current Post-Merger Period, Post-Change Period, or Post-Significant Acquisition Period: Severance Payments. The Company shall pay or provide Executive, according to the payment terms set forth in Section 4.4 below, the following:

(i) Accrued Obligations. All Accrued Obligations;

(ii) Annual Incentive for Year of Termination. An amount equal to the Target Incentive applicable to the Executive under the Incentive Plan for the performance period in which the Termination Date occurs.

(iii) Deferred Compensation and Non-Qualified Defined Contribution Plans. All amounts previously deferred by, or accrued to the benefit of, Executive under the Exelon Corporation Deferred Compensation Plan, the Exelon Corporation Deferred Stock Plan, or any successor of either of them, or under any non-qualified defined contribution or deferred compensation plan of the Company or an Affiliate (unless Executive has made an irrevocable election in writing, filed with the Company no more than 60 days after the Applicable Trigger Date (or such earlier date as counsel to the Company may deem to be required to avoid constructive receipt of such amounts), and in any event at least 90 days prior to the Termination Date to have such amounts paid under the terms of the Exelon Corporation Deferred Compensation Plan or the Exelon Corporation Deferred Stock Plan, as applicable, or any successor of either (including any elections in effect thereunder)) whether vested or unvested, together with any accrued earnings thereon, to the extent that such amounts and earnings have not been

previously paid by the Employer and are not provided under the terms of either such non-qualified plan;

(iv) Pension Enhancements. An amount equal to the positive difference, if any, between

(1) the lump sum value of Executive's benefit under the SERP, calculated as if Executive had

(A) become fully vested in all benefits,

(B) attained as of the Termination Date an age that is [THREE/TWO AND ONE-HALF] years greater than Executive's actual age,

(C) accrued a number of years of service (for purposes of determining the amount of such benefits, entitlement to - but not commencement of - early retirement benefits, and all other purposes of such defined benefit plans) that is [THREE/TWO AND ONE-HALF] years greater than the number of years of service actually accrued by Executive as of the Termination Date and that includes the number of years of service credited to Executive pursuant to [ANY OTHER AGREEMENT BETWEEN THE COMPANY AND THE EXECUTIVE/SPECIFY AGREEMENT], and

(D) received the severance benefits specified in Sections 4.1(a)(ii) and 4.1(a)(vi) as covered compensation in equal monthly installments during the Severance Period,

minus

(2) the aggregate amounts paid or payable to Executive under the SERP.

(v) Unvested Benefits Under Defined Benefit Plan. To the extent not paid pursuant to clause (iii) or (iv) of this Section 4.1(a), an amount equal to the actuarial equivalent present value of the unvested portion of Executive's accounts or accrued benefits under any tax-qualified (under Section 401(a) of the Code) defined benefit retirement plan maintained by the Employer as of the Termination Date and forfeited by Executive by reason of the Termination of Employment; and

(vi) Multiple of Salary and Severance Incentive. An amount equal to [THREE (3.0)/TWO AND ONE-HALF (2.5)] times the sum of (x) Base Salary plus (y) the Severance Incentive.

(b) Termination during the Current Post-Merger Period, Post-Change Period or Post-Significant Acquisition Period: Stock Options. Each of the Executive's stock options, stock appreciation rights or similar incentive awards granted under the LTIP ("Stock Options") shall (i) become fully vested, and (ii) remain exercisable until (1) the

option expiration date for any such Stock Options granted prior to January 1, 2002 or (2) the fifth anniversary of the Termination Date or, if earlier, the option expiration date for any such Stock Options granted on or after January 1, 2002.

(c) Termination during the Current Post-Merger Period, Post-Change Period or Post-Significant Acquisition Period: LTIP Vesting. On the Termination Date all of the performance shares, performance units or similar stock incentive awards granted to the Executive under the Exelon Performance Share Program under the LTIP ("Performance Shares") to the extent earned by and awarded to the Executive (i.e. as to which the first year of the performance cycle has elapsed) as of the Termination Date, shall become fully vested at the actual level earned and awarded, and, to the extent not yet earned by and awarded to the Executive (i.e. as to which the first year of the performance cycle has not elapsed) as of the Termination Date, shall become fully vested at the LTIP Target Level.

(d) Termination During the Current Post-Merger Period, Post-Change Period, or Post-Significant Acquisition Period: Other Restricted Stock. All forfeiture conditions that as of the Termination Date are applicable to any deferred stock unit, restricted stock or restricted share units awarded to the Executive by the Company other than under the Exelon Performance Share Program under the LTIP ("Restricted Stock") shall lapse immediately and all such awards will become fully vested, and within ten business days after the Termination Date, the Company shall deliver to Executive all of such shares theretofore held by or on behalf of the Company.

(e) Termination During the Current Post-Merger Period, Post-Change Period, or Post-Significant Acquisition Period: Continuation of Welfare Benefits. During the Severance Period (and continuing through such later date as any Welfare Plan may specify), the Company shall continue to provide (or shall cause the continued provision) to Executive and Executive's family welfare benefits under the Welfare Plans to the same extent as if Executive had remained employed during the Severance Period. Such provision of welfare benefits shall be subject to the following:

(i) In determining benefits applicable under such Welfare Plans, the Executive's annual compensation attributable to base salary and incentives for any plan year or calendar year, as applicable, shall be deemed to be not less than the Executive's Base Salary and Annual Incentive.

(ii) The cost of such welfare benefits to Executive and family under this Section 4.1(e) shall not exceed the cost of such benefits to peer executives who are actively employed after the Termination Date.

(iii) The Executive's rights under this Section 4.1(e) shall be in addition to and not in lieu of any post-termination continuation coverage or conversion rights the Executive may have pursuant to applicable law, including, without limitation, continuation coverage required by Section 4980B of the Code.

(iv) If the Executive has, as of the last day of the Severance Period, attained age 50 and completed at least 10 years of service (five years of service for terminations occurring during the Current Post-Merger Period), the Executive shall be entitled to the retiree benefits provided under any Welfare Plan of the Company; provided, however, that for purposes hereof, any years of credited service granted to the Executive [IN ANY OTHER PLAN OR AGREEMENT BETWEEN EXECUTIVE AND THE COMPANY/SPECIFY AGREEMENT] shall be taken into account. For purposes of determining eligibility for (but not the time of commencement of) such retiree benefits, the Executive shall also be considered (1) to have remained employed until the last day of the Severance Period and to have retired on the last day of such period, and (2) to have attained at least the age the Executive would have attained on the last day of the Severance Period.

Notwithstanding the foregoing, if the Executive obtains a specific type of coverage under welfare plan(s) sponsored by another employer of Executive (e.g. medical, prescription, vision, dental, disability, individual life insurance benefits, group life insurance benefits, but excluding for the purposes of this sentence retiree benefits if Executive is so eligible), then the Company shall not be obligated to provide any such specific type of coverage.

(f) Termination during the Current Post-Merger Period, Post-Change Period or Post-Significant Acquisition Period: Outplacement. To the extent actually incurred by Executive, the Company shall pay or cause to be paid on behalf of Executive, as incurred, all reasonable fees and costs charged by a nationally recognized outplacement firm selected by the Executive for outplacement services provided up to 12 months after the Termination Date. No cash shall be paid in lieu of such fees and costs.

(g) Termination during the Current Post-Merger Period, Post-Change Period, or Post-Significant Acquisition Period: Indemnification. The Executive shall be indemnified and held harmless by the Company to the greatest extent permitted under applicable law as the same now exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification than was permitted prior to such amendment) and the Company's by-laws as such exist on the Agreement Date if the Executive was, is, or is threatened to be, made a party to any pending, completed or threatened action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or any other proceeding whether civil, criminal, administrative or investigative, and whether formal or informal, by reason of the fact that the Executive is or was, or had agreed to become, a director, officer, employee, agent, or fiduciary of the Company or any other entity which the Executive is or was serving at the request of the Company ("Proceeding"), against all expenses (including all reasonable attorneys' fees) and all claims, damages, liabilities and losses incurred or suffered by the Executive or to which the Executive may become subject for any reason. A Proceeding shall not include any proceeding to the extent it concerns or relates to a matter described in Section 6.1(a) (concerning reimbursement of certain costs and expenses). Upon receipt from Executive of (i) a written request for an advancement of expenses, which Executive reasonably believes will be subject to indemnification hereunder and (ii) a written undertaking by Executive to repay any such amounts if it shall ultimately be determined that Executive is

not entitled to indemnification under this Agreement or otherwise, the Company shall advance such expenses to Executive or pay such expenses for Executive, all in advance of the final disposition of any such matter.

(h) Termination during the Current Post-Merger Period, Post-Change Period or Post-Significant Acquisition Period: Directors' and Officers' Liability Insurance. For a period of six years after the Termination Date (or for any known longer applicable statute of limitations period), the Company shall provide Executive with coverage under a directors' and officers' liability insurance policy in an amount no less than, and on terms no less favorable than, those provided to senior executive officers and directors of the Company on the Applicable Trigger Date.

4.2 Termination During an Imminent Control Change Period. If, during an Imminent Control Change Period, Executive has a Termination of Employment that would entitle Executive to benefits under the Exelon Corporation Key Management Severance Plan or its successor, then the Company shall, prior to the occurrence of a Change Date, provide Executive any benefits to which Executive may be entitled under the Exelon Corporation Key Management Severance Plan or its successor. If, during an Imminent Control Change Period, the Employer terminates Executive's employment other than for Disability and other than for a reason that would constitute Cause as defined in Section 3.3(b) or if Executive terminates employment for a reason that would constitute Good Reason as defined in Section 3.4(b), then subject to the preceding sentence, unless such Termination of Employment occurred during the Current Post-Merger Period or the Post-Significant Acquisition Period, the Company's sole obligations to Executive under Articles II and IV shall be as set forth in this Section 4.2. The Company's obligations to Executive under this Section 4.2 shall be reduced by any amounts or benefits paid or provided pursuant to the Exelon Corporation Key Management Severance Plan or any successor thereto. If Executive's Termination of Employment occurred during any portion of an Imminent Control Change Period that is also the Current Post-Merger Period or a Post-Significant Acquisition Period, the Company's obligations to Executive, if any, shall be determined under Section 4.1.

(a) Termination During an Imminent Control Change Period: Cash Severance Payments. If the Imminent Control Change Period culminates in a Change Date, the Company shall pay (or cause to be paid) to Executive, a lump-sum cash amount, within thirty business days after the later of the Termination Date or the Change Date, equal to the sum of all amounts described in Section 4.1(a)(i) through (v). The amount described in Section 4.1(a)(vi) shall be paid to Executive as described in Section 4.4, provided that amounts that would have been paid prior to the Change Date shall be paid in a lump sum (without interest) within 30 business days after the Change Date.

(b) Termination During an Imminent Control Change Period: Vested Stock Options. Executive's Stock Options, to the extent vested on the Termination Date,

(i) will not expire (unless such Stock Options would have expired had Executive remained an employee of the Company) during the Imminent Control Change Period; and

(ii) will continue to be exercisable after the Termination Date to the extent provided in the applicable grant agreement or Plan, and thereafter, such Stock Options shall not be exercisable during the Imminent Control Change Period.

If the Imminent Control Change Period lapses without a Change Date, then Executive's Stock Options, to the extent vested on the Termination Date, may be exercised, in whole or in part, during the 30-day period following the lapse of the Imminent Control Change, or, if larger, the period during which Executive's vested Stock Options could otherwise be exercised under the terms of the applicable grant agreement or Plan, (but in no case shall any Stock Options remain exercisable after the date on which such Stock Options would have expired if Executive had remained an employee of the Company).

If the Imminent Control Change Period culminates in a Change Date, then effective upon the Change Date, Executive's Stock Options, to the extent vested on the Termination Date, may be exercised in whole or in part by the Executive at any time until (1) the option expiration date for such Stock Options granted prior to January 1, 2002 or (2) the earlier of the fifth anniversary of the Change Date or the option expiration date for such Stock Options granted on or after January 1, 2002.

(c) Termination During an Imminent Control Change Period: Unvested Stock Options. Executive's Stock Options that are not vested on the Termination Date

(i) will not expire (unless such Stock Options would have expired had Executive remained an employee of the Company) during the Imminent Control Change Period; and

(ii) will not continue to vest and will not be exercisable during the Imminent Control Change Period after the expiration of the period for post-termination exercise under the terms of the applicable Stock Option Agreement.

If the Imminent Control Change lapses without a Change Date, such unvested Stock Options will thereupon expire.

If the Imminent Control Change culminates in a Change Date, then immediately prior to the Change Date, such unvested Stock Options shall become fully vested, and may thereupon be exercised in whole or in part by the Executive at any time until (1) the option expiration date for such Stock Options granted prior to January 1, 2002 or (2) the earlier of the fifth anniversary of the Change Date, or the option expiration date for such Stock Options granted on or after January 1, 2002.

(d) Termination During an Imminent Control Change Period: Performance Shares. Executive's Performance Shares granted under the Exelon Performance Share Program under the LTIP will not be forfeited during the Imminent Control Change Period, and will not continue to vest during the Imminent Control Change Period. If the Imminent Control Change lapses without a Change Date, such Performance Shares shall be governed according to the terms of the Exelon Corporation Key Management Severance Plan. If the Imminent Control Change Period culminates in a Change Date:

(1) All Performance Shares granted to the Executive under the Exelon Performance Share Program under the LTIP, which, as of the Termination Date, have been earned by and awarded to the Executive, shall become fully vested at the actual earned level on the Change Date, and

(2) All of the Performance Shares granted to the Executive under the Exelon Performance Share Program under the LTIP which, as of the Termination Date, have not been earned by and awarded to the Executive shall become fully vested on the Change Date at the LTIP Target Level.

(e) Termination During an Imminent Control Change Period: Restricted Stock. Executive's unvested Restricted Stock will:

(i) not be forfeited during the Imminent Control Change Period; and

(ii) not continue to vest during the Imminent Control Change Period.

If the Imminent Control Change Period lapses without a Change Date, such unvested Restricted Stock shall thereupon be forfeited.

If the Imminent Control Change Period culminates in a Change Date, then immediately prior to the Change Date, Executive's Restricted Stock shall become fully vested, and within ten business days after the Change Date, the Company shall deliver to Executive all of such shares theretofore held by or on behalf of the Company, which will be subject to the same terms which other stockholders of the Company receive in the transaction.

(f) Termination During an Imminent Control Change Period: Continuation of Welfare Benefits. The Company shall continue to provide to Executive and Executive's family welfare benefits (other than any severance pay that may be considered a welfare benefit) during the Imminent Change Period which are at least as favorable as welfare benefits under the most favorable Welfare Plans of the Company applicable with respect to peer executives who are actively employed after the Termination Date and their families; subject to the following:

(i) In determining benefits applicable under such Welfare Plans, the Executive's annual compensation attributable to base salary and incentives for any plan year or calendar year, as applicable, shall be deemed to be not less than the Executive's Base Salary and Annual Incentive;

(ii) The cost of such welfare benefits to Executive and family under this Section 4.2(f) shall not exceed the cost of such benefits to peer executives who are actively employed after the Termination Date.

(iii) Executive's rights under this Section 4.2(f) shall be in addition to and not in lieu of any post-termination continuation coverage or conversion rights

the Executive may have pursuant to applicable law, including, without limitation, continuation coverage required by Section 4980B of the Code.

If the Imminent Control Change Period lapses without a Change Date, welfare benefit plan coverage under this Section 4.2(f) shall thereupon cease, subject to Executive's rights, if any, to continued coverage under a Welfare Plan, the Exelon Corporation Key Management Severance Plan, or applicable law. If the Imminent Control Change Period culminates in a Change Date, then for the remainder of the Severance Period (and continuing through such later date as any Welfare Plan may specify), the Company shall continue to provide Executive and Executive's family welfare benefits as described in, and subject to the limitations of Section 4.1(e).

Notwithstanding the foregoing, if the Executive obtains a specific type of coverage under welfare plan(s) sponsored by another employer of Executive (e.g. medical, prescription, vision, dental, disability, individual life insurance benefits, group life insurance benefits, but excluding for the purposes of this sentence retiree benefits if Executive is so eligible), then the Company shall not be obligated to provide such any specific type of coverage.

(g) Termination During an Imminent Control Change Period: Outplacement. To the extent actually incurred by Executive, the Company shall pay or cause to be paid on behalf of Executive, as incurred, all reasonable fees and costs charged by a nationally recognized outplacement firm selected by the Executive for outplacement services provided up to 12 months after the Termination Date. No cash shall be paid in lieu of such fees and costs.

(h) Termination During an Imminent Control Change Period: Indemnification. The Executive shall be indemnified and held harmless by the Company to the same extent as provided in Section 4.1(g), but only during the Imminent Control Change Period (or greater period provided under the Company's by-laws) if the Imminent Control Change Period lapses without a Change Date.

(i) Termination During an Imminent Control Change Period: Directors' and Officers' Liability Insurance. The Company shall provide the same level of directors' and officers' liability insurance for Executive as provided in Section 4.1(h), but only during the Imminent Control Change Period (or greater period provided under the Company's by-laws) if the Imminent Control Change Period lapses without a Change Date.

4.3 Termination During a Post-Disaggregation Period. If, during a Post-Disaggregation Period the Disaggregated Entity terminates Executive's employment other than for Cause or Disability, or if Executive terminates employment for Good Reason, the Company's sole obligations to Executive under Articles II and IV shall be as set forth in this Section 4.3, subject to Section 3.3(a)(iii), but only to the extent not provided by the Disaggregated Entity.

(a) Termination During a Post-Disaggregation Period: Cash Severance Payments. The Company shall pay Executive the amounts described in Section 4.1(a), as provided in Section 4.4.

(b) Termination During a Post-Disaggregation Period: Stock Options. All of Executive's Stock Options granted prior to the Disaggregation that have not expired, whether or not converted to options or stock of the Disaggregated Entity or Merger Survivor, shall be fully vested, and may be exercised in whole or in part by the Executive at any time until (1) the remaining option expiration date for such Stock Options granted prior to January 1, 2002 and (2) the earlier of the fifth anniversary of the Termination Date or the option expiration date for such Stock Options granted on or after January 1, 2002.

(c) Termination During a Post-Disaggregation Period: Performance Shares. Executive's Performance Shares granted prior to the Disaggregation, whether or not earned by and awarded to the Executive as of the Disaggregation, and whether or not converted to performance shares of the Disaggregated Entity or the Merger Survivor, shall become fully vested (at the earned level for Performance Shares earned and awarded, and at the target level for any converted performance shares not yet earned and awarded) on the Termination Date.

(d) Termination During a Post-Disaggregation Period: Restricted Stock. Executive's unvested Restricted Stock, whether or not converted to restricted stock of the Disaggregated Entity or Merger Survivor, shall become fully vested on the Termination Date.

(e) Termination During a Post-Disaggregation Period: Continuation of Welfare Benefits. Until the end of the Severance Period, the Company shall continue to provide to Executive and Executive's family welfare benefits with the same rights in relation to continuation coverage, status in relation to other employer benefits, scope and cost as described in Section 4.1(e); provided that, to the extent Executive is eligible for post-termination continuation coverage under the plans of the Disaggregated Entity, whether pursuant to Section 4980B of the Code or otherwise, the continued coverage required hereunder shall be provided under the plans of the Disaggregated Entity (and the Company shall reimburse the cost to Executive of such coverage).

(f) Termination During a Post-Disaggregation Period: Outplacement. To the extent actually incurred by Executive, the Company shall pay or cause to be paid on behalf of Executive, as incurred, all reasonable fees and costs charged by a nationally recognized outplacement firm selected by the Executive for outplacement services provided up to 12 months after the Termination Date. No cash shall be paid in lieu of such fees and costs.

(g) Termination During a Post-Disaggregation Period: Indemnification. The Executive shall be indemnified and held harmless by the Company to the same extent as provided in Section 4.1(g).

(h) Termination During a Post-Disaggregation Period: Directors' and Officers' Liability Insurance. The Company shall provide Executive with directors' and officers' liability insurance to the same extent as provided in Section 4.1(h).

4.4 Timing of Severance Payments. Unless otherwise specified herein, the amounts described in Sections 4.1(a)(i), (ii), (iii), (iv) and (v) shall be paid within 30 business days of the Termination Date. The severance payments described in Section 4.1(a)(vi) shall be paid as follows:

(a) Beginning no later than the second paydate which occurs after the Termination Date, the Company shall make periodic payments to the Executive according to the Company's normal payroll practices at a monthly rate equal to 1/12 of the sum of (i) the Executive's Base Salary in effect as of the Termination Date plus (ii) the Severance Incentive; and

(b) Within 30 business days of the second anniversary of the Termination Date, the Company shall pay Executive a cash lump sum equal to the difference between the total Severance Payment less the total amount paid pursuant to normal payroll practices under Section 4.4(a).

4.5 Waiver and Release. Notwithstanding anything herein to the contrary, the Company shall have no obligation to Executive under Article IV or Article V unless and until Executive executes a release and waiver of Company and its Affiliates, in substantially the same form as attached hereto as Exhibit A, or as otherwise mutually acceptable.

4.6 Breach of Covenants. If a court determines that Executive has breached any non-competition, non-solicitation, confidential information or intellectual property covenant entered into between Executive and Company, the Company shall not be obligated to pay or provide any severance or benefits under Articles IV or V, all unexercised Stock Options shall terminate as of the date of the breach, and all Restricted Stock shall be forfeited as of the date of the breach.

4.7 Termination by the Company for Cause. If the Company (or Affiliate or, if applicable, the Disaggregated Entity) terminates Executive's employment for Cause during the Current Post-Merger Period, the Post-Change Period, the Imminent Control Change Period, the Post-Significant Acquisition Period, or the Post-Disaggregation Period, the Company's sole obligation to Executive under Articles II, IV, and V shall be to pay Executive, pursuant to the Company's then-effective Plans, a lump-sum cash amount equal to all Accrued Obligations determined as of the Termination Date. The remaining applicable provisions of this Agreement (including the restrictive covenants in Article IX) shall continue to apply.

4.8 Termination by Executive Other Than for Good Reason. If Executive elects to retire or otherwise terminate employment during the Current Post-Merger Period, the Post-Change Period, the Imminent Control Change Period, the Post-Significant Acquisition Period, or the Post-Disaggregation Period, other than for Good Reason, Disability or death, the Company's sole obligation to Executive under Articles II, IV, and V shall be to pay Executive, pursuant to the Company's then-effective Plans, a lump-sum cash amount equal to all Accrued Obligations determined as of the Termination Date. The remaining provisions of this Agreement (including the restrictive covenants in Article IX) shall continue to apply.

4.9 Termination by the Company for Disability. If the Company (or Disaggregated Entity, if applicable) terminates Executive's employment by reason of Executive's Disability

during the Current Post-Merger Period, Post-Change Period, Imminent Control Change Period that culminates in a Change Date, Post-Significant Acquisition Period or Post-Disaggregation Period, the Company's sole obligation to Executive under Articles II, IV, and V shall be as follows, and such obligations shall be reduced by amounts paid or provided by the Disaggregated Entity:

(a) to pay Executive, a lump-sum cash amount equal to the sum of amounts specified in Section 4.1(a)(i), (ii) and (iii) determined as of the Termination Date, and

(b) to provide Executive disability and other benefits after the Termination Date that are not less than the most favorable of such benefits then available under Plans of the Company to disabled peer executives of the Company in effect immediately before the Termination Date.

The remaining provisions of this Agreement (including the restrictive covenants in Article IX) shall continue to apply.

4.10 Upon Death. If Executive's employment is terminated by reason of Executive's death during the Current Post-Merger Period, Post-Change Period, Imminent Control Change Period that culminates in a Change Date, Post-Significant Acquisition Period or Post-Disaggregation Period, the Company's sole obligations to Executive and Executive's Beneficiary under Articles II, IV, and V shall be as follows, and such obligations shall be reduced by amounts paid or provided by the Disaggregated Entity:

(a) to pay Executive's Beneficiary, pursuant to the Company's then-effective Plans, a lump-sum cash amount equal to all Accrued Obligations; and

(b) to provide Executive's Beneficiary survivor and other benefits that are not less than the most favorable of such benefits then available under Plans of the Company to surviving families of peer executives of the Company in effect immediately before the Executive's death, [TAKING INTO ACCOUNT THE YEARS, IF ANY, OF CREDITED SERVICE GRANTED TO THE EXECUTIVE UNDER] [CUSTOMIZE WITH SPECIFIC PROVISIONS FOR RETIREE/SURVIVOR COVERAGE.]

4.11 Sole and Exclusive Obligations. The obligations of the Company under this Agreement with respect to any Termination of Employment of the Executive during the Current Post-Merger Period, Post-Change Period, Imminent Control Change Period, Post-Significant Acquisition Period, or Post-Disaggregation Period shall, except as provided in Section 4.2, supersede any severance obligations of the Company in any other plan of the Company or agreement between Executive and the Company, including, without limitations, the Exelon Corporation Key Management Severance Plan, any Change in Control Agreement entered into by and among Executive, Unicom Corporation, Commonwealth Edison Company, or PECO Energy Company or any other plan or agreement (including an offer of employment or employment contract) of the Company or any Affiliates which provides for severance benefits. In the event of any inconsistency, ambiguity or conflict between the terms of such other plan of the Company or agreement between Executive and the Company and this Agreement with respect to any severance obligations of the Company (other than obligations with respect to

credited service under the SERP in any agreement other than a prior Change in Control Agreement entered into by and among Executive, Unicom Corporation, Commonwealth Edison Company or PECO Energy Company), this Agreement shall govern.

ARTICLE V.

CERTAIN ADDITIONAL PAYMENTS BY THE COMPANY

5.1 Gross-Up Payment. If at any time or from time to time, it shall be determined by the Company's independent auditors that any payment or other benefit to Executive pursuant to Article II or Article IV of this Agreement or otherwise ("Potential Parachute Payment") is or will become subject to the excise tax imposed by Section 4999 of the Code or any similar tax payable under any United States federal, state, local, foreign or other law ("Excise Taxes"), then the Company shall, subject to Section 5.2, pay or cause to be paid a tax gross-up payment ("Gross-Up Payment") with respect to all such Excise Taxes and other Taxes on the Gross-Up Payment. The Gross-Up Payment shall be an amount equal to the product of

(a) The amount of the Excise Taxes (calculated at the effective marginal rates of all federal, state, local, foreign or other law),

multiplied by

(b) A fraction (the "Gross-Up Multiple"), the numerator or which is one (1.0), and the denominator of which is one (1.0) minus the lesser of (i) the sum, expressed as a decimal fraction, of the effective marginal rates of any Taxes and any Excise Taxes applicable to the Gross-Up Payment or (ii) .80, it being intended that the Gross-Up Multiple shall in no event exceed five (5.0). If different rates of tax are applicable to various portions of a Gross-Up Payment, the weighted average of such rates shall be used. For purposes of this Section, Executive shall be deemed to be subject to the highest effective marginal rate of Taxes.

The Gross-Up Payment is intended to compensate Executive for all such Excise Taxes and any other Taxes payable by Executive with respect to the Gross-Up Payment. The Company shall pay or cause to be paid the Gross-Up Payment to Executive within thirty (30) days of the calculation of such amount, but in no event after the Executive makes payment to the IRS of such Excise Taxes.

5.2 Limitation on Gross-Up Payments.

(a) To the extent possible, any payments or other benefits to Executive pursuant to Article II and Article IV of this Agreement shall be allocated as consideration for Executive's entry into the covenants of Article IX.

(b) Notwithstanding any other provision of this Article V, if the aggregate amount of the Potential Parachute Payments that, but for this Section 5.2, would be payable to Executive, does not exceed 110% of Floor Amount (as defined below), then no Gross-Up Payment shall be made to Executive and the aggregate amount of Potential Parachute Payments payable to Executive shall be reduced (but not below the Floor

Amount) to the largest amount which would both (i) not cause any Excise Tax to be payable by Executive and (ii) not cause any Potential Parachute Payments to become nondeductible by the Company by reason of Section 280G of the Code (or any successor provision). For purposes of the preceding sentence, "Floor Amount" means the greatest pre-tax amount of Potential Parachute Payments that could be paid to Executive without causing Executive to become liable for any Excise Taxes in connection therewith.

5.3 Additional Gross-up Amounts. If, for any reason (whether pursuant to subsequently enacted provisions of the Code, final regulations or published rulings of the IRS, or a final judgment of a court of competent jurisdiction) the Company's independent auditors later determine that the amount of Excise Taxes payable by Executive is greater than the amount initially determined pursuant to Section 5.1, then the Company shall, subject to Sections 5.2 and 5.4, pay Executive, within thirty (30) days of such determination, or pay to the IRS as required by applicable law, an amount (which shall also be deemed a Gross-Up Payment) equal to the product of:

(a) the sum of (i) such additional Excise Taxes and (ii) any interest, penalties, expenses or other costs incurred by Executive as a result of having taken a position in accordance with a determination made pursuant to Section 5.1 or 5.4,

multiplied by

(b) the Gross-Up Multiple.

5.4 Amount Increased or Contested.

(a) Executive shall notify the Company in writing (an "Executive's Notice") of any claim by the IRS or other taxing authority (an "IRS Claim") that, if successful, would require the payment by Executive of Excise Taxes in respect of Potential Parachute Payments in an amount in excess of the amount of such Excise Taxes determined in accordance with Section 5.1. Executive's Notice shall include the nature and amount of such IRS Claim, the date on which such IRS Claim is due to be paid (the "IRS Claim Deadline"), and a copy of all notices and other documents or correspondence received by Executive in respect of such IRS Claim. Executive shall give the Executive's Notice as soon as practicable, but no later than the earlier of (i) 10 days after Executive first obtains actual knowledge of such IRS Claim or (ii) five days before the IRS Claim Deadline; provided, however, that any failure to give such Executive's Notice shall affect the Company's obligations under this Article only to the extent that the Company is actually prejudiced by such failure. If at least one business day before the IRS Claim Deadline the Company shall:

(i) deliver to Executive a written certificate from the Company's independent auditors ("Company Certificate") to the effect that, notwithstanding the IRS Claim, the amount of Excise Taxes, interest or penalties payable by Executive is either zero or an amount less than the amount specified in the IRS Claim,

(ii) pay to Executive, or to the IRS as required by applicable law, an amount (which shall also be deemed a Gross-Up Payment) equal to difference between the product of (A) amount of Excise Taxes, interest and penalties specified in the Company Certificate, if any, multiplied by (B) the Gross-Up Multiple, less the portion of such product, if any, previously paid to Executive by the Company, and

(iii) direct Executive pursuant to Section 5.4(d) to contest the balance of the IRS Claim,

then Executive shall pay only the amount, if any, of Excise Taxes, interest and penalties specified in the Company Certificate. In no event shall Executive pay an IRS Claim earlier than 30 business days after having given an Executive's Notice to the Company (or, if sooner, the IRS Claim Deadline).

(b) At any time after the payment by Executive of any amount of Excise Taxes, other Taxes or related interest or penalties in respect of Potential Parachute Payments (including any such amount equal to or less than the amount of such Excise Taxes specified in any Company Certificate, or IRS Claim), the Company may in its discretion require Executive to pursue a claim for a refund (a "Refund Claim") of all or any portion of such Excise Taxes, other Taxes, interest or penalties as may be specified by the Company in a written notice to Executive.

(c) If the Company notifies Executive in writing that the Company desires Executive to contest an IRS Claim or to pursue a Refund Claim, Executive shall:

(i) give the Company all information that it reasonably requests in writing from time to time relating to such IRS Claim or Refund Claim, as applicable,

(ii) take such action in connection with such IRS Claim or Refund Claim (as applicable) as the Company reasonably requests in writing from time to time, including accepting legal representation with respect thereto by an attorney selected by the Company, subject to the approval of Executive (which approval shall not be unreasonably withheld or delayed),

(iii) cooperate with the Company in good faith to contest such IRS Claim or pursue such Refund Claim, as applicable,

(iv) permit the Company to participate in any proceedings relating to such IRS Claim or Refund Claim, as applicable, and

(v) contest such IRS Claim or prosecute Refund Claim (as applicable) to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company may from time to time determine in its discretion.

The Company shall control all proceedings in connection with such IRS Claim or Refund Claim (as applicable) and in its discretion may cause Executive to pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the Internal Revenue Service or other taxing authority in respect of such IRS Claim or Refund Claim (as applicable); provided that (i) any extension of the statute of limitations relating to payment of taxes for the taxable year of Executive relating to the IRS Claim is limited solely to such IRS Claim, (ii) the Company's control of the IRS Claim or Refund Claim (as applicable) shall be limited to issues with respect to which a Gross-Up Payment would be payable, and (iii) Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or other taxing authority.

(d) The Company may at any time in its discretion direct Executive to (i) contest the IRS Claim in any lawful manner or (ii) pay the amount specified in an IRS Claim and pursue a Refund Claim; provided, however, that if the Company directs Executive to pay an IRS Claim and pursue a Refund Claim, the Company shall advance the amount of such payment to Executive on an interest-free basis and shall indemnify Executive, on an after-tax basis, for any Excise Tax or income tax, including related interest or penalties, imposed with respect to such advance.

(e) The Company shall pay directly all legal, accounting and other costs and expenses (including additional interest and penalties) incurred by the Company or Executive in connection with any IRS Claim or Refund Claim, as applicable, and shall indemnify Executive, on an after-tax basis, for any Excise Tax or income tax, including related interest and penalties, imposed as a result of such payment of costs and expenses.

5.5 Refunds. If, after the receipt by Executive or the IRS of any payment or advance of Excise Taxes or other Taxes by the Company pursuant to this Article, Executive receives any refund with respect to such Excise Taxes, Executive shall (subject to the Company's complying with any applicable requirements of Section 5.4) promptly pay the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by Executive of an amount advanced by the Company pursuant to Section 5.4 or receipt by the IRS of an amount paid by the Company on behalf of the Executive pursuant to Section 5.4, a determination is made that Executive shall not be entitled to any refund with respect to such claim and the Company does not notify Executive in writing of its intent to contest such determination within 30 days after the Company receives written notice of such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid. Any contest of a denial of refund shall be controlled by Section 5.4(d).

ARTICLE VI.

EXPENSES, INTEREST AND DISPUTE RESOLUTION

6.1 Enforcement and Late Payments.

(a) If, after the Agreement Date, Executive incurs reasonable legal fees or other expenses (including arbitration costs and expenses under Section 6.3) in an effort to

secure, preserve, or obtain benefits under this Agreement, the Company shall, regardless of the outcome of such effort, reimburse Executive (in accordance with Section 6.1(b)) for such fees and expenses.

(b) Reimbursement of legal fees and expenses and gross-up payments shall be made on a current basis, promptly after Executive's written submission of a request for reimbursement together with evidence that such fees and expenses were incurred.

(c) If Executive does not prevail (after exhaustion of all available judicial remedies) in respect of a claim by Executive or by the Company hereunder, and the Company establishes before a court of competent jurisdiction by clear and convincing evidence that Executive had no reasonable basis for Executive's claim hereunder, or for Executive's response to the Company's claim hereunder, or that Executive acted in bad faith, no further reimbursement for legal fees and expenses shall be due to Executive in respect of such claim and Executive shall refund any amounts previously reimbursed hereunder with respect to such claim.

6.2 Interest. If the Company does not pay any cash amount due to Executive under this Agreement within three business days after such amount first became due and owing, interest shall accrue on such amount from the date it became due and owing until the date of payment at an annual rate equal to 200 basis points above the base commercial lending rate published in The Wall Street Journal in effect from time to time during the period of such nonpayment; provided that the Executive shall not be entitled to interest on any Gross Up Payment.

6.3 Arbitration. Any dispute, controversy or claim between the parties hereto arising out of or in connection with or relating to this Agreement (other than disputes related to Article V or to an alleged breach of the covenant contained in Article IX) or any breach or alleged breach thereof, or any benefit or alleged benefit hereunder, shall be settled by arbitration in Chicago, Illinois, before an impartial arbitrator pursuant to the rules and regulations of the American Arbitration Association ("AAA") pertaining to the arbitration of labor disputes. Either party may invoke the right to arbitration. The arbitrator shall be selected by means of the parties striking alternatively from a panel of seven arbitrators supplied by the Chicago office of AAA. The arbitrator shall have the authority to interpret and apply the provisions of this Agreement, consistent with Section 11.11 below. The decision of the arbitrator shall be final and binding upon the parties and a judgment thereon may be entered in the highest court of a forum, state or federal, having jurisdiction. The expenses of the arbitration shall be borne according to Section 6.1. No arbitration shall be commenced after the date when institution of legal or equitable proceedings based upon such subject matter would be barred by the applicable statutes of limitations. Notwithstanding anything to the contrary contained in this Section 6.3 or elsewhere in this Agreement, either party may bring an action in the District Court of Cook County, or the United States District Court for the Northern District of Illinois, if jurisdiction there lies, in order to maintain the status quo ante of the parties. The "status quo ante" is defined as the last peaceable, uncontested status between the parties. However, neither the party bringing the action nor the party defending the action thereby waives its right to arbitration of any dispute, controversy or claim arising out of or in connection or relating to this Agreement. Notwithstanding anything to the contrary contained in this Section 6.3 or elsewhere in this

Agreement, either party may seek relief in the form of specific performance, injunctive or other equitable relief in order to enforce the decision of the arbitrator. The parties agree that in any arbitration commenced pursuant to this Agreement, the parties shall be entitled to such discovery (including depositions, requests for the production of documents and interrogatories) as would be available in a federal district court pursuant to Rules 26 through 37 of the Federal Rules of Civil Procedure. In the event that either party fails to comply with its discovery obligations hereunder, the arbitrator shall have full power and authority to compel disclosure or impose sanctions to the full extent of Rule 37 of the Federal Rules of Civil Procedure.

ARTICLE VII.

NO ADVERSE EFFECT ON POOLING OF INTERESTS

Any benefits provided to the Executive under this Agreement may be reduced or eliminated to the extent necessary, in the reasonable judgment of the Board, to enable the Company to account for a merger, consolidation or similar transaction as a pooling of interests; provided that (i) the Board shall have exercised such judgment and given the Executive written notice thereof prior to the Change Date and (ii) the determination of the Board shall be supported by a written certificate of the Company's independent auditors, a copy of which shall be provided to the Executive before the Change Date.

ARTICLE VIII.

NO SET-OFF OR MITIGATION

8.1 No Set-off by Company. Executive's right to receive when due the payments and other benefits provided for under this Agreement is absolute, unconditional and subject to no setoff, counterclaim or legal or equitable defense. Time is of the essence in the performance by the Company of its obligations under this Agreement. Any claim which the Company may have against Executive, whether for a breach of this Agreement or otherwise, shall be brought in a separate action or proceeding and not as part of any action or proceeding brought by Executive to enforce any rights against the Company under this Agreement.

8.2 No Mitigation. Executive shall not have any duty to mitigate the amounts payable by the Company under this Agreement by seeking new employment or self-employment following termination. Except as specifically otherwise provided in this Agreement, all amounts payable pursuant to this Agreement shall be paid without reduction regardless of any amounts of salary, compensation or other amounts which may be paid or payable to Executive as the result of Executive's employment by another employer or self-employment.

ARTICLE IX.

RESTRICTIVE COVENANTS

9.1 Confidential Information. The Executive acknowledges that in the course of performing services for the Companies and Affiliates, he may create (alone or with others), learn of, have access to and receive Confidential Information. Confidential Information shall not

include: (i) information that is or becomes generally known through no fault of Executive; (ii) information received from a third party outside of the Company that was disclosed without a breach of any confidentiality obligation; or (iii) information approved for release by written authorization of the Company. The Executive recognizes that all such Confidential Information is the sole and exclusive property of the Company and its Affiliates or of third parties which the Company or Affiliate is obligated to keep confidential, that it is the Company's policy to keep all such Confidential Information confidential, and that disclosure of Confidential Information would cause damage to the Company and its Affiliates. The Executive agrees that, except as required by the duties of Executive's employment with the Company or any of its Affiliates and except in connection with enforcing the Executive's rights under this Agreement or if compelled by a court or governmental agency, in each case provided that prior written notice is given to Company, Executive will not, without the written consent of Company, willfully disseminate or otherwise disclose, directly or indirectly, any Confidential Information obtained during his employment with the Company or its Affiliates, and will take all necessary precautions to prevent disclosure, to any unauthorized individual or entity inside or outside the Company, and will not use the Confidential Information or permit its use for the benefit of Executive or any other person or entity other than the Company or its Affiliates. These obligations shall continue during and after the termination of Executive's employment (whether or not after a Change in Control, Imminent Control Change, Significant Acquisition or Disaggregation).

9.2 Non-Competition. During the period beginning on the Agreement Date and ending on the second anniversary of the Termination Date, whether or not after a Change in Control, Imminent Control Change, Significant Acquisition or Disaggregation, Executive hereby agrees that without the written consent of the Company Executive shall not at any time, directly or indirectly, in any capacity:

(a) engage or participate in, become employed by, serve as a director of, or render advisory or consulting or other services in connection with, any Competitive Business; provided, however, that after the Termination Date this Section 9.2 shall not preclude Executive from being an employee of, or consultant to, any business unit of a Competitive Business if (i) such business unit does not qualify as a Competitive Business in its own right and (ii) Executive does not have any direct or indirect involvement in, or responsibility for, any operations of such Competitive Business that cause it to qualify as a Competitive Business.

(b) make or retain any financial investment, whether in the form of equity or debt, or own any interest, in any Competitive Business. Nothing in this subsection shall, however, restrict Executive from making an investment in any Competitive Business if such investment does not (i) represent more than 1% of the aggregate market value of the outstanding capital stock or debt (as applicable) of such Competitive Business, (ii) give Executive any right or ability, directly or indirectly, to control or influence the policy decisions or management of such Competitive Business, and (iii) create a conflict of interest between Executive's duties under this Agreement and his interest in such investment.

9.3 Non-Solicitation. During the period beginning on the Agreement Date and ending on the second anniversary of any Termination Date, whether or not after a Change in

Control, Imminent Control Change, Significant Acquisition or Disaggregation, Executive shall not, directly or indirectly:

(a) other than in connection with the good-faith performance of his duties as an officer of the Company, cause or attempt to cause any employee or agent of the Company to terminate his or her relationship with the Company;

(b) employ, engage as a consultant or adviser, or solicit the employment or engagement as a consultant or adviser, of any employee or agent of the Company (other than by the Company or its Affiliates), or cause or attempt to cause any Person to do any of the foregoing;

(c) establish (or take preliminary steps to establish) a business with, or cause or attempt to cause others to establish (or take preliminary steps to establish) a business with, any employee or agent of the Company, if such business is or will be a Competitive Business; or

(d) interfere with the relationship of the Company with, or endeavor to entice away from the Company, any Person who or which at any time during the period commencing one year prior to the Termination Date was or is, to the Executive's knowledge, a material customer or material supplier of, or maintained a material business relationship with, the Company.

9.4 Intellectual Property. During the period of Executive's employment with the Company and any Affiliate, and thereafter upon the Company's request, whether or not after a Change in Control, Imminent Control Change, Significant Acquisition or Disaggregation, Executive shall disclose immediately to the Company all ideas, inventions and business plans that he makes, conceives, discovers or develops alone or with others during the course of his employment with the Company or during the one year period following Executive's Termination Date, including any inventions, modifications, discoveries, developments, improvements, computer programs, processes, products or procedures (whether or not protectable upon application by copyright, patent, trademark, trade secret or other proprietary rights) ("Work Product") that: (i) relate to the business of the Company or any customer or supplier to the Company or any of the products or services being developed, manufactured, sold or otherwise provided by the Company or that may be used in relation therewith; or (ii) result from tasks assigned to Executive by the Company; or (iii) result from the use of the premises or personal property (whether tangible or intangible) owned, leased or contracted for by the Company. Executive agrees that any Work Product shall be the property of the Company and, if subject to copyright, shall be considered a "work made for hire" within the meaning of the Copyright Act of 1976, as amended (the "Act"). If and to the extent that any such Work Product is not a "work made for hire" within the meaning of the Act, Executive hereby assigns to the Company all right, title and interest in and to the Work Product, and all copies thereof, and the copyright, patent, trademark, trade secret and all proprietary rights in the Work Product, without further consideration, free from any claim, lien for balance due or rights of retention thereto on the part of Executive.

(a) The Company hereby notifies Executive that the preceding paragraph does not apply to any inventions for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on the Executive's own time, unless: (i) the invention relates (a) to the Company's business, or (b) to the Company's actual or demonstrably anticipated research or development, or (ii) the invention results from any work performed by the Executive for the Company.

(b) Executive agrees that upon disclosure of Work Product to the Company, Executive will, during his employment and at any time thereafter, at the request and cost of the Company, execute all such documents and perform all such acts as the Company or its duly authorized agents may reasonably require: (i) to apply for, obtain and vest in the name of the Company alone (unless the Company otherwise directs) letters patent, copyrights or other analogous protection in any country throughout the world, and when so obtained or vested to renew and restore the same; and (ii) to prosecute or defend any opposition proceedings in respect of such applications and any opposition proceedings or petitions or applications for revocation of such letters patent, copyright or other analogous protection, or otherwise in respect of the Work Product.

(c) In the event that the Company is unable, after reasonable effort, to secure Executive's execution as provided in subsection (b) above, whether because of Executive's physical or mental incapacity or for any other reason whatsoever, Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as his agent and attorney-in-fact, to act for and on his behalf to execute and file any such application or applications and to do all other lawfully permitted acts to further the prosecution, issuance and protection of letters patent, copyright and other intellectual property protection with the same legal force and effect as if personally executed by Executive.

9.5 Reasonableness of Restrictive Covenants.

(a) Executive acknowledges that the covenants contained in Sections 9.1, 9.2, 9.3 and 9.4 are reasonable in the scope of the activities restricted, the geographic area covered by the restrictions, and the duration of the restrictions, and that such covenants are reasonably necessary to protect the Company's legitimate interests in its Confidential Information and in its relationships with its employees, customers and suppliers. Executive further acknowledges such covenants are essential elements of this Agreement and that, but for such covenants, the Company would not have entered into this Agreement.

(b) The Company and Executive have each consulted with their respective legal counsel and have been advised concerning the reasonableness and propriety of such covenants. Executive acknowledges that his observance of the covenants contained in Sections 9.1, 9.2, 9.3 and 9.4 will not deprive Executive of the ability to earn a livelihood or to support his dependents.

9.6 Right to Injunction; Survival of Undertakings.

(a) In recognition of the confidential nature of the Confidential Information, and in recognition of the necessity of the limited restrictions imposed by Sections 9.1, 9.2, 9.3 and 9.4 the parties agree that it would be impossible to measure solely in money the damages which the Company would suffer if Executive were to breach any of his obligations under such Sections. Executive acknowledges that any breach of any provision of such Sections would irreparably injure the Company. Accordingly, Executive agrees that if he breaches any of the provisions of such Sections, the Company shall be entitled, in addition to any other remedies to which the Company may be entitled under this Agreement or otherwise, to an injunction to be issued by a court of competent jurisdiction, to restrain any breach, or threatened breach, of such provisions, and Executive hereby waives any right to assert any claim or defense that the Company has an adequate remedy at law for any such breach.

(b) If a court determines that any of the covenants included in this Article IX is unenforceable in whole or in part because of such covenant's duration or geographical or other scope, such court shall have the power to modify the duration or scope of such provision, as the case may be, so as to cause such covenant as so modified to be enforceable.

(c) All of the provisions of this Article IX shall survive any Termination of Employment without regard to (i) the reasons for such termination or (ii) the expiration of the Agreement Term.

(d) The Company shall have no further obligation to pay or provide severance or benefits under Article II, Article IV, or Article V if a court determines that the Executive has breached any covenant in this Article IX.

ARTICLE X.

NON-EXCLUSIVITY OF RIGHTS

10.1 Other Rights. Except as expressly provided in Section 4.11 or elsewhere in this Agreement, this Agreement shall not prevent or limit Executive's continuing or future participation in any benefit, bonus, incentive or other Plans provided by the Company and for which Executive may qualify, nor shall this Agreement limit or otherwise affect such rights as Executive may have under any other agreements with the Company. Amounts which are vested benefits or which Executive is otherwise entitled to receive under any Plan and any other payment or benefit required by law at or after the Termination Date shall be payable in accordance with such Plan or applicable law except as expressly modified by this Agreement.

10.2 No Right to Continued Employment. Nothing in this Agreement shall guarantee the right of Executive to continue in employment, and the Company retains the right to terminate the Executive's employment at any time for any reason or for no reason.

ARTICLE XI.

MISCELLANEOUS

11.1 No Assignability. This Agreement is personal to Executive and without the prior written consent of the Company shall not be assignable by Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Executive's legal representatives.

11.2 Successors. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Any successor to the business or assets of the Company which assumes or agrees to perform this Agreement by operation of law, contract, or otherwise shall be jointly and severally liable with the Company under this Agreement as if such successor were the Company.

11.3 Affiliates. To the extent that immediately prior to the Applicable Trigger Date, the Executive has been on the payroll of, and participated in the incentive or employee benefit plans of, an Affiliate of the Company, the references to the Company contained in Sections 2.9(a)(i) through (vi) and the other Sections of this Agreement referring to benefits to which the Executive may be entitled shall be read to refer to such Affiliate.

11.4 Payments to Beneficiary. If Executive dies before receiving amounts to which Executive is entitled under this Agreement, such amounts shall be paid in a lump sum to one or more beneficiaries designated in writing by Executive (each, a "Beneficiary"). If none is so designated, the Executive's estate shall be his or her Beneficiary.

11.5 Non-Alienation of Benefits. Benefits payable under this Agreement shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, before actually being received by Executive, and any such attempt to dispose of any right to benefits payable under this Agreement shall be void.

11.6 Severability. If any one or more Articles, Sections or other portions of this Agreement are declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any Article, Section or other portion not so declared to be unlawful or invalid. Any Article, Section or other portion so declared to be unlawful or invalid shall be construed so as to effectuate the terms of such Article, Section or other portion to the fullest extent possible while remaining lawful and valid.

11.7 Amendments. This Agreement shall not be amended or modified except by written instrument executed by the Company and Executive.

11.8 Notices. All notices and other communications under this Agreement shall be in writing and delivered by hand, by nationally-recognized delivery service that promises overnight delivery, or by first-class registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Executive, to Executive at his most recent home address on file with the Company.

If to the Company:

Exelon Corporation
37th Floor
10 S. Dearborn Street
Chicago, Illinois 60690
Attention: S. Gary Snodgrass, Senior Vice President and Chief Human Resources Officer
Facsimile No.: (312) 394-5440

With copy to:

Pamela Baker, Esq.
Sonnenschein Nath & Rosenthal
8000 Sears Tower
Chicago, Illinois 60606
Facsimile No.: (312) 876-7934

or to such other address as either party shall have furnished to the other in writing. Notice and communications shall be effective when actually received by the addressee.

11.9 Joint and Several Liability. The Company and the Subsidiary shall be jointly and severally liable for the obligations of the Company, the Subsidiary, or the Employer hereunder.

11.10 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument.

11.11 Governing Law. This Agreement shall be interpreted and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to its choice of law principles.

11.12 Captions. The captions of this Agreement are not a part of the provisions hereof and shall have no force or effect.

11.13 Number and Gender. Wherever appropriate, the singular shall include the plural, the plural shall include the singular, and the masculine shall include the feminine.

11.14 Tax Withholding. The Company may withhold from any amounts payable under this Agreement or otherwise payable to Executive any Taxes the Company determines to be appropriate under applicable law and may report all such amounts payable to such authority as is required by any applicable law or regulation.

11.15 No Waiver. Executive's failure to insist upon strict compliance with any provision of this Agreement shall not be deemed a waiver of such provision or any other provision of this Agreement. A waiver of any provision of this Agreement shall not be deemed a waiver of any other provision, and any waiver of any default in any such provision shall not be deemed a waiver of any later default thereof or of any other provision.

11.16 Entire Agreement. This Agreement contains the entire understanding of Company and Executive with respect to its subject matter.

IN WITNESS WHEREOF, Executive, Exelon Corporation and __________________ have executed this Change in Control Employment Agreement ________________, 2001.

EXECUTIVE

EXELON CORPORATION

By: ____________________________________

Title: ____________________________________

By: ____________________________________

Title: ____________________________________

EXELON CORPORATION

CHANGE IN CONTROL EMPLOYMENT AGREEMENT

(TIER ONE-B EXECUTIVES)

(THOSE WITHOUT CIC AGREEMENTS PRIOR TO 10/20/00)

TABLE OF CONTENTS

Article I. Definitions.. 1
- 1.1 "Accrued Annual Incentive".. 1
- 1.2 "Accrued Base Salary"... 1
- 1.3 "Accrued LTIP Award".. 1
- 1.4 "Accrued Obligations"... 1
- 1.5 "Affiliate"... 1
- 1.6 "Agreement Date".. 2
- 1.7 "Agreement Term".. 2
- 1.8 "Annual Incentive".. 2
- 1.9 "Applicable Trigger Date"... 2
- 1.10 "Article"... 2
- 1.11 "Base Salary"... 2
- 1.12 "Beneficial Owner".. 2
- 1.13 "Beneficiary"... 2
- 1.14 "Board"... 2
- 1.15 "Cause" see Section 3.3... 3
- 1.16 "Change Date"... 3
- 1.17 "Change in Control"... 3
- 1.18 "Code".. 4
- 1.19 "Company"... 4
- 1.20 "Competitive Business" 4
- 1.21 "Confidential Information".. 5
- 1.22 "Disability".. 5
- 1.23 "Disaggregated Entity".. 5
- 1.24 "Disaggregation".. 5
- 1.25 "Employer".. 6
- 1.26 "Exchange Act".. 6
- 1.27 "Good Reason" 6
- 1.28 "Imminent Control Change"... 6
- 1.29 "Imminent Control Change Period".................................... 6
- 1.30 "Incentive Plan".. 7
- 1.31 "including"... 7
- 1.32 "Incumbent Board"... 7
- 1.33 "IRS"... 7
- 1.34 "LTIP".. 7
- 1.35 "LTIP Performance Period"... 7
- 1.36 "LTIP Target Level"... 7
- 1.37 "Merger".. 7
- 1.38 "Notice of Termination"... 7
- 1.39 "Performance Shares".. 8
- 1.40 "Person".. 8
- 1.41 "Plans"... 8
- 1.42 "Post-Change Period".. 8
- 1.43 "Post-Disaggregation Period".. 8
- 1.44 "Post-Significant Acquisition Period"............................... 8
- 1.45 "Restricted Stock".. 8

1.46 "SEC" 8
1.47 "SEC Person" 8
1.48 "Section" 8
1.49 "SERP" 8
1.50 "Severance Incentive" 9
1.51 "Severance Period" 9
1.52 "Significant Acquisition" 9
1.53 "Stock Options" 9
1.54 "Target Incentive" 9
1.55 "Taxes" 9
1.56 "Termination Date" 10
1.57 "Termination of Employment" 10
1.58 "20% Owner" 10
1.59 "Voting Securities" 10
1.60 "Welfare Plans" 10

Article II. Terms of Employment 10
2.1 Position and Duties During a Post-Change Period 10
2.2 Position and Duties During an Imminent Control Change Period 10
2.3 Position and Duties During a Post-Significant Acquisition Period 11
2.4 Position and Duties During a Post-Disaggregation Period 11
2.5 Executive's Obligations 11
2.6 Base Salary During the Post-Change Period 11
2.7 Annual Incentive 12
2.8 Other Compensation and Benefits 12

Article III. Termination of Employment 15
3.1 Disability 15
3.2 Death 16
3.3 Termination by the Company for Cause 16
3.4 Termination by the Executive for Good Reason 18

Article IV. Company's Obligations Upon Certain Terminations of Employment 20
4.1 Termination During the Post-Change Period or Post-Significant Acquisition Period 20
4.2 Termination During an Imminent Control Change Period 24
4.3 Termination During a Post-Disaggregation Period 27
4.4 Timing of Severance Payments 28
4.5 Waiver and Release 29
4.6 Breach of Covenants 29
4.7 Termination by the Company for Cause 29
4.8 Termination by Executive Other Than for Good Reason 29
4.9 Termination by the Company for Disability 29
4.10 Upon Death 30
4.11 Sole and Exclusive Obligations 30

Article V. Certain Additional Payments by the Company....................... 30
5.1 Gross-Up Payment.. 30
5.2 Limitation on Gross-Up Payments..................................... 31
5.3 Additional Gross-up Amounts... 31
5.4 Amount Increased or Contested....................................... 32
5.5 Refunds... 34

Article VI. Expenses, Interest and Dispute Resolution....................... 34
6.1 Enforcement and Late Payments....................................... 34
6.2 Interest.. 34
6.3 Arbitration... 34

Article VII. No Adverse Effect on Pooling of Interests...................... 35

Article VIII. No Set-off or Mitigation...................................... 35
8.1 No Set-off by Company... 35
8.2 No Mitigation... 36

Article IX. Restrictive Covenants... 36
9.1 Confidential Information.. 36
9.2 Non-Competition... 36
9.3 Non-Solicitation.. 37
9.4 Intellectual Property... 37
9.5 Reasonableness of Restrictive Covenants............................. 38
9.6 Right to Injunction; Survival of Undertakings....................... 39

Article X. Non-Exclusivity of Rights.. 39
10.1 Other Rights... 39
10.2 No Right to Continued Employment................................... 40

Article XI. Miscellaneous... 40
11.1 No Assignability... 40
11.2 Successors... 40
11.3 Affiliates... 40
11.4 Payments to Beneficiary.. 40
11.5 Non-Alienation of Benefits... 40
11.6 Severability... 40
11.7 Amendments... 41
11.8 Notices.. 41
11.9 Joint and Several Liability.. 41
11.10 Counterparts.. 41
11.11 Governing Law... 41
11.12 Captions.. 41

11.13 Number and Gender.. 42
11.14 Tax Withholding.. 42
11.15 No Waiver.. 42
11.16 Entire Agreement... 43

EXELON CORPORATION

CHANGE-IN-CONTROL EMPLOYMENT AGREEMENT

THIS AGREEMENT dated as of June 1, 2001 (the "Agreement Date") is made by and among Exelon Corporation, incorporated under the laws of the Commonwealth of Pennsylvania (together with successors thereto, the "Company"), _____________________, a _______________ corporation (together with successors thereto, the "Subsidiary"), and _____________________ ("Executive").

RECITALS

The Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued services of the Executive, despite the possibility or occurrence of a Change in Control of the Company. The Board believes it is imperative to reduce the distraction of the Executive that would result from the personal uncertainties caused by a pending or threatened Change in Control or a Significant Acquisition, to encourage the Executive's full attention and dedication to the Company, and to provide the Executive with compensation and benefits arrangements upon a Change in Control which are competitive with those of similarly-situated corporations. This Agreement is intended to accomplish these objectives.

ARTICLE I.

DEFINITIONS

As used in this Agreement, the terms specified below shall have the following meanings:

1.1 "Accrued Annual Incentive" means the amount of any Annual Incentive earned but not yet paid with respect to the Company's latest fiscal year ended prior to the Termination Date.

1.2 "Accrued Base Salary" means the amount of Executive's Base Salary that is accrued but not yet paid as of the Termination Date.

1.3 "Accrued LTIP Award" means the amount of any LTIP Award earned and vested, but either deferred or not yet paid as of the Termination Date.

1.4 "Accrued Obligations" means, as of any date, the sum of Executive's Accrued Base Salary, Accrued Annual Incentive, Accrued LTIP Award, any accrued but unpaid paid time off, and any other amounts and benefits which are then due to be paid or provided to Executive by the Company, but have not yet been paid or provided (as applicable).

1.5 "Affiliate" means any Person (including the Subsidiary) that directly or indirectly controls, is controlled by, or is under common control with, the Company. For purposes of this definition the term "control" with respect to any Person means the power to direct or cause the direction of management or policies of such Person, directly or indirectly, whether through the ownership of Voting Securities, by contract or otherwise.

1.6 "Agreement Date" -- see the introductory paragraph of this Agreement.

1.7 "Agreement Term" means the period commencing on the Agreement Date and ending on the second anniversary of the Agreement Date or, if later, such later date to which the Agreement Term is extended under the following sentence unless earlier terminated as provided herein. Commencing on the first anniversary of the Agreement Date, the Agreement Term shall automatically be extended each day by one day to create a new two-year term until, at any time after the first anniversary of the Agreement Date, the Company delivers written notice (an "Expiration Notice") to Executive that the Agreement shall expire on a date specified in the Expiration Notice (the "Expiration Date") that is not less than 12 months after the date the Expiration Notice is delivered to Executive; provided, however, that if a Change Date, Imminent Control Change, Disaggregation or Significant Acquisition occurs before the Expiration Date specified in the Expiration Notice, then such Expiration Notice shall be void and of no further effect. If such Imminent Control Change or Disaggregation does not culminate in a Change Date, then such Expiration Notice shall be reinstated and the Agreement shall expire on the date originally specified as the Expiration Date, or if later, the date the Imminent Control Change lapses or the end of the sixtieth day after the Disaggregation. Notwithstanding anything herein to the contrary, the Agreement Term shall end at the end of the Severance Period if applicable, or if there is no Severance Period, the earliest of the following: (a) the second anniversary of the Change Date, (b) eighteen (18) months after the Significant Acquisition provided there has been no Change Date, (c) the end of the sixtieth day after the Disaggregation if there has been no Change Date after the Disaggregation, or (d) the Termination Date.

1.8 "Annual Incentive" -- see Section 2.8.

1.9 "Applicable Trigger Date" means

(a) the Change Date with respect to the Post-Change Period;

(b) the date of an Imminent Control Change with respect to the Imminent Control Change Period;

(c) the date of a Significant Acquisition with respect to a Post-Significant Acquisition Period; and

(d) the date of a Disaggregation with respect to a Post-Disaggregation Period.

1.10 "Article" means an article of this Agreement.

1.11 "Base Salary" -- see Section 2.7.

1.12 "Beneficial Owner" means such term as defined in Rule 13d-3 of the SEC under the Exchange Act.

1.13 "Beneficiary" -- see Section 11.4.

1.14 "Board" means the Board of Directors of Company or, from and after the effective date of a Corporate Transaction (as defined in Section 1.17), the Board of Directors of the corporation resulting from a Corporate Transaction or, if securities representing at least 50%

of the aggregate voting power of such resulting corporation are directly or indirectly owned by another corporation, such other corporation.

1.15 "Cause" -- see Section 3.3.

1.16 "Change Date" means the date on which a Change in Control first occurs during the Agreement Term.

1.17 "Change in Control" means, except as otherwise provided below, the first to occur of any of the following during the Agreement Term:

(a) any SEC Person becomes the Beneficial Owner of 20% or more of the then outstanding common stock of the Company or of Voting Securities representing 20% or more of the combined voting power of all the then outstanding Voting Securities of Company (such an SEC Person, a "20% Owner"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change in Control: (1) any acquisition directly from the Company (excluding any acquisition resulting from the exercise of an exercise, conversion or exchange privilege unless the security being so exercised, converted or exchanged was acquired directly from the Company), (2) any acquisition by the Company, (3) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company (a "Company Plan"), or (4) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this definition; provided further, that for purposes of clause (2), if any 20% Owner of the Company other than the Company or any Company Plan becomes a 20% Owner by reason of an acquisition by the Company, and such 20% Owner of the Company shall, after such acquisition by the Company, become the beneficial owner of any additional outstanding common shares of the Company or any additional outstanding Voting Securities of the Company (other than pursuant to any dividend reinvestment plan or arrangement maintained by the Company) and such beneficial ownership is publicly announced, such additional beneficial ownership shall constitute a Change in Control; or

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Incumbent Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest (as such terms are used in Rule 14a-11 promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger or consolidation ("Merger"), or the sale or other disposition of more than 50% of the operating assets of the Company (determined on a consolidated basis), other than in connection with a sale-leaseback or other arrangement resulting in the continued utilization of such assets (or the operating products of such assets) by the Company (such reorganization, merger, consolidation,

sale or other disposition, a "Corporate Transaction"); excluding, however, a Corporate Transaction pursuant to which:

(i) all or substantially all of the individuals and entities who are the Beneficial Owners, respectively, of the outstanding common stock of Company and outstanding Voting Securities of the Company immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than 60% of, respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which, as a result of such transaction, owns the Company or all or substantially all of the assets of the Company either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Corporate Transaction of the outstanding common stock of Company and outstanding Voting Securities of the Company, as the case may be;

(ii) no SEC Person (other than the corporation resulting from such Corporate Transaction, and any Person which beneficially owned, immediately prior to such corporate Transaction, directly or indirectly, 20% or more of the outstanding common stock of the Company or the outstanding Voting Securities of the Company, as the case may be) becomes a 20% Owner, directly or indirectly, of the then-outstanding common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding voting securities of such corporation; and

(iii) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(d) Approval by the Company's shareholders of a plan of complete liquidation or dissolution of the Company, other than a plan of liquidation or dissolution which results in the acquisition of all or substantially all of the assets of the Company by an affiliated company.

Notwithstanding the occurrence of any of the foregoing events, a Change in Control shall not occur with respect to Executive if, in advance of such event, Executive agrees in writing that such event shall not constitute a Change in Control.

1.18 "Code" means the Internal Revenue Code of 1986, as amended.

1.19 "Company" - see the introductory paragraph to this Agreement.

1.20 "Competitive Business" means, as of any date, any utility business and any individual or entity (and any branch, office, or operation thereof) which engages in, or proposes to engage in (with Executive's assistance) (i) the harnessing, production, transmission, distribution, marketing or sale of energy or the transmission or distribution thereof through wire or cable or similar medium, (ii) any other business engaged in by the Company prior to Executive's Termination Date which represents for any calendar year or is projected by the

Company (as reflected in a business plan adopted by the Company before Executive's Termination Date) to yield during any year during the first three-fiscal year period commencing on or after Executive's Termination Date, more than 5% of the gross revenue of Company, and, in either case, which is located (i) anywhere in the United States, or (ii) anywhere outside of the United States where Company is then engaged in, or proposes as of the Termination Date to engage in to the knowledge of the Executive, any of such activities.

1.21 "Confidential Information" shall mean any information, ideas, processes, methods, designs, devices, inventions, data, techniques, models and other information developed or used by the Company or any Affiliate and not generally known in the relevant trade or industry relating to the Company's or its Affiliates' products, services, businesses, operations, employees, customers or suppliers, whether in tangible or intangible form, which gives the Company and its Affiliates a competitive advantage in the harnessing, production, transmission, distribution, marketing or sale of energy or the transmission or distribution thereof through wire or cable or similar medium or in the energy services industry and other businesses in which the Company or an Affiliate is engaged, or of third parties which the Company or Affiliate is obligated to keep confidential, or which was learned, discovered, developed, conceived, originated or prepared during or as a result of Executive's performance of any services on behalf of the Company and which falls within any of the following general categories:

(a) information relating to trade secrets of the Company or Affiliate or any customer or supplier of the Company or Affiliate;

(b) information relating to existing or contemplated products, services, technology, designs, processes, formulae, algorithms, research or product developments of the Company or Affiliate or any customer or supplier of the Company or Affiliate;

(c) information relating to business plans or strategies, sales or marketing methods, methods of doing business, customer lists, customer usages and/or requirements, supplier information of the Company or Affiliate or any customer or supplier of the Company or Affiliate;

(d) information subject to protection under the Uniform Trade Secrets Act, as adopted by the State of Illinois, or to any comparable protection afforded by applicable law; or

(e) any other confidential information which either the Company or Affiliate or any customer or supplier of the Company or Affiliate may reasonably have the right to protect by patent, copyright or by keeping it secret and confidential.

1.22 "Disability" - see Section 3.1(b).

1.23 "Disaggregated Entity" means the Disaggregated Unit or any other Person (other than the Company or an Affiliate) that controls or is under common control with the Disaggregated Unit.

1.24 "Disaggregation" means the consummation, in contemplation of a Change in Control, of a sale, spin-off or other disaggregation by the Company or the Affiliate or business

unit of the Company ("Disaggregated Unit") which employed Executive immediately prior to the sale, spin-off or other disaggregation.

1.25 "Employer" means, collectively or severally, the Company and the Subsidiary (or other Affiliate employing Executive).

1.26 "Exchange Act" means the Securities Exchange Act of 1934, as amended.

1.27 "Good Reason" -- see Section 3.4.

1.28 "Imminent Control Change" means, as of any date on or after the Agreement Date and prior to the Change Date, the occurrence of any one or more of the following:

(a) the Company enters into an agreement the consummation of which would constitute a Change in Control;

(b) Any SEC Person commences a "tender offer" (as such term is used in Section 14(d) of the Exchange Act) or exchange offer, which, if consummated, would result in a Change in Control; or

(c) Any SEC Person files with the SEC a preliminary or definitive proxy solicitation or election contest to elect or remove one or more members of the Board, which, if consummated or effected, would result in a Change in Control;

provided, however, that an Imminent Control Change will lapse and cease to qualify as an Imminent Control Change:

(i) With respect to an Imminent Control Change described in clause (a) of this definition, the date such agreement is terminated, cancelled or expires without a Change Date occurring;

(ii) With respect to an Imminent Control Change described in clause (b) of this definition, the date such tender offer or exchange offer is withdrawn or terminates without a Change Date occurring;

(iii) With respect to an Imminent Control Change described in clause (c) of this definition, (1) the date the validity of such proxy solicitation or election contest expires under relevant state corporate law, or (2) the date such proxy solicitation or election contest culminates in a shareholder vote, in either case of (1) or (2) without a Change Date occurring; or

(iv) The date a majority of the members of the Incumbent Board make a good faith determination that any event or condition described in clause (a), (b), or (c) of this definition no longer constitutes an Imminent Control Change, provided that such determination may not be made prior to the twelve (12) month anniversary of the occurrence of such event.

1.29 "Imminent Control Change Period" means the period commencing on the date of an Imminent Control Change, and ending on the first to occur thereafter of

(a) a Change Date, provided

(i) such date occurs no later than the one-year anniversary of the Termination Date, and

(ii) either the Imminent Control Change has not lapsed, or the Imminent Control Change in effect upon such Change Date is the last Imminent Control Change in a series of Imminent Control Changes unbroken by any period of time between the lapse of an Imminent Control Change and the occurrence of a new Imminent Control Change;

(b) if Executive's business unit undergoes Disaggregation and Executive retains substantially the same position with the Disaggregated Entity as immediately prior to such Disaggregation (determined without regard to reporting obligations), the earlier to occur after such Disaggregation of a Change Date or the end of the 60th day following such Disaggregation without the occurrence of a Change Date,

(c) the date an Imminent Control Changes lapses without the prior or concurrent occurrence of a new Imminent Control Change; or

(d) the twelve-month anniversary of the Termination Date.

1.30 "Incentive Plan" means any annual incentive award arrangement of the Company.

1.31 "including" means including without limitation.

1.32 "Incumbent Board" - see definition of Change in Control.

1.33 "IRS" means the Internal Revenue Service of the United States of America.

1.34 "LTIP" means the Exelon Corporation Long-Term Incentive Plan, as amended from time to time, or any successor thereto, and including any Stock Options or Restricted Stock granted thereunder to replace stock options or restricted stock initially granted under the Unicom Corporation Long-Term Incentive Plan.

1.35 "LTIP Performance Period" means the performance period applicable to an LTIP award, as designated in accordance with the LTIP.

1.36 "LTIP Target Level" means, in respect of any grant of Performance Shares under the Exelon Performance Share Program under the LTIP, the number of Performance Shares which Executive would have been awarded (prior to the Termination Date) for the LTIP Performance Period corresponding to such grant if the business and personal performance goals related to such grant were achieved at the 100% (target) level as of the end of the first year of the LTIP Performance Period.

1.37 "Merger" - see definition of Change in Control.

1.38 "Notice of Termination" means a written notice given in accordance with Section 11.8 which sets forth (i) the specific termination provision in this Agreement relied upon by the party giving such notice, (ii) in reasonable detail the specific facts and circumstances

claimed to provide a basis for such Termination of Employment, and (iii) if the Termination Date is other than the date of receipt of such Notice of Termination, the Termination Date.

1.39 "Performance Shares" - see Section 4.1(c). After a Disaggregation, "Performance Shares" shall also refer to performance shares, performance units or similar stock incentive awards granted by a Disaggregated Entity (or an affiliate thereof) in replacement of performance shares, performance units or similar stock incentive awards granted under the Exelon Performance Share Program under the LTIP.

1.40 "Person" means any individual, sole proprietorship, partnership, joint venture, limited liability company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or government instrumentality, division, agency, body or department.

1.41 "Plans" means plans, practices, policies and programs of the Company (or, if applicable to Executive, the Disaggregated Entity or Affiliate).

1.42 "Post-Change Period" means the period commencing on the Change Date and ending on the earlier of the Termination Date or the second anniversary of the Change Date.

1.43 "Post-Disaggregation Period" means the period commencing on the first date during the Agreement Term on which a Change in Control occurs following a Disaggregation, provided such Change Date occurs no more than 60 days following such Disaggregation, and ending on the earlier of the Termination Date or the second anniversary of the Change Date. If no Change Date occurs within 60 days after the Disaggregation, there shall be no Post-Disaggregation Period.

1.44 "Post-Significant Acquisition Period" means the period commencing on the date of a Significant Acquisition that occurs during the Agreement Term prior to a Change Date, and ending on the first to occur of (a) the end of the 18-month period commencing on the date of the Significant Acquisition, (b) the Change Date, or (c) the Termination Date.

1.45 "Restricted Stock" -- see Section 4.1(d). After a Disaggregation, "Restricted Stock" shall also refer to deferred stock units, restricted stock or restricted share units granted by a Disaggregated Entity (or an affiliate thereof) in replacement of deferred stock units, restricted stock or restricted share units granted by the Company other than under the Exelon Performance Share Program under the LTIP.

1.46 "SEC" means the United States Securities and Exchange Commission.

1.47 "SEC Person" means any person (as such term is used in Rule 13d-5 of the SEC under the Exchange Act) or group (as such term is defined in Sections 3(a)(9) and 13(d)(3) of the Exchange Act), other than (a) the Company or an Affiliate, or (b) any employee benefit plan (or any related trust) or Company or any of its Affiliates.

1.48 "Section" means, unless the context otherwise requires, a section of this Agreement.

1.49 "SERP" means the PECO Energy Company Supplemental Retirement Plan or the Commonwealth Edison Supplemental Management Retirement Plan, whichever is applicable to Executive, or any successor to either or both.

1.50 "Severance Incentive" means the greater of (a) the Target Incentive for the performance period in which the Termination Date occurs, or (b) the average (mean) of the actual Annual Incentives paid (or payable, to the extent not previously paid) to the Executive under the Incentive Plan for each of the two calendar years preceding the calendar year in which the Termination Date occurs.

1.51 "Severance Period" means the period beginning on the Executive's Termination Date, provided Executive's Termination of Employment entitles Executive to benefits under Section 4.1, 4.2 or 4.3, and ending [ON THE THIRD ANNIVERSARY THEREOF/THIRTY MONTHS LATER]. There shall be no Severance Period if Executive's Termination of Employment is on account of death or Disability or if Executive's employment is terminated by the Company for Cause or by Executive other than for Good Reason.

1.52 "Significant Acquisition" means a Corporate Transaction affecting the Executive's business unit (or, if Executive is employed at the headquarters for the Company's corporate business operations ("Corporate Center"), a Corporate Transaction that affects the Corporate Center) that is consummated after the Agreement Date and prior to the Change Date, which Corporate Transaction is not a Change in Control, provided that as a result of such Corporate Transaction, all or substantially all of the individuals and entities who are the Beneficial Owners, respectively, of the outstanding common stock of Company and outstanding Voting Securities of the Company immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than 60% but not more than 66-2/3% of, respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which, as a result of such transaction, owns the Company or all or substantially all of the assets of the Company either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Corporate Transaction of the outstanding common stock of Company and outstanding Voting Securities of the Company, as the case may be.

1.53 "Stock Options" -- see Section 4.1(b). After a Disaggregation, "Stock Options" shall also refer to stock options, stock appreciation rights, or similar incentive awards granted by the Disaggregated Entity (or an affiliate thereof) in replacement of stock options, stock appreciation rights, or similar incentive awards granted under the LTIP.

1.54 "Target Incentive" as of a certain date means an amount equal to the product of Base Salary determined as of such date multiplied by the percentage of such Base Salary to which Executive would have been entitled immediately prior to such date under the Incentive Plan for the applicable performance period if the performance goals established pursuant to such Incentive Plan were achieved at the 100% (target) level as of the end of the applicable performance period; provided, however, that any reduction in Executive's Base Salary or Annual Incentive that would qualify as Good Reason shall be disregarded for purposes of this definition.

1.55 "Taxes" means the incremental federal, state, local and foreign income, employment, excise and other taxes payable by Executive with respect to any applicable item of income.

1.56 "Termination Date" means the effective date of Executive's Termination of Employment, which shall be the last day on which Executive is employed by the Company, an Affiliate or a Disaggregated Entity; provided, however, that (a) if the Company terminates the Executive's employment other than for Cause or Disability or if the Executive terminates Executive's employment for Good Reason, then the Termination Date shall be the date of receipt of the Notice of Termination by Executive (if such Notice is given by the Company, an Affiliate or a Disaggregated Entity) or by the Company, an Affiliate or a Disaggregated Entity (if such Notice is given by Executive), or such later date, not more than 15 days after the giving of such Notice, specified in such Notice as of which Executive's employment shall be terminated; and (b) if Executive's employment is terminated by reason of death or Disability, the Termination Date shall be the date of Executive's death or the Disability Effective Date (as described in Section 3.1(a)).

1.57 "Termination of Employment" means any termination of Executive's employment with the Company and its Affiliates, whether such termination is initiated by the Employer or by Executive; provided that if the Executive's cessation of employment with the Company and its Affiliates is effected through a Disaggregation, and Executive is employed in substantially the same position (without regard to reporting obligations) by the Disaggregated Entity immediately following the Disaggregation, and a Change Date occurs no more than 60 days after such Disaggregation, then the Disaggregation shall not be deemed to effect a "Termination of Employment" for purposes of this Agreement, and after the Disaggregation, "Termination of Employment" means any termination of Executive's employment with the Disaggregated Entity, whether such termination is initiated by the Disaggregated Entity or by Executive.

1.58 "20% Owner" -- see paragraph (a) of the definition of "Change in Control."

1.59 "Voting Securities" means with respect to a corporation, securities of such corporation that are entitled to vote generally in the election of directors of such corporation.

1.60 "Welfare Plans" - see Section 2.9(a)(ii).

ARTICLE II.

TERMS OF EMPLOYMENT

2.1 Position and Duties During a Post-Change Period. During the Post-Change Period prior to the Termination Date, (i) Executive's position (including status, offices, titles, and reporting requirements) shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 90-day period immediately before the Change Date (or if the Change Date ended an Imminent Control Change Period, during the 90-day period immediately before the beginning of the Imminent Control Change Period) and (ii) Executive's services shall be performed at the location where Executive was employed immediately before the Change Date (or if the Change Date ended an Imminent Control Change Period, before the beginning of such Imminent Control Change Period) or any

other location no more than 50 miles from such location (unless such other location is closer to Executive's residence than the prior location).

2.2 Position and Duties During an Imminent Control Change Period. During the portion of any Imminent Control Change Period prior to the Termination Date, the Company may in its discretion change the Executive's position, authority and duties and may change the location where Executive's services shall be performed.

2.3 Position and Duties During a Post-Significant Acquisition Period. During the portion of any Post-Significant Acquisition Period prior to the Termination Date, the Company may in its discretion change the Executive's position, authority and duties, and may change the location where Executive's services shall be performed.

2.4 Position and Duties During a Post-Disaggregation Period. During the portion of any Post-Disaggregation Period prior to the Termination Date, (i) Executive's position (including status, offices, titles and reporting requirements) with the Disaggregated Entity shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned to Executive by the Disaggregated Entity immediately following the Disaggregation, and (ii) unless Executive otherwise consents, Executive's services shall be performed at the location where Executive was employed immediately prior to the Change Date or any other location no more than 50 miles from such location (unless such other location is closer to Executive's residence than the prior location); provided, however, that in determining whether the Executive's Termination of Employment is for Cause, "Cause" shall be determined as though the provisions of Section 3.3(a) applied commencing with the first day of the Post-Disaggregation Period.

2.5 Executive's Obligations. During the Executive's employment, (other than any periods of paid time off, sick leave or disability to which Executive is entitled), Executive agrees to devote Executive's full attention and time to the business and affairs of the Company (or, in the case of a Disaggregation, the Disaggregated Entity) and to use Executive's best efforts to perform such duties. Executive may (i) serve on corporate, civic or charitable boards or committees, (ii) deliver lectures, fulfill speaking engagements or teach at educational institutions and (iii) manage personal investments, so long as such activities are consistent with the Plans of the Employer (or in the case of a Disaggregation, the Disaggregated Entity) in effect from time to time, and do not significantly interfere with the performance of Executive's duties under this Agreement.

2.6 Base Salary During the Post-Change Period.

(a) Base Salary During the Post-Change Period. Prior to the Termination Date during the Post-Change Period, the Company shall pay or cause to be paid to Executive an annual base salary in cash, which shall be paid in a manner consistent with the Employer's payroll practices in effect immediately before the Applicable Trigger Date at an annual rate not less than 12 times the highest monthly base salary paid or payable to Executive by the Employer in respect of the 12-month period immediately before the Applicable Trigger Date (such annual rate salary, the "Base Salary"). During the Post-Change Period, the Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to Executive prior to the Applicable Trigger Date and thereafter shall be reviewed and shall be increased at any time and from time to time as

shall be substantially consistent with increases in base salary awarded to peer executives of the Company generally. Base Salary shall not be reduced after any such increase unless such reduction is part of a policy, program or arrangement applicable to peer executives of the Company, and the term Base Salary as used in this Agreement shall refer to Base Salary as so increased. Any increase in Base Salary shall not limit or reduce any other obligation of the Company to the Executive under this Agreement.

(b) Base Salary During the Imminent Control Change Period, Post-Significant Acquisition Period and Post-Disaggregation Period. Section 2.7(a) shall not apply during the Imminent Control Change Period, Post-Significant Acquisition Period or Post-Disaggregation Period.

2.7 Annual Incentive.

(a) Annual Incentive During the Post-Change Period. In addition to Base Salary, the Company shall provide or cause to be provided to Executive the opportunity to receive payment of an annual incentive (the "Annual Incentive") with an award opportunity no less, including target performance goals not materially more difficult to achieve, than that in effect immediately prior to the Applicable Trigger Date for each applicable performance period which commences prior to the Termination Date and ends during the Post-Change Period.

(b) Annual Incentive during the Imminent Control Change Period, Post-Significant Acquisition Period or Post-Disaggregation Period. Section 2.8(a) shall not apply during the Imminent Control Change Period, Post-Significant Acquisition Period or Post-Disaggregation Period.

2.8 Other Compensation and Benefits.

(a) Other Compensation and Benefits during the Post-Change Period. In addition to Base Salary and Annual Incentive, prior to the Termination Date the Company shall provide or cause to be provided, throughout the Post-Change Period, the following other compensation and benefits to Executive, provided that, in no event shall such additional compensation and benefits (including incentives, measured with respect to long term and special incentives, to the extent, if any, that such distinctions are applicable) be materially less favorable, in the aggregate, than the greater of (A) those provided by the Employer for the Executive (including any such compensation and benefits provided under Plans) as in effect at any time during the 90-day period immediately preceding the Applicable Trigger Date, or (B) those provided at any time after the Applicable Trigger Date to peer executives of the Company generally:

(i) Incentive, Savings and Retirement Plans. Executive shall be entitled to participate in all incentive, savings and retirement Plans applicable to peer executives of the Company generally.

(ii) Welfare Benefit Plans. Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit Plans ("Welfare Plans") (including medical, prescription, dental, disability, employee life, group life, accidental death

and travel accident insurance benefits, but excluding any severance pay) provided by the Employer from time to time to peer executives of the Company generally.

(iii) Other Employee Benefits. Executive shall be entitled to other employee benefits, perquisites and fringe benefits in accordance with the most favorable Plans applicable to peer executives of the Company generally.

(iv) Expenses. Executive shall be entitled to receive prompt reimbursement for all reasonable business expenses incurred by the Executive in accordance with the most favorable Plans applicable to peer executives of the Company generally.

(v) Office and Support Staff. Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to secretarial and other assistance substantially equivalent to the office or offices, furnishings, appointments and assistance as in effect with respect to Executive on the Applicable Trigger Date.

(vi) Paid Time Off. Executive shall be entitled to paid time off in accordance with the Plans applicable to peer executives of the Company generally.

(vii) LTIP Awards. Awards under the LTIP shall be granted to Executive with aggregate target opportunities (including target performance goals not materially more difficult to achieve) no less than the average of the Executive's awards (expressed as a percentage of Executive's Base Salary in effect at the beginning of the applicable performance period) granted in the three-year period ending on the Applicable Trigger Date.

(b) Other Compensation and Benefits During the Imminent Control Change Period, Post-Significant Acquisition Period or Post-Disaggregation Period. Section 2.9(a) shall not apply during an Imminent Control Change Period, Post-Significant Acquisition Period or Post-Disaggregation Period.

(c) Stock Options, Restricted Stock, and Performance Shares During the Post-Disaggregation Period.

(i) Stock Options.

(A) Extinguished or Converted at Disaggregation. If so provided in the documents and instruments ("Disaggregation Documents") pursuant to which the Disaggregation is effected, then all of Executive's Stock Options shall (I) be extinguished immediately prior to the Disaggregation for such consideration as is provided for in the Disaggregation Documents (but not less than the product of the number of Executive's vested Stock Options multiplied by the difference between the fair market value of Exelon stock immediately prior to the Disaggregation and the option exercise price), or (II) be converted into options to acquire

stock of the Disaggregated Entity or an affiliate thereof on a basis determined by the Company in good faith to preserve economic value.

(B) Extinguished or Converted at Merger. If the Change in Control following the Disaggregation is a Merger, and if so provided in the agreement pursuant to which the Merger is effected, then all of Executive's Company Stock Options that were not extinguished or converted to options to acquire stock in the Disaggregated Entity or an affiliate shall (I) be extinguished immediately prior to the Change in Control for such consideration as is provided for Stock Options of peer executives employed by the Company or an Affiliate, or (II) be converted into options to acquire stock of the corporation resulting from the Merger ("Merger Survivor") or an affiliate thereof, on the same basis as Stock Options of employees of the Company are converted.

(C) Stock Options after the Disaggregation. Executive's unextinguished Stock Options, whether or not they are converted to options for stock of the Disaggregated Entity or Merger Survivor, shall continue to vest and, once vested, shall remain exercisable in accordance with their terms, subject to Section 4.3(b).

(ii) Performance Shares.

(A) Extinguished or Converted at Disaggregation. If so provided in the Disaggregation Documents, all of Executive's Performance Shares shall (I) be extinguished immediately prior to the Disaggregation for such consideration as is provided under the Disaggregation Documents (but no less than the fair market value, immediately prior to the Disaggregation, of a number of Exelon shares equal to the sum of Executive's earned and awarded Performance Shares and the target number of Executive's Performance Shares that have not yet been earned and awarded), or (II) shall be converted into performance shares with respect to the Disaggregated Entity or an affiliate (on a basis determined by the Company in good faith to preserve economic value for the Executive).

(B) Extinguished or Converted at Merger. If the Change in Control following the Disaggregation is a Merger, and if so provided in the agreement pursuant to which the Merger is effected, then all of Executive's Performance Shares that were not extinguished or converted to performance shares of the Disaggregated Entity or an affiliate shall (I) be extinguished immediately prior to the Change in Control for such consideration as is provided for Performance Shares of peer executives

employed by the Company or an Affiliate, or (II) be converted into performance shares of the Merger Survivor or an affiliate thereof, on the same basis as Performance Shares of employees of the Company are converted.

(C) Performance Shares after the Disaggregation. Executive's unextinguished Performance Shares, whether or not they are converted into performance shares of the Disaggregated Entity or Merger Survivor, will continue to vest during the Post-Disaggregation Period, subject to Section 4.3(c).

(iii) Restricted Stock.

(A) Extinguished or Converted at Disaggregation. If so provided in the Disaggregation Documents, all of Executive's Restricted Stock shall (I) be extinguished immediately prior to the Disaggregation for an amount equal to the fair market value of an equal number of shares of Exelon common stock, or (II) shall be converted into restricted stock of the Disaggregated Entity or an affiliate (on a basis determined by the Company in good faith to preserve economic value for the Executive).

(B) Extinguished or Converted at Merger. If the Change in Control following the Disaggregation is a Merger, and if so provided in the agreement pursuant to which the Merger is effected, then all of Executive's Restricted Stock that was not extinguished or converted to restricted stock of the Disaggregated Entity or an affiliate shall (I) be extinguished immediately prior to the Change in Control for such consideration as is provided for Restricted Stock of peer executives employed by the Company or an Affiliate, or (II) be converted into restricted stock of the Merger Survivor or an affiliate thereof, and such converted restricted stock will continue to vest during the Post-Disaggregation Period prior to the Termination Date.

(C) Restricted Stock after the Disaggregation. Executive's unextinguished Restricted Stock, whether or not converted to restricted stock of the Disaggregated Entity or Merger Survivor, will continue to vest during the Post-Disaggregation Period, subject to Section 4.3(d).

ARTICLE III.

TERMINATION OF EMPLOYMENT

3.1 Disability.

(a) During the Agreement Term, the Employer (or, if applicable, the Disaggregated Entity) may terminate Executive's employment at any time because of

Executive's Disability by giving Executive or his legal representative, as applicable, (i) written notice in accordance with Section 11.8 of the Company's intention to terminate Executive's employment pursuant to this Section and (ii) a certification of Executive's Disability by a physician selected by the Employer or its insurers, subject to the reasonable consent of Executive or Executive's legal representative, which consent shall not be unreasonably withheld or delayed. Executive's employment shall terminate effective on the 30th day after Executive's receipt of such notice (which such 30th day shall be deemed to be the "Disability Effective Date") unless, before such 30th day, Executive shall have resumed the full-time performance of Executive's duties.

(b) "Disability" means any medically determinable physical or mental impairment that has lasted for a continuous period of not less than six months and can be expected to be permanent or of indefinite duration, and that renders Executive unable to perform the duties required under this Agreement.

3.2 Death. Executive's employment shall terminate automatically upon Executive's death during the Agreement Term.

3.3 Termination by the Company for Cause.

(a) Termination for Cause During the Post-Change Period and Post-Disaggregation Period. During the Post-Change Period, the Company may terminate Executive's employment (or cause Executive's employment to be terminated) for Cause solely in accordance with all of the substantive and procedural provisions of this Section 3.3(a).

(i) Definition of Cause. For a Termination of Employment for Cause for which the Notice of Termination is given during the Post-Change Period or the Post-Disaggregation Period, "Cause" means any one or more of the following:

(1) the Executive's willful commission of acts or omissions which have, have had, or are likely to have a material adverse effect on the business, operations, financial condition or reputation of the Company or an Affiliate;

(2) the Executive's conviction (including a plea of guilty or nolo contendere) of a felony or any crime of fraud, theft, dishonesty or moral turpitude; or

(3) the Executive's material violation of any statutory or common law duty of loyalty to the Company or an Affiliate.

For purposes of this Section, no act, or failure to act, on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the chief executive officer or a senior officer of the Company other than Executive, or based upon the advice of counsel for the

Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company.

(ii) Procedural Requirements for Termination for Cause. The Executive's Termination of Employment shall not be deemed to be for Cause under this Section 3.3(a) unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than 60% of the entire membership of the Board at a meeting of such Board called and held for such purpose (after reasonable written notice of such meeting is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive's acts, or failure to act, constitutes Cause and specifying the particulars thereof in detail.

(iii) Post-Disaggregation Period. In the event Executive's Termination of Employment is from a Disaggregated Entity in a Post-Disaggregation Period, the definition of Cause and the procedural requirements for termination for Cause in this Section 3.3(a) shall be applied by substituting "Disaggregated Entity" for "Company," "affiliate of the Disaggregated Entity" for "Affiliate," and "Disaggregated Entity's Board" for "Board." Further, the Company shall have no obligation to provide payments or benefits under Section 4.3 if the Board determines that the Company could have terminated Executive's employment for Cause as defined above in Section 3.3(a)(i)(1), if the Executive had been employed by the Company, such determination by the Board to be made as provided in Section 3.3(a)(ii) but applying the flush language at the end of Section 3.3(a)(i) by substituting "Disaggregated Entity" for "Company" and the "Disaggregated Entity's Board" for "Board."

(b) Termination for Cause During the Imminent Control Change Period or Post-Significant Acquisition Period. During the Imminent Control Change Period and any Post-Significant Acquisition Period, the Company may terminate Executive's employment (or cause Executive's employment to be terminated) for Cause solely in accordance with all of the substantive and procedural provisions of this Section 3.3(b).

(i) Definition of Cause. For a Termination of Employment for Cause for which the Notice of Termination is given during the Imminent Control Change Period or Post-Significant Acquisition Period, "Cause" means any one or more of the following:

(1) the Executive's willful commission of acts or omissions which have, have had, or are likely to have a material adverse effect on the business, operations, financial condition or reputation of the Company or an Affiliate;

(2) the Executive's conviction (including a plea of guilty or nolo contendere) of a felony or any crime of fraud, theft, dishonesty or moral turpitude;

(3) the Executive's material violation of any statutory or common law duty of loyalty to the Company or an Affiliate; or

(4) Executive's failure to meet objective performance criteria of the position, provided that, in the case of a Termination of Employment during an Imminent Control Change Period (other than after a Disaggregation) this Section 3.3(b)(i)(4) shall be inapplicable if the Imminent Change in Control culminates in a Change Date.

For purposes of this Section, no act, or failure to act, on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the chief executive officer or a senior officer of the Company other than Executive, or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company.

(ii) Procedural Requirements for Termination for Cause. The Executive's Termination of Employment shall not be deemed to be for Cause under this Section 3.3(b) unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board, finding that the Executive's acts or failure to act, constitute Cause and specifying the particulars thereof in detail. Executive shall receive advance notice of such vote of the Board, but shall not have the right to appear in person or by counsel before the Board.

3.4 Termination by the Executive for Good Reason. During the Post-Change Period, an Imminent Control Change Period, a Post-Significant Acquisition Period or Post-Disaggregation Period, Executive may terminate his or her employment for Good Reason in accordance with the substantive and procedural provisions of this Section 3.4.

(a) Definition of Good Reason. For purposes of this Section 3.4(a), and subject to the provisions of subsections (b) through (e), "Good Reason" means the occurrence of any one or more of the following actions or omissions prior to the Termination Date during the Post-Change Period, the Imminent Control Change Period, the Post-Significant Acquisition Period or the Post-Disaggregation Period:

(i) a material adverse reduction in the nature or scope of the Executive's office, position, duties, functions, responsibilities or authority (other than in a Post-Significant Acquisition Period);

(ii) a material reduction of the Executive's salary, incentive compensation or aggregate benefits unless such reduction is part of a policy, program or arrangement applicable to peer executives of the Company and of any successor entity;

(iii) the failure of any successor to the Company to assume this Agreement;

(iv) a relocation (other than in a Post-Significant Acquisition Period), of more than 50 miles of (i) the Executive's workplace, or (ii) the principal offices of the Company or its successor (if such offices are the Executive's workplace), in each case without the consent of the Executive; provided, however, in both cases of (i) and (ii) of this Section 3.4(a), such new location is farther from Executive's residence that the prior location;

(v) a requirement (other than in a Post-Significant Acquisition Period) of the greater of (i) more than 24 days of travel per year, or (ii) at least 20% more business travel than was required of the Executive prior to the Applicable Trigger Date;

(vi) any failure by the Company to comply with any of the provisions of Sections 2.7, 2.8 and 2.9 of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive; or

(vii) a material breach of this Agreement by the Company or its successor;

provided that the occurrence of a Disaggregation shall not be Good Reason if the Executive retains substantially the same position (determined without regard to reporting requirements) with the Disaggregated Entity, with substantially the same compensation and benefits in the aggregate, as immediately prior to such Disaggregation, notwithstanding Sections 3.4(a)(i), 3.4(a)(ii) and 3.4(a)(vi).

(b) Application of "Good Reason" Definition During the Imminent Control Change Period. During the Imminent Control Change Period, "Good Reason" shall not include the events or conditions described in Section 3.4(a)(i), 3.4(a)(iv) or 3.4(a)(v) unless the Imminent Control Change Period culminates in a Change Date. Further, if Executive's Termination of Employment occurs during an Imminent Control Change Period that culminates in a Change Date, then, except as provided in Section 3.4(c), the definition of "Good Reason" shall be applied as though Sections 2.1, 2.6(a), 2.7(a) and 2.8(a) were applicable during the Imminent Control Change Period prior to the Executive's Termination of Employment.

(c) Special Conditions Relating to Good Reason During the Post-Disaggregation Period. If Executive retains substantially the same position with the Disaggregated Entity as immediately prior to the Disaggregation (determined without regard to reporting requirements), then (1) Section 3.4(a)(i) shall apply only with respect to the Executive's office, duties, functions, responsibilities or authority as in effect at the Disaggregated Entity on the day following the Disaggregation, (2) subsections 3.4(a)(iv) and 3.4(a)(v) shall apply only with respect to relocations or travel required more than 60 days after the Disaggregation and shall be applied by substituting "Disaggregated Entity"

for "any successor to the Company", and (3) all references in Section 3.4 to the Company or its successor shall be to the Disaggregated Entity or its successor.

(d) Limitations on Good Reason. Notwithstanding the foregoing provisions of this Section 3.4, no act or omission shall constitute a material breach of this Agreement by the Company, nor grounds for "Good Reason":

(i) unless the Executive gives the Company and the Employer 30 days' prior notice of such act or omission and the Company fails to cure such act or omission within the 30-day period;

(ii) if the Executive first acquired knowledge of such act or omission more than 12 months before the Executive gives the Company and the Employer such notice; or

(iii) if the Executive has consented in writing to such act or omission in a document that makes specific reference to this Section.

(e) Notice by Executive. In the event of any Termination of Employment by Executive for Good Reason, Executive shall as soon as practicable thereafter notify the Company and the Employer (and Disaggregated Entity, if applicable) of the events constituting such Good Reason by a Notice of Termination. Subject to the limitations in Section 3.4(d), a delay in the delivery of such Notice of Termination shall not waive any right of Executive under this Agreement.

ARTICLE IV.

COMPANY'S OBLIGATIONS UPON CERTAIN TERMINATIONS OF EMPLOYMENT

4.1 Termination During the Post-Change Period or Post-Significant Acquisition Period. If, during the Post-Change Period or Post-Significant Acquisition Period (other than any portion of any such periods that are also a Post-Disaggregation Period), the Employer terminates Executive's employment other than for Cause or Disability, or Executive terminates employment for Good Reason, the Company's sole obligations to Executive under Articles II and IV shall be as set forth in this Section 4.1.

(a) Termination during the Post-Change Period or Post-Significant Acquisition Period: Severance Payments. The Company shall pay or provide Executive, according to the payment terms set forth in Section 4.4 below, the following:

(i) Accrued Obligations. All Accrued Obligations;

(ii) Annual Incentive for Year of Termination. An amount equal to the Target Incentive applicable to the Executive under the Incentive Plan for the performance period in which the Termination Date occurs.

(iii) Deferred Compensation and Non Qualified Defined Contribution Plans. All amounts previously deferred by, or accrued to the benefit of, Executive under the Exelon Corporation Deferred Compensation Plan, the Exelon

Corporation Deferred Stock Plan, or any successor of either of them, or under any non-qualified defined contribution or deferred compensation plan of the Company or an Affiliate (unless Executive has made an irrevocable election in writing, filed with the Company no more than 60 days after the Applicable Trigger Date (or such earlier date as counsel to the Company may deem to be required to avoid constructive receipt of such amounts), and in any event at least 90 days prior to the Termination Date to have such amounts paid under the terms of the Exelon Corporation Deferred Compensation Plan or the Exelon Corporation Deferred Stock Plan, as applicable, or any successor of either (including any elections in effect thereunder)) whether vested or unvested, together with any accrued earnings thereon, to the extent that such amounts and earnings have not been previously paid by the Employer and are not provided under the terms of either such non-qualified plan;

(iv) Pension Enhancements. An amount equal to the positive difference, if any, between

(1) the lump sum value of Executive's benefit under the SERP, calculated as if Executive had

(A) become fully vested in all benefits,

(B) attained as of the Termination Date an age that is [THREE/TWO AND ONE-HALF] years greater than Executive's actual age,

(C) accrued a number of years of service (for purposes of determining the amount of such benefits, entitlement to - but not commencement of - early retirement benefits, and all other purposes of such defined benefit plans) that is [THREE/TWO AND ONE-HALF] years greater than the number of years of service actually accrued by Executive as of the Termination Date and that includes the number of years of service credited to Executive pursuant to [ANY OTHER AGREEMENT BETWEEN THE COMPANY AND THE EXECUTIVE/SPECIFY AGREEMENT], and

(D) received the severance benefits specified in Sections 4.1(a)(ii) and 4.1(a)(vi) as covered compensation in equal monthly installments during the Severance Period,

minus

(2) the aggregate amounts paid or payable to Executive under the SERP.

(v) Unvested Benefits Under Defined Benefit Plan. To the extent not paid pursuant to clause (iii) or (iv) of this Section 4.1(a), an amount equal to the actuarial equivalent present value of the unvested portion of Executive's accounts or accrued benefits under any tax-qualified (under Section 401(a) of the Code)

defined benefit retirement plan maintained by the Employer as of the Termination Date and forfeited by Executive by reason of the Termination of Employment; and

(vi) Multiple of Salary and Severance Incentive. An amount equal to [THREE (3.0)/TWO AND ONE-HALF (2.5)] times the sum of (x) Base Salary plus (y) the Severance Incentive.

(b) Termination during the Post-Change Period or Post-Significant Acquisition Period: Stock Options. Each of the Executive's stock options, stock appreciation rights or similar incentive awards granted under the LTIP ("Stock Options") shall (i) become fully vested, and (ii) remain exercisable until (1) the option expiration date for any such Stock Options granted prior to January 1, 2002 or (2) the fifth anniversary of the Termination Date or, if earlier, the option expiration date for any such Stock Options granted on or after January 1, 2002.

(c) Termination during the Post-Change Period or Post-Significant Acquisition Period: LTIP Vesting. On the Termination Date all of the performance shares, performance units or similar stock incentive awards granted to the Executive under the Exelon Performance Share Program under the LTIP ("Performance Shares") to the extent earned by and awarded to the Executive (i.e. as to which the first year of the performance cycle has elapsed) as of the Termination Date, shall become fully vested at the actual level earned and awarded, and, to the extent not yet earned by and awarded to the Executive (i.e. as to which the first year of the performance cycle has not elapsed) as of the Termination Date, shall become fully vested at the LTIP Target Level.

(d) Termination During the Post-Change Period or Post-Significant Acquisition Period: Other Restricted Stock. All forfeiture conditions that as of the Termination Date are applicable to any deferred stock unit, restricted stock or restricted share units awarded to the Executive by the Company other than under the Exelon Performance Share Program under the LTIP ("Restricted Stock") shall lapse immediately and all such awards will become fully vested, and within ten business days after the Termination Date, the Company shall deliver to Executive all of such shares theretofore held by or on behalf of the Company.

(e) Termination During the Post-Change Period or Post-Significant Acquisition Period: Continuation of Welfare Benefits. During the Severance Period (and continuing through such later date as any Welfare Plan may specify), the Company shall continue to provide (or shall cause the continued provision) to Executive and Executive's family welfare benefits under the Welfare Plans to the same extent as if Executive had remained employed during the Severance Period. Such provision of welfare benefits shall be subject to the following:

(i) In determining benefits applicable under such Welfare Plans, the Executive's annual compensation attributable to base salary and incentives for any plan year or calendar year, as applicable, shall be deemed to be not less than the Executive's Base Salary and Annual Incentive.

(ii) The cost of such welfare benefits to Executive and family under this Section 4.1(e) shall not exceed the cost of such benefits to peer executives who are actively employed after the Termination Date.

(iii) The Executive's rights under this Section 4.1(e) shall be in addition to and not in lieu of any post-termination continuation coverage or conversion rights the Executive may have pursuant to applicable law, including, without limitation, continuation coverage required by Section 4980B of the Code.

(iv) If the Executive has, as of the last day of the Severance Period, attained age 50 and completed at least 10 years of service, the Executive shall be entitled to the retiree benefits provided under any Welfare Plan of the Company; provided, however, that for purposes hereof, any years of credited service granted to the Executive [IN ANY OTHER PLAN OR AGREEMENT BETWEEN EXECUTIVE AND THE COMPANY/SPECIFY AGREEMENT] shall be taken into account. For purposes of determining eligibility for (but not the time of commencement of) such retiree benefits, the Executive shall also be considered (1) to have remained employed until the last day of the Severance Period and to have retired on the last day of such period, and (2) to have attained at least the age the Executive would have attained on the last day of the Severance Period.

Notwithstanding the foregoing, if the Executive obtains a specific type of coverage under welfare plan(s) sponsored by another employer of Executive (e.g. medical, prescription, vision, dental, disability, individual life insurance benefits, group life insurance benefits, but excluding for the purposes of this sentence retiree benefits if Executive is so eligible), then the Company shall not be obligated to provide any such specific type of coverage.

(f) Termination during the Post-Change Period or Post-Significant Acquisition Period: Outplacement. To the extent actually incurred by Executive, the Company shall pay or cause to be paid on behalf of Executive, as incurred, all reasonable fees and costs charged by a nationally recognized outplacement firm selected by the Executive for outplacement services provided up to 12 months after the Termination Date. No cash shall be paid in lieu of such fees and costs.

(g) Termination during the Post-Change Period or Post-Significant Acquisition Period: Indemnification. The Executive shall be indemnified and held harmless by the Company to the greatest extent permitted under applicable law as the same now exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification than was permitted prior to such amendment) and the Company's by-laws as such exist on the Agreement Date if the Executive was, is, or is threatened to be, made a party to any pending, completed or threatened action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or any other proceeding whether civil, criminal, administrative or investigative, and whether formal or informal, by reason of the fact that the Executive is or was, or had agreed to become, a director, officer, employee, agent, or fiduciary of the Company or any other entity which the Executive is or was serving at the request of the Company ("Proceeding"), against all expenses (including all reasonable attorneys' fees) and all claims, damages, liabilities and losses incurred or suffered by the Executive or to which the Executive may become

subject for any reason. A Proceeding shall not include any proceeding to the extent it concerns or relates to a matter described in Section 6.1(a) (concerning reimbursement of certain costs and expenses). Upon receipt from Executive of (i) a written request for an advancement of expenses, which Executive reasonably believes will be subject to indemnification hereunder and (ii) a written undertaking by Executive to repay any such amounts if it shall ultimately be determined that Executive is not entitled to indemnification under this Agreement or otherwise, the Company shall advance such expenses to Executive or pay such expenses for Executive, all in advance of the final disposition of any such matter.

(h) Termination during the Post-Change Period or Post-Significant Acquisition Period: Directors' and Officers' Liability Insurance. For a period of six years after the Termination Date (or for any known longer applicable statute of limitations period), the Company shall provide Executive with coverage under a directors' and officers' liability insurance policy in an amount no less than, and on terms no less favorable than, those provided to senior executive officers and directors of the Company on the Applicable Trigger Date.

4.2 Termination During an Imminent Control Change Period. If, during an Imminent Control Change Period, Executive has a Termination of Employment that would entitle Executive to benefits under the Exelon Corporation Key Management Severance Plan or its successor, then the Company shall, prior to the occurrence of a Change Date, provide Executive any benefits to which Executive may be entitled under the Exelon Corporation Key Management Severance Plan or its successor. If, during an Imminent Control Change Period, the Employer terminates Executive's employment other than for Disability and other than for a reason that would constitute Cause as defined in Section 3.3(b) or if Executive terminates employment for a reason that would constitute Good Reason as defined in Section 3.4(b), then subject to the preceding sentence, unless such Termination of Employment occurred during the Post-Significant Acquisition Period, the Company's sole obligations to Executive under Articles II and IV shall be as set forth in this Section 4.2. The Company's obligations to Executive under this Section 4.2 shall be reduced by any amounts or benefits paid or provided pursuant to the Exelon Corporation Key Management Severance Plan or any successor thereto. If Executive's Termination of Employment occurred during any portion of an Imminent Control Change Period that is also a Post-Significant Acquisition Period, the Company's obligations to Executive, if any, shall be determined under Section 4.1.

(a) Termination During an Imminent Control Change Period: Cash Severance Payments. If the Imminent Control Change Period culminates in a Change Date, the Company shall pay (or cause to be paid) to Executive, a lump-sum cash amount, within thirty business days after the later of the Termination Date or the Change Date, equal to the sum of all amounts described in Section 4.1(a)(i) through (v). The amount described in Section 4.1(a)(vi) shall be paid to Executive as described in Section 4.4, provided that amounts that would have been paid prior to the Change Date shall be paid in a lump sum (without interest) within 30 business days after the Change Date.

(b) Termination During an Imminent Control Change Period: Vested Stock Options. Executive's Stock Options, to the extent vested on the Termination Date,

(i) will not expire (unless such Stock Options would have expired had Executive remained an employee of the Company) during the Imminent Control Change Period; and

(ii) will continue to be exercisable after the Termination Date to the extent provided in the applicable grant agreement or Plan, and thereafter, such Stock Options shall not be exercisable during the Imminent Control Change Period.

If the Imminent Control Change Period lapses without a Change Date, then Executive's Stock Options, to the extent vested on the Termination Date, may be exercised, in whole or in part, during the 30-day period following the lapse of the Imminent Control Change, or, if larger, the period during which Executive's vested Stock Options could otherwise be exercised under the terms of the applicable grant agreement or Plan, (but in no case shall any Stock Options remain exercisable after the date on which such Stock Options would have expired if Executive had remained an employee of the Company).
If the Imminent Control Change Period culminates in a Change Date, then effective upon the Change Date, Executive's Stock Options, to the extent vested on the Termination Date, may be exercised in whole or in part by the Executive at any time until (1) the option expiration date for such Stock Options granted prior to January 1, 2002 or (2) the earlier of the fifth anniversary of the Change Date or the option expiration date for such Stock Options granted on or after January 1, 2002.

(c) Termination During an Imminent Control Change Period: Unvested Stock Options. Executive's Stock Options that are not vested on the Termination Date

(i) will not expire (unless such Stock Options would have expired had Executive remained an employee of the Company) during the Imminent Control Change Period; and

(ii) will not continue to vest and will not be exercisable during the Imminent Control Change Period after the expiration of the period for post-termination exercise under the terms of the applicable Stock Option Agreement.

If the Imminent Control Change lapses without a Change Date, such unvested Stock Options will thereupon expire.

If the Imminent Control Change culminates in a Change Date, then immediately prior to the Change Date, such unvested Stock Options shall become fully vested, and may thereupon be exercised in whole or in part by the Executive at any time until (1) the option expiration date for such Stock Options granted prior to January 1, 2002 or (2) the earlier of the fifth anniversary of the Change Date, or the option expiration date for such Stock Options granted on or after January 1, 2002.

(d) Termination During an Imminent Control Change Period: Performance Shares. Executive's Performance Shares granted under the Exelon Performance Share Program under the LTIP will not be forfeited during the Imminent Control Change Period, and will not continue to vest during the Imminent Control Change Period. If the Imminent Control Change lapses without a Change Date, such Performance Shares shall be governed according to the terms of the Exelon Corporation Key Management Severance Plan. If the Imminent Control Change Period culminates in a Change Date:

(1) All Performance Shares granted to the Executive under the Exelon Performance Share Program under the LTIP, which, as of the Termination Date, have been earned by and awarded to the Executive, shall become fully vested at the actual earned level on the Change Date, and

(2) All of the Performance Shares granted to the Executive under the Exelon Performance Share Program under the LTIP which, as of the Termination Date, have not been earned by and awarded to the Executive shall become fully vested on the Change Date at the LTIP Target Level.

(e) Termination During an Imminent Control Change Period: Restricted Stock. Executive's unvested Restricted Stock will:

(i) not be forfeited during the Imminent Control Change Period; and

(ii) not continue to vest during the Imminent Control Change Period.

If the Imminent Control Change Period lapses without a Change Date, such unvested Restricted Stock shall thereupon be forfeited.

If the Imminent Control Change Period culminates in a Change Date, then immediately prior to the Change Date, Executive's Restricted Stock shall become fully vested, and within ten business days after the Change Date, the Company shall deliver to Executive all of such shares theretofore held by or on behalf of the Company, which will be subject to the same terms which other stockholders of the Company receive in the transaction.

(f) Termination During an Imminent Control Change Period: Continuation of Welfare Benefits. The Company shall continue to provide to Executive and Executive's family welfare benefits (other than any severance pay that may be considered a welfare benefit) during the Imminent Change Period which are at least as favorable as welfare benefits under the most favorable Welfare Plans of the Company applicable with respect to peer executives who are actively employed after the Termination Date and their families; subject to the following:

(i) In determining benefits applicable under such Welfare Plans, the Executive's annual compensation attributable to base salary and incentives for any plan year or calendar year, as applicable, shall be deemed to be not less than the Executive's Base Salary and Annual Incentive;

(ii) The cost of such welfare benefits to Executive and family under this Section 4.2(f) shall not exceed the cost of such benefits to peer executives who are actively employed after the Termination Date.

(iii) Executive's rights under this Section 4.2(f) shall be in addition to and not in lieu of any post-termination continuation coverage or conversion rights the Executive may have pursuant to applicable law, including, without limitation, continuation coverage required by Section 4980B of the Code.

If the Imminent Control Change Period lapses without a Change Date, welfare benefit plan coverage under this Section 4.2(f) shall thereupon cease, subject to Executive's rights, if any, to continued coverage under a Welfare Plan, the Exelon Corporation Key Management Severance Plan, or applicable law. If the Imminent Control Change Period culminates in a Change Date, then for the remainder of the Severance Period (and continuing through such later date as any Welfare Plan may specify), the Company shall continue to provide Executive and Executive's family welfare benefits as described in, and subject to the limitations of Section 4.1(e).

Notwithstanding the foregoing, if the Executive obtains a specific type of coverage under welfare plan(s) sponsored by another employer of Executive (e.g. medical, prescription, vision, dental, disability, individual life insurance benefits, group life insurance benefits, but excluding for the purposes of this sentence retiree benefits if Executive is so eligible), then the Company shall not be obligated to provide such any specific type of coverage.

(g) Termination During an Imminent Control Change Period: Outplacement. To the extent actually incurred by Executive, the Company shall pay or cause to be paid on behalf of Executive, as incurred, all reasonable fees and costs charged by a nationally recognized outplacement firm selected by the Executive for outplacement services provided up to 12 months after the Termination Date. No cash shall be paid in lieu of such fees and costs.

(h) Termination During an Imminent Control Change Period: Indemnification. The Executive shall be indemnified and held harmless by the Company to the same extent as provided in Section 4.1(g), but only during the Imminent Control Change Period (or greater period provided under the Company's by-laws) if the Imminent Control Change Period lapses without a Change Date.

(i) Termination During an Imminent Control Change Period: Directors' and Officers' Liability Insurance. The Company shall provide the same level of directors' and officers' liability insurance for Executive as provided in Section 4.1(h), but only during the Imminent Control Change Period (or greater period provided under the Company's by-laws) if the Imminent Control Change Period lapses without a Change Date.

4.3 Termination During a Post-Disaggregation Period. If, during a Post-Disaggregation Period, the Disaggregated Entity terminates Executive's employment other than for Cause or Disability, or if Executive terminates employment for Good Reason, the Company's sole obligations to Executive under Articles II and IV shall be as set forth in this Section 4.3, subject to Section 3.3(a)(iii), but only to the extent not provided by the Disaggregated Entity.

(a) Termination During a Post-Disaggregation Period: Cash Severance Payments. The Company shall pay Executive the amounts described in Section 4.1(a), as provided in Section 4.4.

(b) Termination During a Post-Disaggregation Period: Stock Options. All of Executive's Stock Options granted that have not expired, whether or not converted to options or stock of the Disaggregated Entity or Merger Survivor, shall be fully vested, and may be exercised in whole or in part by the Executive at any time until (1) the remaining option expiration date for such Stock Options granted prior to January 1, 2002 and (2) the earlier of the fifth anniversary of the Termination Date or the option expiration date for such Stock Options granted on or after January 1, 2002.

(c) Termination During a Post-Disaggregation Period: Performance Shares. Executive's Performance Shares granted prior to the Disaggregation, whether or not earned by and awarded to the Executive as of the Disaggregation, and whether or not converted to performance shares of the Disaggregated Entity or the Merger Survivor, shall become fully vested (at the earned level for Performance Shares earned and awarded, and at the target level for any converted performance shares not yet earned and awarded) on the Termination Date.

(d) Termination During a Post-Disaggregation Period: Restricted Stock. Executive's unvested Restricted Stock, whether or not converted to restricted stock of the Disaggregated Entity or Merger Survivor, shall become fully vested on the Termination Date.

(e) Termination During a Post-Disaggregation Period: Continuation of Welfare Benefits. Until the end of the Severance Period, the Company shall continue to provide to Executive and Executive's family welfare benefits with the same rights in relation to continuation coverage, status in relation to other employer benefits, scope and cost as described in Section 4.1(e); provided that, to the extent Executive is eligible for post-termination continuation coverage under the plans of the Disaggregated Entity, whether pursuant to Section 4980B of the Code or otherwise, the continued coverage required hereunder shall be provided under the plans of the Disaggregated Entity (and the Company shall reimburse the cost to Executive of such coverage).

(f) Termination During a Post-Disaggregation Period: Outplacement. To the extent actually incurred by Executive, the Company shall pay or cause to be paid on behalf of Executive, as incurred, all reasonable fees and costs charged by a nationally recognized outplacement firm selected by the Executive for outplacement services provided up to 12 months after the Termination Date. No cash shall be paid in lieu of such fees and costs.

(g) Termination During a Post-Disaggregation Period: Indemnification. The Executive shall be indemnified and held harmless by the Company to the same extent as provided in Section 4.1(g).

(h) Termination During a Post-Disaggregation Period: Directors' and Officers' Liability Insurance. The Company shall provide Executive with directors' and officers' liability insurance to the same extent as provided in Section 4.1(h).

4.4 Timing of Severance Payments. Unless otherwise specified herein, the amounts described in Sections 4.1(a)(i), (ii), (iii), (iv) and (v) shall be paid within 30 business days of the Termination Date. The severance payments described in Section 4.1(a)(vi) shall be paid as follows:

(a) Beginning no later than the second paydate which occurs after the Termination Date, the Company shall make periodic payments to the Executive according to the Company's normal payroll practices at a monthly rate equal to 1/12 of the sum of (i) the Executive's Base Salary in effect as of the Termination Date plus (ii) the Severance Incentive; and

(b) Within 30 business days of the second anniversary of the Termination Date, the Company shall pay Executive a cash lump sum equal to the difference between the total Severance Payment less the total amount paid pursuant to normal payroll practices under Section 4.4(a).

4.5 Waiver and Release. Notwithstanding anything herein to the contrary, the Company shall have no obligation to Executive under Article IV or Article V unless and until Executive executes a release and waiver of Company and its Affiliates, in substantially the same form as attached hereto as Exhibit A, or as otherwise mutually acceptable.

4.6 Breach of Covenants. If a court determines that Executive has breached any non-competition, non-solicitation, confidential information or intellectual property covenant entered into between Executive and Company, the Company shall not be obligated to pay or provide any severance or benefits under Articles IV or V, all unexercised Stock Options shall terminate as of the date of the breach, and all Restricted Stock shall be forfeited as of the date of the breach.

4.7 Termination by the Company for Cause. If the Company (or Affiliate or, if applicable, the Disaggregated Entity) terminates Executive's employment for Cause during the Post-Change Period, the Imminent Control Change Period, the Post-Significant Acquisition Period, or the Post-Disaggregation Period, the Company's sole obligation to Executive under Articles II, IV, and V shall be to pay Executive, pursuant to the Company's then-effective Plans, a lump-sum cash amount equal to all Accrued Obligations determined as of the Termination Date. The remaining applicable provisions of this Agreement (including the restrictive covenants in Article IX) shall continue to apply.

4.8 Termination by Executive Other Than for Good Reason. If Executive elects to retire or otherwise terminate employment during the Post-Change Period, the Imminent Control Change Period, the Post-Significant Acquisition Period, or the Post-Disaggregation Period, other than for Good Reason, Disability or death, the Company's sole obligation to Executive under Articles II, IV, and V shall be to pay Executive, pursuant to the Company's then-effective Plans, a lump-sum cash amount equal to all Accrued Obligations determined as of the Termination Date. The remaining provisions of this Agreement (including the restrictive covenants in Article IX) shall continue to apply.

4.9 Termination by the Company for Disability. If the Company (or Disaggregated Entity, if applicable) terminates Executive's employment by reason of Executive's Disability during the Post-Change Period, Imminent Control Change Period that culminates in a Change Date, Post-Significant Acquisition Period or Post-Disaggregation Period, the Company's sole

obligation to Executive under Articles II, IV, and V shall be as follows, and such obligation shall be reduced by amounts paid or provided by the Disaggregated Entity:

(a) to pay Executive, a lump-sum cash amount equal to the sum of amounts specified in Section 4.1(a)(i), (ii) and (iii) determined as of the Termination Date, and

(b) to provide Executive disability and other benefits after the Termination Date that are not less than the most favorable of such benefits then available under Plans of the Company to disabled peer executives of the Company in effect immediately before the Termination Date.

The remaining provisions of this Agreement (including the restrictive covenants in Article IX) shall continue to apply.

4.10 Upon Death. If Executive's employment is terminated by reason of Executive's death during the Post-Change Period, Imminent Control Change Period that culminates in a Change Date, Post-Significant Acquisition Period or Post-Disaggregation Period, the Company's sole obligations to Executive and Executive's Beneficiary under Articles II, IV, and V shall be as follows, and such obligation shall be reduced by amounts paid or provided by the Disaggregated Entity:

(a) to pay Executive's Beneficiary, pursuant to the Company's then-effective Plans, a lump-sum cash amount equal to all Accrued Obligations; and

(b) to provide Executive's Beneficiary survivor and other benefits that are not less than the most favorable of such benefits then available under Plans of the Company to surviving families of peer executives of the Company in effect immediately before the Executive's death, [TAKING INTO ACCOUNT THE YEARS, IF ANY, OF CREDITED SERVICE GRANTED TO THE EXECUTIVE UNDER][CUSTOMIZE WITH SPECIFIC PROVISIONS FOR RETIREE/SURVIVOR COVERAGE.]

4.11 Sole and Exclusive Obligations. The obligations of the Company under this Agreement with respect to any Termination of Employment of the Executive during the Post-Change Period, Imminent Control Change Period, Post-Significant Acquisition Period, or Post-Disaggregation Period shall, except as provided in Section 4.2, supersede any severance obligations of the Company in any other Plan of the Company or agreement between Executive and the Company, including, without limitations, the Exelon Corporation Key Management Severance Plan or any other Plan or agreement (including an offer of employment or employment contract) of the Company or any Affiliates which provides for severance benefits. In the event of any inconsistency, ambiguity or conflict between the terms of such other Plan of the Company or agreement between Executive and the Company and this Agreement with respect to any severance obligations of the Company (other than obligations with respect to credited service under the SERP in any agreement), this Agreement shall govern.

ARTICLE V.

CERTAIN ADDITIONAL PAYMENTS BY THE COMPANY

5.1 Gross-Up Payment. If at any time or from time to time, it shall be determined by the Company's independent auditors that any payment or other benefit to Executive pursuant to Article II or Article IV of this Agreement or otherwise ("Potential Parachute Payment") is or will become subject to the excise tax imposed by Section 4999 of the Code or any similar tax payable under any United States federal, state, local, foreign or other law ("Excise Taxes"), then the Company shall, subject to Section 5.2, pay or cause to be paid a tax gross-up payment ("Gross-Up Payment") with respect to all such Excise Taxes and other Taxes on the Gross-Up Payment. The Gross-Up Payment shall be an amount equal to the product of

(a) The amount of the Excise Taxes (calculated at the effective marginal rates of all federal, state, local, foreign or other law),

multiplied by

(b) A fraction (the "Gross-Up Multiple"), the numerator or which is one (1.0), and the denominator of which is one (1.0) minus the lesser of (i) the sum, expressed as a decimal fraction, of the effective marginal rates of any Taxes and any Excise Taxes applicable to the Gross-Up Payment or (ii) .80, it being intended that the Gross-Up Multiple shall in no event exceed five (5.0). If different rates of tax are applicable to various portions of a Gross-Up Payment, the weighted average of such rates shall be used. For purposes of this Section, Executive shall be deemed to be subject to the highest effective marginal rate of Taxes.

The Gross-Up Payment is intended to compensate Executive for all such Excise Taxes and any other Taxes payable by Executive with respect to the Gross-Up Payment. The Company shall pay or cause to be paid the Gross-Up Payment to Executive within thirty (30) days of the calculation of such amount, but in no event after the Executive makes payment to the IRS of such Excise Taxes.

5.2 Limitation on Gross-Up Payments.

(a) To the extent possible, any payments or other benefits to Executive pursuant to Article II and Article IV of this Agreement shall be allocated as consideration for Executive's entry into the covenants of Article IX.

(b) Notwithstanding any other provision of this Article V, if the aggregate amount of the Potential Parachute Payments that, but for this Section 5.2, would be payable to Executive, does not exceed 110% of Floor Amount (as defined below), then no Gross-Up Payment shall be made to Executive and the aggregate amount of Potential Parachute Payments payable to Executive shall be reduced (but not below the Floor Amount) to the largest amount which would both (i) not cause any Excise Tax to be payable by Executive and (ii) not cause any Potential Parachute Payments to become nondeductible by the Company by reason of Section 280G of the Code (or any successor provision). For purposes of the preceding sentence, "Floor Amount" means the greatest

pre-tax amount of Potential Parachute Payments that could be paid to Executive without causing Executive to become liable for any Excise Taxes in connection therewith.

5.3 Additional Gross-up Amounts. If, for any reason (whether pursuant to subsequently enacted provisions of the Code, final regulations or published rulings of the IRS, or a final judgment of a court of competent jurisdiction) the Company's independent auditors later determine that the amount of Excise Taxes payable by Executive is greater than the amount initially determined pursuant to Section 5.1, then the Company shall, subject to Sections 5.2 and 5.4, pay Executive, within thirty (30) days of such determination, or pay to the IRS as required by applicable law, an amount (which shall also be deemed a Gross-Up Payment) equal to the product of:

(a) the sum of (i) such additional Excise Taxes and (ii) any interest, penalties, expenses or other costs incurred by Executive as a result of having taken a position in accordance with a determination made pursuant to Section 5.1 or 5.4,

multiplied by

(b) the Gross-Up Multiple.

5.4 Amount Increased or Contested.

(a) Executive shall notify the Company in writing (an "Executive's Notice") of any claim by the IRS or other taxing authority (an "IRS Claim") that, if successful, would require the payment by Executive of Excise Taxes in respect of Potential Parachute Payments in an amount in excess of the amount of such Excise Taxes determined in accordance with Section 5.1. Executive's Notice shall include the nature and amount of such IRS Claim, the date on which such IRS Claim is due to be paid (the "IRS Claim Deadline"), and a copy of all notices and other documents or correspondence received by Executive in respect of such IRS Claim. Executive shall give the Executive's Notice as soon as practicable, but no later than the earlier of (i) 10 days after Executive first obtains actual knowledge of such IRS Claim or (ii) five days before the IRS Claim Deadline; provided, however, that any failure to give such Executive's Notice shall affect the Company's obligations under this Article only to the extent that the Company is actually prejudiced by such failure. If at least one business day before the IRS Claim Deadline the Company shall:

(i) deliver to Executive a written certificate from the Company's independent auditors ("Company Certificate") to the effect that, notwithstanding the IRS Claim, the amount of Excise Taxes, interest or penalties payable by Executive is either zero or an amount less than the amount specified in the IRS Claim,

(ii) pay to Executive, or to the IRS as required by applicable law, an amount (which shall also be deemed a Gross-Up Payment) equal to difference between the product of (A) amount of Excise Taxes, interest and penalties specified in the Company Certificate, if any, multiplied by (B) the Gross-Up Multiple, less the portion of such product, if any, previously paid to Executive by the Company, and

(iii) direct Executive pursuant to Section 5.4(d) to contest the balance of the IRS Claim,

then Executive shall pay only the amount, if any, of Excise Taxes, interest and penalties specified in the Company Certificate. In no event shall Executive pay an IRS Claim earlier than 30 business days after having given an Executive's Notice to the Company (or, if sooner, the IRS Claim Deadline).

(b) At any time after the payment by Executive of any amount of Excise Taxes, other Taxes or related interest or penalties in respect of Potential Parachute Payments (including any such amount equal to or less than the amount of such Excise Taxes specified in any Company Certificate, or IRS Claim), the Company may in its discretion require Executive to pursue a claim for a refund (a "Refund Claim") of all or any portion of such Excise Taxes, other Taxes, interest or penalties as may be specified by the Company in a written notice to Executive.

(c) If the Company notifies Executive in writing that the Company desires Executive to contest an IRS Claim or to pursue a Refund Claim, Executive shall:

(i) give the Company all information that it reasonably requests in writing from time to time relating to such IRS Claim or Refund Claim, as applicable,

(ii) take such action in connection with such IRS Claim or Refund Claim (as applicable) as the Company reasonably requests in writing from time to time, including accepting legal representation with respect thereto by an attorney selected by the Company, subject to the approval of Executive (which approval shall not be unreasonably withheld or delayed),

(iii) cooperate with the Company in good faith to contest such IRS Claim or pursue such Refund Claim, as applicable,

(iv) permit the Company to participate in any proceedings relating to such IRS Claim or Refund Claim, as applicable, and

(v) contest such IRS Claim or prosecute Refund Claim (as applicable) to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company may from time to time determine in its discretion.

The Company shall control all proceedings in connection with such IRS Claim or Refund Claim (as applicable) and in its discretion may cause Executive to pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the Internal Revenue Service or other taxing authority in respect of such IRS Claim or Refund Claim (as applicable); provided that (i) any extension of the statute of limitations relating to payment of taxes for the taxable year of Executive relating to the IRS Claim is limited solely to such IRS Claim, (ii) the Company's control of the IRS Claim or Refund Claim (as applicable) shall be limited to issues with respect to which a Gross-Up Payment

would be payable, and (iii) Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or other taxing authority.

(d) The Company may at any time in its discretion direct Executive to (i) contest the IRS Claim in any lawful manner or (ii) pay the amount specified in an IRS Claim and pursue a Refund Claim; provided, however, that if the Company directs Executive to pay an IRS Claim and pursue a Refund Claim, the Company shall advance the amount of such payment to Executive on an interest-free basis and shall indemnify Executive, on an after-tax basis, for any Excise Tax or income tax, including related interest or penalties, imposed with respect to such advance.

(e) The Company shall pay directly all legal, accounting and other costs and expenses (including additional interest and penalties) incurred by the Company or Executive in connection with any IRS Claim or Refund Claim, as applicable, and shall indemnify Executive, on an after-tax basis, for any Excise Tax or income tax, including related interest and penalties, imposed as a result of such payment of costs and expenses.

5.5 Refunds. If, after the receipt by Executive or the IRS of any payment or advance of Excise Taxes or other Taxes by the Company pursuant to this Article, Executive receives any refund with respect to such Excise Taxes, Executive shall (subject to the Company's complying with any applicable requirements of Section 5.4) promptly pay the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by Executive of an amount advanced by the Company pursuant to Section 5.4 or receipt by the IRS of an amount paid by the Company on behalf of the Executive pursuant to Section 5.4, a determination is made that Executive shall not be entitled to any refund with respect to such claim and the Company does not notify Executive in writing of its intent to contest such determination within 30 days after the Company receives written notice of such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid. Any contest of a denial of refund shall be controlled by Section 5.4(d).

ARTICLE VI.

EXPENSES, INTEREST AND DISPUTE RESOLUTION

6.1 Enforcement and Late Payments.

(a) If, after the Agreement Date, Executive incurs reasonable legal fees or other expenses (including arbitration costs and expenses under Section 6.3) in an effort to secure, preserve, or obtain benefits under this Agreement, the Company shall, regardless of the outcome of such effort, reimburse Executive (in accordance with Section 6.1(b)) for such fees and expenses.

(b) Reimbursement of legal fees and expenses and gross-up payments shall be made on a current basis, promptly after Executive's written submission of a request for reimbursement together with evidence that such fees and expenses were incurred.

(c) If Executive does not prevail (after exhaustion of all available judicial remedies) in respect of a claim by Executive or by the Company hereunder, and the

Company establishes before a court of competent jurisdiction by clear and convincing evidence that Executive had no reasonable basis for Executive's claim hereunder, or for Executive's response to the Company's claim hereunder, or that Executive acted in bad faith, no further reimbursement for legal fees and expenses shall be due to Executive in respect of such claim and Executive shall refund any amounts previously reimbursed hereunder with respect to such claim.

6.2 Interest. If the Company does not pay any cash amount due to Executive under this Agreement within three business days after such amount first became due and owing, interest shall accrue on such amount from the date it became due and owing until the date of payment at an annual rate equal to 200 basis points above the base commercial lending rate published in The Wall Street Journal in effect from time to time during the period of such nonpayment; provided that the Executive shall not be entitled to interest on any Gross-Up Payment.

6.3 Arbitration. Any dispute, controversy or claim between the parties hereto arising out of or in connection with or relating to this Agreement (other than disputes related to Article V or to an alleged breach of the covenant contained in Article IX) or any breach or alleged breach thereof, or any benefit or alleged benefit hereunder, shall be settled by arbitration in Chicago, Illinois, before an impartial arbitrator pursuant to the rules and regulations of the American Arbitration Association ("AAA") pertaining to the arbitration of labor disputes. Either party may invoke the right to arbitration. The arbitrator shall be selected by means of the parties striking alternatively from a panel of seven arbitrators supplied by the Chicago office of AAA. The arbitrator shall have the authority to interpret and apply the provisions of this Agreement, consistent with Section 11.11 below. The decision of the arbitrator shall be final and binding upon the parties and a judgment thereon may be entered in the highest court of a forum, state or federal, having jurisdiction. The expenses of the arbitration shall be borne according to Section 6.1. No arbitration shall be commenced after the date when institution of legal or equitable proceedings based upon such subject matter would be barred by the applicable statutes of limitations. Notwithstanding anything to the contrary contained in this Section 6.3 or elsewhere in this Agreement, either party may bring an action in the District Court of Cook County, or the United States District Court for the Northern District of Illinois, if jurisdiction there lies, in order to maintain the status quo ante of the parties. The "status quo ante" is defined as the last peaceable, uncontested status between the parties. However, neither the party bringing the action nor the party defending the action thereby waives its right to arbitration of any dispute, controversy or claim arising out of or in connection or relating to this Agreement. Notwithstanding anything to the contrary contained in this Section 6.3 or elsewhere in this Agreement, either party may seek relief in the form of specific performance, injunctive or other equitable relief in order to enforce the decision of the arbitrator. The parties agree that in any arbitration commenced pursuant to this Agreement, the parties shall be entitled to such discovery (including depositions, requests for the production of documents and interrogatories) as would be available in a federal district court pursuant to Rules 26 through 37 of the Federal Rules of Civil Procedure. In the event that either party fails to comply with its discovery obligations hereunder, the arbitrator shall have full power and authority to compel disclosure or impose sanctions to the full extent of Rule 37 of the Federal Rules of Civil Procedure.

ARTICLE VII.

NO ADVERSE EFFECT ON POOLING OF INTERESTS

Any benefits provided to the Executive under this Agreement may be reduced or eliminated to the extent necessary, in the reasonable judgment of the Board, to enable the Company to account for a merger, consolidation or similar transaction as a pooling of interests; provided that (i) the Board shall have exercised such judgment and given the Executive written notice thereof prior to the Change Date and (ii) the determination of the Board shall be supported by a written certificate of the Company's independent auditors, a copy of which shall be provided to the Executive before the Change Date.

ARTICLE VIII.

NO SET-OFF OR MITIGATION

8.1 No Set-off by Company. Executive's right to receive when due the payments and other benefits provided for under this Agreement is absolute, unconditional and subject to no setoff, counterclaim or legal or equitable defense. Time is of the essence in the performance by the Company of its obligations under this Agreement. Any claim which the Company may have against Executive, whether for a breach of this Agreement or otherwise, shall be brought in a separate action or proceeding and not as part of any action or proceeding brought by Executive to enforce any rights against the Company under this Agreement.

8.2 No Mitigation. Executive shall not have any duty to mitigate the amounts payable by the Company under this Agreement by seeking new employment or self-employment following termination. Except as specifically otherwise provided in this Agreement, all amounts payable pursuant to this Agreement shall be paid without reduction regardless of any amounts of salary, compensation or other amounts which may be paid or payable to Executive as the result of Executive's employment by another employer or self-employment.

ARTICLE IX.

RESTRICTIVE COVENANTS

9.1 Confidential Information. The Executive acknowledges that in the course of performing services for the Companies and Affiliates, he may create (alone or with others), will have or will learn of, have access to and receive Confidential Information. Confidential Information shall not include: (i) information that is or becomes generally known through no fault of Executive; (ii) information received from a third party outside of the Company that was disclosed without a breach of any confidentiality obligation; or (iii) information approved for release by written authorization of the Company. The Executive recognizes that all such Confidential Information is the sole and exclusive property of the Company and its Affiliates or of third parties which the Company or Affiliate is obligated to keep confidential, that it is the Company's policy to keep all such Confidential Information confidential, and that disclosure of Confidential Information would cause damage to the Company and its Affiliates. The Executive agrees that, except as required by the duties of Executive's employment with the Company or any of its Affiliates and except in connection with enforcing the Executive's rights under this

Agreement or if compelled by a court or governmental agency, in each case provided that prior written notice is given to Company, Executive will not, without the consent of Company, willfully disseminate or otherwise disclose, directly or indirectly, any Confidential Information obtained during his employment with the Company or its Affiliates, and will take all necessary precautions to prevent disclosure, to any unauthorized individual or entity inside or outside the Company, and will not use the Confidential Information or permit its use for the benefit of Executive or any other person or entity other than the Company or its Affiliates. These obligations shall continue during and after the termination of Executive's employment (whether or not after a Change in Control, Imminent Control Change, Significant Acquisition or Disaggregation).

9.2 Non-Competition. During the period beginning on the Agreement Date and ending on the second anniversary of the Termination Date, whether or not after a Change in Control, Imminent Control Change, Significant Acquisition or Disaggregation, Executive hereby agrees that without the written consent of the Company Executive shall not at any time, directly or indirectly, in any capacity:

(a) engage or participate in, become employed by, serve as a director of, or render advisory or consulting or other services in connection with, any Competitive Business; provided, however, that after the Termination Date this Section 9.2 shall not preclude Executive from being an employee of, or consultant to, any business unit of a Competitive Business if (i) such business unit does not qualify as a Competitive Business in its own right and (ii) Executive does not have any direct or indirect involvement in, or responsibility for, any operations of such Competitive Business that cause it to qualify as a Competitive Business.

(b) make or retain any financial investment, whether in the form of equity or debt, or own any interest, in any Competitive Business. Nothing in this subsection shall, however, restrict Executive from making an investment in any Competitive Business if such investment does not (i) represent more than 1% of the aggregate market value of the outstanding capital stock or debt (as applicable) of such Competitive Business, (ii) give Executive any right or ability, directly or indirectly, to control or influence the policy decisions or management of such Competitive Business, and (iii) create a conflict of interest between Executive's duties under this Agreement and his interest in such investment.

9.3 Non-Solicitation. During the period beginning on the Agreement Date and ending on the second anniversary of any Termination Date, whether or not after a Change in Control, Imminent Control Change, Significant Acquisition or Disaggregation, Executive shall not, directly or indirectly:

(a) other than in connection with the good-faith performance of his duties as an officer of the Company, cause or attempt to cause any employee or agent of the Company to terminate his or her relationship with the Company;

(b) employ, engage as a consultant or adviser, or solicit the employment or engagement as a consultant or adviser, of any employee or agent of the Company (other than by the Company or its Affiliates), or cause or attempt or cause any Person to do any of the foregoing;

(c) establish (or take preliminary steps to establish) a business with, or cause or attempt to cause others to establish (or take preliminary steps to establish) a business with, any employee or agent of the Company, if such business is or will be a Competitive Business; or

(d) interfere with the relationship of the Company with, or endeavor to entice away from the Company, any Person who or which at any time during the period commencing one year prior to the Termination Date was or is, to the Executive's knowledge, a material customer or material supplier of, or maintained a material business relationship with, the Company.

9.4 Intellectual Property. During the period of Executive's employment with the Company or any Affiliate, and thereafter upon the Company's request, whether or not after a Change in Control, Imminent Control Change, Significant Acquisition or Disaggregation, Executive shall disclose immediately to the Company all ideas, inventions and business plans that he makes, conceives, discovers or develops alone or with others during the course of his employment with the Company or during the one year period following Executive's Termination Date, including any inventions, modifications, discoveries, developments, improvements, computer programs, processes, products or procedures (whether or not protectable upon application by copyright, patent, trademark, trade secret or other proprietary rights) ("Work Product") that: (i) relate to the business of the Company or any customer or supplier to the Company or any of the products or services being developed, manufactured, sold or otherwise provided by the Company or that may be used in relation therewith; or (ii) result from tasks assigned to Executive by the Company; or (iii) result from the use of the premises or personal property (whether tangible or intangible) owned, leased or contracted for by the Company. Executive agrees that any Work Product shall be the property of the Company and, if subject to copyright, shall be considered a "work made for hire" within the meaning of the Copyright Act of 1976, as amended (the "Act"). If and to the extent that any such Work Product is not a "work made for hire" within the meaning of the Act, Executive hereby assigns to the Company all right, title and interest in and to the Work Product, and all copies thereof, and the copyright, patent, trademark, trade secret and all proprietary rights in the Work Product, without further consideration, free from any claim, lien for balance due or rights of retention thereto on the part of Executive.

(a) The Company hereby notifies Executive that the preceding paragraph does not apply to any inventions for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on the Executive's own time, unless: (i) the invention relates (a) to the Company's business, or (b) to the Company's actual or demonstrably anticipated research or development, or (ii) the invention results from any work performed by the Executive for the Company.

(b) Executive agrees that upon disclosure of Work Product to the Company, Executive will, during his employment and at any time thereafter, at the request and cost of the Company, execute all such documents and perform all such acts as the Company or its duly authorized agents may reasonably require: (i) to apply for, obtain and vest in the name of the Company alone (unless the Company otherwise directs) letters patent, copyrights or other analogous protection in any country throughout the world, and when so obtained or vested to renew and restore the same; and (ii) to prosecute or defend any opposition proceedings in respect of such applications and any opposition proceedings or

petitions or applications for revocation of such letters patent, copyright or other analogous protection, or otherwise in respect of the Work Product.

(c) In the event that the Company is unable, after reasonable effort, to secure Executive's execution as provided in subsection (b) above, whether because of Executive's physical or mental incapacity or for any other reason whatsoever, Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as his agent and attorney-in-fact, to act for and on his behalf to execute and file any such application or applications and to do all other lawfully permitted acts to further the prosecution, issuance and protection of letters patent, copyright and other intellectual property protection with the same legal force and effect as if personally executed by Executive.

9.5 Reasonableness of Restrictive Covenants.

(a) Executive acknowledges that the covenants contained in Sections 9.1, 9.2, 9.3 and 9.4 are reasonable in the scope of the activities restricted, the geographic area covered by the restrictions, and the duration of the restrictions, and that such covenants are reasonably necessary to protect the Company's legitimate interests in its Confidential Information and in its relationships with its employees, customers and suppliers. Executive further acknowledges such covenants are essential elements of this Agreement and that, but for such covenants, the Company would not have entered into this Agreement.

(b) The Company and Executive have each consulted with their respective legal counsel and have been advised concerning the reasonableness and propriety of such covenants. Executive acknowledges that his observance of the covenants contained in Sections 9.1, 9.2, 9.3 and 9.4 will not deprive Executive of the ability to earn a livelihood or to support his dependents.

9.6 Right to Injunction; Survival of Undertakings.

(a) In recognition of the confidential nature of the Confidential Information, and in recognition of the necessity of the limited restrictions imposed by Sections 9.1, 9.2, 9.3 and 9.4 the parties agree that it would be impossible to measure solely in money the damages which the Company would suffer if Executive were to breach any of his obligations under such Sections. Executive acknowledges that any breach of any provision of such Sections would irreparably injure the Company. Accordingly, Executive agrees that if he breaches any of the provisions of such Sections, the Company shall be entitled, in addition to any other remedies to which the Company may be entitled under this Agreement or otherwise, to an injunction to be issued by a court of competent jurisdiction, to restrain any breach, or threatened breach, of such provisions, and Executive hereby waives any right to assert any claim or defense that the Company has an adequate remedy at law for any such breach.

(b) If a court determines that any of the covenants included in this Article IX is unenforceable in whole or in part because of such covenant's duration or geographical or other scope, such court shall have the power to modify the duration or scope of such

provision, as the case may be, so as to cause such covenant as so modified to be enforceable.

(c) All of the provisions of this Article IX shall survive any Termination of Employment without regard to (i) the reasons for such termination or (ii) the expiration of the Agreement Term.

(d) The Company shall have no further obligation to pay or provide severance or benefits under Article II, Article IV, or Article V if a court determines that the Executive has breached any covenant in this Article IX.

ARTICLE X.

NON-EXCLUSIVITY OF RIGHTS

10.1 Other Rights. Except as expressly provided in Section 4.11 or elsewhere in this Agreement, this Agreement shall not prevent or limit Executive's continuing or future participation in any benefit, bonus, incentive or other Plans provided by the Company and for which Executive may qualify, nor shall this Agreement limit or otherwise affect such rights as Executive may have under any other agreements with the Company. Amounts which are vested benefits or which Executive is otherwise entitled to receive under any Plan and any other payment or benefit required by law at or after the Termination Date shall be payable in accordance with such Plan or applicable law except as expressly modified by this Agreement.

10.2 No Right to Continued Employment. Nothing in this Agreement shall guarantee the right of Executive to continue in employment, and the Company retains the right to terminate the Executive's employment at any time for any reason or for no reason.

ARTICLE XI.

MISCELLANEOUS

11.1 No Assignability. This Agreement is personal to Executive and without the prior written consent of the Company shall not be assignable by Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Executive's legal representatives.

11.2 Successors. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Any successor to the business or assets of the Company which assumes or agrees to perform this Agreement by operation of law, contract, or otherwise shall be jointly and severally liable with the Company under this Agreement as if such successor were the Company.

11.3 Affiliates. To the extent that immediately prior to the Applicable Trigger Date, the Executive has been on the payroll of, and participated in the incentive or employee benefit

plans of, an Affiliate of the Company, the references to the Company contained in Sections 2.9(a)(i) through (vi) and the other Sections of this Agreement referring to benefits to which the Executive may be entitled shall be read to refer to such Affiliate.

11.4 Payments to Beneficiary. If Executive dies before receiving amounts to which Executive is entitled under this Agreement, such amounts shall be paid in a lump sum to one or more beneficiaries designated in writing by Executive (each, a "Beneficiary"). If none is so designated, the Executive's estate shall be his or her Beneficiary.

11.5 Non-Alienation of Benefits. Benefits payable under this Agreement shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, before actually being received by Executive, and any such attempt to dispose of any right to benefits payable under this Agreement shall be void.

11.6 Severability. If any one or more Articles, Sections or other portions of this Agreement are declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any Article, Section or other portion not so declared to be unlawful or invalid. Any Article, Section or other portion so declared to be unlawful or invalid shall be construed so as to effectuate the terms of such Article, Section or other portion to the fullest extent possible while remaining lawful and valid.

11.7 Amendments. This Agreement shall not be amended or modified except by written instrument executed by the Company and Executive.

11.8 Notices. All notices and other communications under this Agreement shall be in writing and delivered by hand, by nationally-recognized delivery service that promises overnight delivery, or by first-class registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Executive, to Executive at his most recent home address on file with the Company.

If to the Company:

Exelon Corporation
37th Floor
10 S. Dearborn Street
Chicago, Illinois 60690
Attention: S. Gary Snodgrass, Senior Vice President and Chief Human Resources Officer
Facsimile No.: (312) 394-5440

With copy to:

Pamela Baker, Esq.
Sonnenschein Nath & Rosenthal
8000 Sears Tower
Chicago, Illinois 60606
Facsimile No.: (312) 876-7934

or to such other address as either party shall have furnished to the other in writing. Notice and communications shall be effective when actually received by the addressee.

11.9 Joint and Several Liability. The Company and the Subsidiary shall be jointly and severally liable for the obligations of the Company, the Subsidiary, or the Employer hereunder.

11.10 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument.

11.11 Governing Law. This Agreement shall be interpreted and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to its choice of law principles.

11.12 Captions. The captions of this Agreement are not a part of the provisions hereof and shall have no force or effect.

11.13 Number and Gender. Wherever appropriate, the singular shall include the plural, the plural shall include the singular, and the masculine shall include the feminine.

11.14 Tax Withholding. The Company may withhold from any amounts payable under this Agreement or otherwise payable to Executive any Taxes the Company determines to be appropriate under applicable law and may report all such amounts payable to such authority as is required by any applicable law or regulation.

11.15 No Waiver. Executive's failure to insist upon strict compliance with any provision of this Agreement shall not be deemed a waiver of such provision or any other provision of this Agreement. A waiver of any provision of this Agreement shall not be deemed a waiver of any other provision, and any waiver of any default in any such provision shall not be deemed a waiver of any later default thereof or of any other provision.

11.16 Entire Agreement. This Agreement contains the entire understanding of Company and Executive with respect to its subject matter.

IN WITNESS WHEREOF, Executive, Exelon Corporation and __________________ have executed this Change in Control Employment Agreement ________________, 2001.

EXECUTIVE

____

EXELON CORPORATION

By: ____________________________________

Title: ____________________________________

____

By: ____________________________________

Title: ____________________________________

EXHIBIT 10-32

AMENDMENT NUMBER ONE
TO THE
EXELON CORPORATION
SUPPLEMENTAL MANAGEMENT RETIREMENT PLAN

The Exelon Corporation Supplemental Management Retirement Plan (formerly the Commonwealth Edison Company Supplemental Management Retirement Plan) (the "Supplemental Plan") is hereby amended in the following respects:

Article V of the Supplemental Plan is amended, effective with respect to Participants who terminate employment with the Company and its affiliates on or after December 1, 2001, by adding the following text immediately following Section 5.5 thereof:

5.6 Gross-Up Payment for Certain State Income Taxes. In the event it shall be determined that any payment to a Participant or beneficiary pursuant to the terms of this Supplemental Plan that would have been paid under a Qualified Plan but for the Limitations (a "Payment") is subject to state income tax, but that such Payment would not be subject to state income tax if it were paid under such Qualified Plan, then such Participant or beneficiary shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment of all related federal and state income taxes, the Participant or beneficiary retains an amount of the Gross-Up Payment equal to the state income tax imposed upon the Payment. All determinations under this Section 5.6, including whether and when a Gross-Up Payment is required, the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the Committee in its sole discretion. The Committee may, but need not, employ a certified public accountant (which may be the Company's public accounting firm) to assist the Committee in any such determination.

Executed this ____ day of ___________, 2001.

EXELON CORPORATION

By: _______________________________
S. Gary Snodgrass
Senior Vice President and
Chief Human Resources Officer

EXHIBIT 10-34-2

FIRST AMENDMENT TO THE
EXELON CORPORATION
EMPLOYEE STOCK PURCHASE PLAN

The Exelon Corporation Employee Stock Purchase Plan (the "Plan"), originally established as of June 1, 2001, is hereby amended in the following respect:

I

Section 12 of the Plan is amended by deleting the number "5,000,000" from the first sentence thereof and inserting in its place the number "3,000,000".

II

Except as herein amended, the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, Exelon Corporation has caused this instrument to be executed by its duly authorized officer effective as of March 8, 2002.

EXELON CORPORATION

By:______________________________
J. Barry Mitchell
Treasurer

EXHIBIT 10-35

PECO Energy Company
Supplemental Pension Benefit Plan
(As Amended and Restated January 1, 2001)

PECO Energy Company ("PECO" or the "Company") originally established the PECO Energy Company Deferred Compensation and Supplemental Pension Benefit Plan (the "Executive Plan") and the PECO Energy Company Management Group Deferred Compensation and Supplemental Pension Benefits Plan (the "Management Plan"). The outstanding shares of PECO have been exchanged with shares of Exelon Corporation ("Exelon"), causing Exelon to become PECO's parent (the "Share Exchange"). Immediately thereafter, Unicom Corporation merged with and into Exelon (the "Merger"). In connection with the Share Exchange and Merger, Exelon assumed sponsorship of both the Executive Plan and the Management Plan. Effective January 1, 2001, the deferred compensation obligations of both the Executive Plan and the Management Plan were assumed by the [EXELON CORPORATION DEFERRED COMPENSATION PLAN], and the supplemental pension benefit obligations of the Executive Plan and the Management Plan were merged to form this plan (the "Plan").

The purposes of this Plan are to permit the total pension of certain management and executive participants in the PECO Energy Company Service Annuity Plan (the "Service Annuity Plan") to be determined on a basis that is no less favorable than for all other participants in the Service Annuity Plan, to offset the impact of deferrals under certain incentive compensation programs on the pensions of participating employees, and to provide uniform rules and regulations of plan administration.

1. Administration. This Plan shall be administered by the Compensation Committee (the "Committee") of the Board of Directors of Exelon (the "Board"). The Committee shall interpret the Plan; make factual determinations; establish such rules and regulations of plan administration that it deems appropriate; and appoint an administrator to assist the Committee in its responsibilities. The Committee's decisions with respect to the construction, administration and interpretation of the Plan shall be conclusive and binding, unless otherwise determined by the Board. The cost of the plan administration shall be paid by Exelon.

2. Eligibility. Eligibility under the Plan is restricted to key management and executive employees of Exelon or any of its Subsidiaries (as defined below) who are selected by the Committee and participate in the Service Annuity Plan. For purposes of this Plan, "Subsidiary" shall mean a corporation in which Exelon owns, directly or indirectly, at least 50% of the combined voting power of all classes of stock entitled to vote.

3. Supplemental Pension Benefit.

(a) (1) Exelon will supplement a participant's monthly pension or preretirement death benefit payable under the Service Annuity Plan by the amount which is the difference, if any, between such pension or preretirement death benefit and the monthly pension or preretirement death benefit which would have been payable under the Service Annuity Plan as if: (i) the provisions of the Service Annuity Plan were administered without regard to the maximum benefit limitations or the maximum compensation limitations imposed under the Internal Revenue Code of 1986, as amended; (ii) for purposes of calculating the participant's benefit under Section 3.1(a) (the "2% accrued" formula), the participant's salary includes in the year payable (whether or not deferred) the amount of any award under any annual incentive compensation program maintained by Exelon or the Subsidiary employing the participant; (iii) for purposes of calculating the participant's benefit under Section 3.1(b) (the "minimum" formula), the participant's annual base salary includes the amount of any award under any annual incentive

compensation program maintained by Exelon or the Subsidiary employing the participant, whether paid currently or deferred, and in either case imputed ratably over the months worked by the participant in the year earned; and (iv) for purposes of both benefit formulas under the Service Annuity Plan, the participant's salary had not been reduced (whether before or after the Effective Date) in connection with a deferral of cash compensation. In addition, for any participant whose compensation is established by the Board, such supplemental benefit will also reflect the following adjustment: for purposes of calculating the participant's benefit under Section 3.1(b) (the "minimum" formula), the participant's annual base salary shall include the amount of any award under PECO's prior Incentive Compensation Plan, whether paid currently or deferred, and in either case imputed ratably over the months worked by the participant in the year earned. Except as otherwise determined by the Committee, or as otherwise elected by the participant under this Paragraph, supplemental pension and death benefits will be in the same form and paid to the employee (or on his or her behalf, to his or her beneficiaries) in the same manner as payment of retirement and death benefits under the Service Annuity Plan. This supplement shall also reflect to the appropriate extent any post-retirement benefit increases with respect to benefits under the Service Annuity Plan. The supplemental benefit payable under this Plan for any participant identified in an Appendix to this Plan shall be made in the manner set forth herein with such adjustments as are described in such Appendix.

(2) (A) In addition to the supplement described in Paragraph 3(a)(1), Exelon will supplement the monthly pension or preretirement death benefit payable

under the Service Annuity Plan to an `eligible participant' (as defined below) by the amount which is the difference between (i) the sum of such pension or preretirement death benefit, if any, and the supplement payable under Paragraph 3(a)(1), if any, and (ii) the monthly pension or preretirement death benefit which would be payable under the Service Annuity Plan if: (x) for purposes of Sections 3.1(a) and 3.1(b), such participant's aggregate compensation and annual base salary included the amount described in Section 5.1(b) of the participant's change in control agreement and was determined without regard to the maximum benefit limitations or the maximum compensation limitations imposed under sections 415 and 401(a)(17), respectively, of the Internal Revenue Code of 1986, as amended; provided, however, that such amount will be taken into account as if it was earned by the participant uniformly over the `severance period' (as defined below), and (y) for purposes of Section 3.1(b) and Articles IV and V, such participant is deemed to have attained the age he will attain as of the last day of the severance period and completed the number of years (for both vesting and benefit accrual purposes) he would otherwise have completed as of the last day of the severance period.

(B) Except as otherwise determined by the Committee, or as otherwise elected by the participant under this Paragraph, supplemental pension and death benefits will be in the same form and paid to the participant (or on his or her behalf, to his or her beneficiaries) in the same manner as payment of retirement and death benefits under the Service Annuity Plan. Notwithstanding the preceding sentence, an eligible participant may receive the supplement described in Paragraph 3(a)(2) immediately upon his termination of employment in the form of a lump sum or in any other payment form available under the Service Annuity Plan. This supplement will also reflect to the appropriate extent any post-retirement benefit increases with respect to benefits under the Service Annuity Plan.

(C) For purposes of this Paragraph 3(a)(2), the following definitions will apply:

'Eligible participant' means a participant who has entered into a change in control agreement with PECO in contemplation of the merger between PECO and Unicom Corporation (i) whose employment is terminated by PECO during the Employment Period for a reason other than Cause or Disability, or (ii) who terminates his employment during the Employment Period for Good Reason (as those terms are defined in the applicable change in control agreement).

'Severance Period' equals (i) in the case of a senior officer of PECO, 36 months, (ii) in the case of a vice president other than a senior officer of PECO, 24 months, and (iii) in the case of an eligible participant in compensation band D or above, other than a senior officer or vice president of PECO, 18 months.

(b) (1) In any calendar year before the year of retirement but in no event less than ninety days prior to retirement, a participant, while employed by Exelon or any of its Subsidiaries, may elect to receive the present value of all or a portion (in increments of 25%) of the supplemental retirement benefit payable to the participant under Paragraph 3(a) in a lump sum at retirement; provided, however, that no such election shall accelerate the commencement of benefits. Notwithstanding the foregoing, however, a participant who retires from employment with Exelon or any of its Subsidiaries under any early retirement incentive arrangement or non-recurring reduction

in force (including, but not limited to, the 1990 Special Retirement and Service Completion Plan, the 1993 Nuclear Voluntary Retirement Incentive Plan, the 1993 Nuclear Voluntary Separation Plan, the 1993 Nuclear Involuntary Separation Plan, the 1994 Voluntary Retirement Incentive Plan, the 1994 Voluntary Separation Incentive Plan, and the 1998 Workforce Reduction Program) may, prior to separation from service with Exelon or any of its Subsidiaries, make a one-time irrevocable election to receive a lump sum distribution of the present value of all or a portion of the supplemental retirement benefit payable to the participant under Paragraph 3(a) in accordance with the terms of such arrangement or reduction in force and, if such election is approved by Exelon, receive such a distribution upon his or her retirement.

(2) The present value of amounts payable in a lump sum pursuant to this Paragraph 3(b) will be actuarially determined by discounting the expected stream of annuity payments (based upon the life expectancy of the participant and, if applicable, the life expectancy of the participant's beneficiary as provided under the Contingent Annuity Option of the Service Annuity Plan, determined as of the date of payment under the mortality table used in the most recent actuarial analysis of the Service Annuity Plan) at a rate equivalent to the Pension Benefit Guaranty Corporation (PBGC) Immediate Annuity Rate in effect on January 1 of the year of retirement; provided, however, that a lump sum payable pursuant to a lump sum election made prior to June 1, 1993 (even if such election was later modified to apply to a lesser portion of the amount payable) shall be valued using the PBGC Immediate Annuity Rate in effect during the month in which the election is made, if the use of such rate would result in a larger lump sum payment. Such calculation shall reflect the Contingent Annuity Option benefit under

the Service Annuity Plan if the participant otherwise satisfies the conditions for that benefit, but shall not reflect any possible post-retirement benefit increases; provided, however, that, if the participant's Contingent Annuity Option election under the Service Annuity Plan is not irrevocable at the time the lump sum payment is made hereunder, the participant will receive an initial lump sum payment reflecting the Contingent Annuity Option resulting in the smallest lump sum payment from the Plan and, at age 65 (or at the participant's death, if earlier), a payment will be made to the participant (or his or her beneficiary) equal to the balance due the participant (which shall be the present value of the difference between the value of the total pension payable to the participant or beneficiary at such time over the sum of the value of benefits payable to the participant or beneficiary under the Service Annuity Plan and the lump sum previously paid, taking into account the Contingent Annuity Option then in effect, the Contingent Annuity Option in effect between retirement and age 65, and increases in benefit payable under the Service Annuity Plan due to adjustment of Internal Revenue Code limitations, and reflecting the interest rate used to calculate the prior lump sum). The specific calculation methodology and manner of payment, which will be made in a manner acceptable to the Committee, will be applied in a uniform, non-discriminatory fashion.

(c) (1) A participant may elect to have supplemental death benefits under Paragraph 3(a) paid to such beneficiary or beneficiaries as the participant may designate in writing, in the manner specified by the Committee. A change in beneficiary designation may be made at any time until the participant's death, notwithstanding that the form and amount of the benefit may be fixed upon the participant's termination of employment with Exelon or any of its Subsidiaries or other inter vivos determining event.

In the absence of a written beneficiary designation, death benefits will be paid to the beneficiary or beneficiaries entitled to the participant's survivor and death benefits under the Service Annuity Plan.

(2) Should a participant who has made a lump sum election as described in Paragraph 3(b)(1) prior to June 1, 1993 die between the time such election is made and the date payments are scheduled to begin, the present value of supplemental death benefits payable to the participant's beneficiary under Paragraph 3(a) shall be paid in a lump sum to the participant's beneficiary as soon as administratively practicable following the participant's death; provided, however, that the participant has not made a contrary election pursuant to the following sentence. In accordance with procedures prescribed by the Committee, a participant (including a participant described in the preceding sentence), while employed by Exelon or any of its Subsidiaries, may elect, or revoke or change a prior election, to have the present value of all or a portion of the supplemental death benefits payable to the participant's beneficiary under Paragraph 3(a) paid to the beneficiary in a lump sum as soon as administratively practicable following the participant's death; provided, however, that such election, or revocation or change, will not be effective unless made in any calendar year prior to the year in which the participant dies and at least ninety (90) days prior to the date of such participant's death.

(3) The present value of amounts payable in a lump sum pursuant to Paragraph 3(c)(2) will be actuarially determined by discounting the expected stream of annuity payments (based upon the beneficiary's life expectancy determined as of the date of payment under the mortality table used in the most recent actuarial analysis of the Service Annuity Plan) at a rate equivalent to the Pension Benefit Guaranty Corporation

(PBGC) Immediate Annuity Rate in effect on January 1 of the year of the participant's death; provided, however, that a lump sum payable to the beneficiary of a participant who made a lump sum election under this Paragraph 3 prior to June 1, 1993 (even if such election was later modified, or revoked and reinstated, with respect to the participant's beneficiary) shall be valued using the PBGC Immediate Annuity Rate in effect during the month such election was made, if the use of such rate would result in a larger lump sum payment.

4. Amendment or Discontinuance. The Plan may be altered, amended, suspended, or terminated at any time by the Compensation Committee of Exelon.

5. No Right to Continued Employment. The Plan shall not confer upon any person any right to be continued in the employment of Exelon or any of its Subsidiaries.

6. Governing Law. The Plan shall be governed by the law of the Commonwealth of Pennsylvania.

APPENDIX A

Exelon shall supplement the monthly pension or preretirement death benefit payable under the Service Annuity Plan to Edward G. Bauer ("Bauer") and William F. Thompson ("Thompson") or their beneficiaries as follows: The amount of the supplement payable to each shall be the difference, if any, between such pension or preretirement death benefit and the monthly pension or preretirement death benefit which would have been payable to him under the Service Annuity Plan if, in the case of Bauer seven additional years, and in the case of Thompson, six additional years, of past service credits had been credited thereunder and were used to calculate his benefits. This supplement shall be paid under the Plan, and shall also reflect to the appropriate extent any post-retirement benefit increases granted with respect to benefits under the Service Annuity Plan. Supplemental pension and death benefits will be paid in the same form to Bauer and Thompson (or on their behalf, to their beneficiaries) in the same manner as payment of retirement and death benefits under the Service Annuity Plan, except the Committee may, in its sole discretion, accelerate the payment of benefits to a beneficiary. In all other respects, the terms of the Plan shall govern Bauer's and Thompson's benefits provided hereunder.

APPENDIX B

Exelon shall supplement the monthly pension or preretirement death benefit payable under the Service Annuity Plan to Corbin A. McNeill, Jr. in the following manner:

1. If Mr. McNeill's employment with Exelon or any of its Subsidiaries terminates after he has nonforfeitable rights to a pension payable under the Service Annuity Plan, Exelon will supplement Mr. McNeill's pension or, in the case of a pre-retirement death benefit, Mr. McNeill's beneficiary's pension, by the additional amount which would be payable under the Service Annuity Plan if Mr. McNeill's service for purposes of calculating benefits is increased by twenty additional years.

2. Payments authorized under this Resolution shall be in the form and manner provided under Paragraph 3 of the Plan, including any post-retirement benefit increases and settlement options otherwise applicable to payments thereunder.

3. In all other respects, the Plan shall govern Mr. McNeill's benefit provided hereunder.

APPENDIX C

Exelon shall supplement the monthly pension or preretirement death benefit payable under the Service Annuity Plan to Joseph A. Carter and James W. Durham in the following manner:

1. If the employment of Mr. Carter or Mr. Durham with Exelon or any of its subsidiaries terminates after he has nonforfeitable rights to a pension payable under the Service Annuity Plan, Exelon will supplement the individual's pension or, in the case of the pre-retirement death benefit, the individual's beneficiary pension, by the additional amount which would be payable under the Service Annuity Plan if the individual's service for purposes of calculating benefits were supplemented by an additional year of service for each completed year of service, to a maximum of 10 additional years of service.

2. Payments authorized under this Appendix shall be in the form and manner provided under Paragraph 3 of the Plan, including any post-retirement benefit increases and settlement options otherwise applicable to payments thereunder.

3. In all other respects, the Plan shall govern Mr. Carter's and Mr. Durham's benefits provided hereunder.

APPENDIX D

Exelon shall supplement the monthly pension or preretirement death benefit payable under the Service Annuity Plan to William J. Kaschub and Gwendolyn S. King in the following manner:

1. If the employment of Mr. Kaschub or Ms. King with Exelon or any of its Subsidiaries terminates after the individual has nonforfeitable rights to a pension payable under the Service Annuity Plan, Exelon will supplement the individual's pension or, in the case of the pre-retirement death benefit, the pension of the individual's beneficiary, by the additional amount which would be payable under the Service Annuity Plan if the individual's service for purposes of calculating benefits were supplemented by an additional year of service for each completed year of service, to a maximum of 10 additional years of service.

2. Payments authorized under this resolution shall be in the form and manner provided under Paragraph 3 of the Plan, including any post-retirement benefit increases and settlement options otherwise applicable to payments thereunder.

3. In all other respects, the Plan shall remain in full force and effect as to Mr. Kaschub and Ms. King's benefits provided hereunder.

APPENDIX E

Exelon shall supplement the monthly pension or preretirement death benefit payable under the Service Annuity Plan to William L. Bardeen in the following manner:

1. If Mr. Bardeen's employment with Exelon or any of its subsidiaries terminates after he has nonforfeitable rights to a pension payable under the Service Annuity Plan, Exelon will supplement Mr. Bardeen's pension or, in the case of a pre-retirement death benefit, the pension of Mr. Bardeen's beneficiary, by the additional amount which would be payable under the Service Annuity Plan if Mr. Bardeen's service for purposes of calculating benefits is increased by twenty additional years.

2. Payments authorized under this Resolution shall be in the form and manner provided under Paragraph 3 of the Plan, including any post-retirement benefit increases and settlement options otherwise applicable to payments thereunder.

3. In all other respects, the Plan shall govern Mr. Bardeen's benefits provided hereunder.

APPENDIX F

Exelon shall supplement the monthly pension or preretirement death benefit payable under the Service Annuity Plan to Gregory A. Cucchi in the following manner:

1. If Mr. Cucchi's employment with Exelon or any of its subsidiaries terminates after he has nonforfeitable rights to a pension payable under the Service Annuity Plan, Exelon will supplement Mr. Cucchi's pension or, in the case of a pre-retirement death benefit, the pension of Mr. Cucchi's beneficiary, by the additional amount which would be payable under the Service Annuity Plan if Mr. Cucchi's service for purposes of calculating benefits included Mr. Cucchi's service as Chief Executive Officer of Exelon Infrastructure Services, Inc.

2. Payments authorized under this Resolution shall be in the form and manner provided under Paragraph 3 of the Plan, including any post-retirement benefit increases and settlement options otherwise applicable to payments thereunder.

3. In all other respects, the Plan shall govern Mr. Cucchi's benefits provided hereunder.

APPENDIX G

Exelon shall supplement the monthly pension or preretirement death benefit payable under the Service Annuity Plan to James W. Langenbach in the following manner:

1. If Mr. Langenbach's employment with Exelon or any of its subsidiaries terminates before he becomes eligible for a vested pension from the Service Annuity Plan, Exelon will supplement Mr. Langenbach's pension or, in the case of a pre-retirement death benefit, the pension of Mr. Langenbach's beneficiary, by the additional amount which would be payable under the Service Annuity Plan if Mr. Langenbach had been credited with eligibility and vesting service (but not benefit accrual service) under the Service Annuity Plan for such service credited to him under the GPU Companies Employee Pension Plan immediately prior to the date he began employment with PECO.

2. Payments authorized under this Resolution shall be in the form and manner provided under Paragraph 3 of the Plan, including any post-retirement benefit increases and settlement options otherwise applicable to payments thereunder.

3. In all other respects, the Plan shall govern Mr. Langenbach benefits provided hereunder.

EXHIBIT 10-36

EXELON CORPORATION
2001 PERFORMANCE SHARE AWARDS FOR POWER TEAM EMPLOYEES
UNDER THE EXELON CORPORATION LONG TERM INCENTIVE PLAN

Subject to the terms hereof, Exelon Corporation (the "Company") shall grant to each employee described in Section 1 hereof, as of a date not earlier than the Computation Date as defined in Section 4.1 (the "Grant Date"), in accordance with the provisions of the Exelon Corporation Long Term Incentive Plan (the "Plan"), an Award (each, an "Award") consisting of (i) a Performance Unit award and (ii) a Nonqualified Stock Option award, in each case, in the amount and upon and subject to the restrictions, terms and conditions set forth below. Capitalized terms not defined herein shall have the meanings specified in the Plan.

1. Recipients of Awards. Subject in all respects to the provisions hereof, individuals who are full-time exempt employees of the Power Team (each, an "Employee") and who are employed by Exelon Generation Company ("GenCo") on the Grant Date shall be eligible for Awards.

2. Performance Year. The Performance Year applicable to each Award shall be calendar year 2001.

3. Performance Goals. The Performance Goals which are used to determine whether an Employee has satisfied the conditions applicable to the grant of an Award for the Performance Year and, if so, the amount of payment to be made pursuant to such Award are the following:

3.1. LTIP Index. The LTIP Index is a number that ranges from 0 to 2.0. Such number may not exceed 2.0 without approval of the Chief Executive Officers of the Company. The LTIP Index applicable to an Award is based on the Power Team's actual financial performance relative to (i) the Power Team's "Budgeted Net Operating Margin" (defined below), which will be given a 75% weighting in determining the LTIP Index, and (ii) the earnings before interest and income taxes ("EBIT") of GenCo, which will be given a 25% weighting in determining the LTIP Index. The Budgeted Net Operating Margin is Power Team's revenue net of fuel, other variable costs and sales, general and administrative expenses (including the Awards) ("SG&A"). The Committee, based on recommendations of the President of Power Team, shall establish no later than the last day of the first quarter of the Performance Year, the financial performance goals that constitute contract, stretch and stretch + performance. Such financial performance goals shall be communicated to full-time exempt employees of Power Team as soon as practicable.

3.2. Individual Multiplier. The Individual Multiplier is a number that ranges from 0.5 to 1.50 and is based on an Employee's performance relative to Power Team Process Area Objectives and individual goals and behaviors.

3.3. Target Incentive. Each full-time exempt Power Team employee shall be assigned a Target Incentive, which is number (that may be a fraction) based on the employee's position category. The Committee, based on recommendations of the President of Power Team, shall establish no later than the last day of the first quarter of the Performance Year, a target percentage for each Employee based on the impact of such Employee's position on Power Team's business. The Target Incentive applicable to an individual who becomes an Employee after the first quarter of the Performance Year shall be determined as soon as practicable thereafter.

4. Payment Amount.

4.1. In General. Subject to the conditions set forth herein, the total amount payable to an eligible Employee in connection with an Award (the "Payment Amount") shall be the product obtained by multiplying the following:

Employee's Base Salary	X	Target Incentive	X	LTIP Index	X	Individual Multiplier

As soon as practicable after the close of the Performance Year, the President of Power Team shall determine the LTIP Index achieved for such Performance Year. In addition, the President of Power Team shall also determine, at such time, the Individual Multiplier to be used to determine an Employee's Award, based on the performance level achieved by the Employee during the Performance Year. The Payment Amount, if any, shall be computed as soon as practicable after the LTIP Index and the Individual Multiplier are determined for the Performance Year (the "Computation Date").

4.2. Limitations on Payment Amounts. Notwithstanding anything contained herein to the contrary, the aggregate Payment Amounts computed for all Employees and any other individuals eligible to receive Payment Amounts hereunder shall not exceed the Award pool determined by the Committee following the end of the Performance Year. Such Award pool shall be based on Power Team's business performance during the Performance Year relative to the performance goals established to determine the LTIP Index for such Performance Year. In the event that the total Payment Amounts exceed the Award pool, the Payment Amount for each Employee shall be proportionately reduced. In the event that Power Team's financial performance does not meet the threshold performance level established for the LTIP Index for the Performance Year, no Employee or other person shall be entitled to an Award or any Payment amount hereunder, unless approved by the Chief Executive Officers of the Company.

5. Form of Payment. The Payment Amount with respect to an Award shall be paid in the form of a cash payment (the "Cash Payment Amount"), a payment of Common Stock (the "Stock Payment Amount") and a distribution of Nonqualified Stock Options (the "Option Payment Amount"), as determined below.

5.1. Cash Payment Amount. The Cash Payment Amount shall be the dollar amount computed by multiplying the Employee's Payment Amount, if any, by 30%. The Cash Payment Amount, if any, shall be paid to an Employee at the time described in Section 7.1, provided that the conditions of Section 6 are satisfied.

5.2. Stock Payment Amount. The Stock Payment Amount shall be the number of whole shares of Company Stock computed by (i) multiplying the Employee's Payment Amount, if any, by 52.5% and (ii) dividing such product by the Fair Market Value of one share of Company Stock on the Computation Date. The value of any fractional shares of Company Stock shall be paid in cash at the same time and in the same manner as the Cash Award. The Stock Payment Award, if any, shall be paid at the time described in Section 7.2, provided that the conditions of Section 6 are satisfied.

5.3. Option Payment Amount. The Option Payment Amount shall be computed by (i) multiplying the Employee's Payment Amount, if any, by 17.5% and (ii) dividing such product by the value per option determined by the Committee based on the price per share of Company Stock on the Computation Date and a Black-Scholes factor determined by the Committee based on the recommendation of the President of Power Team. Only whole Options shall be awarded to an Employee and the value of any fractional Option shall be paid in cash at the same time and in the same manner as the Cash Award. The Option Payment Amount, if any, shall be paid at the time described in Section 7.3, provided that the conditions of Section 6 are satisfied. The Exercise Price of Company Stock subject to such an Option shall be the Fair Market Value, determined on the Computation Date. The term of such Options shall be ten years.

5.4. De minimis Payments. Notwithstanding the foregoing provisions of this Section, if the Stock Payment Amount with respect to an Award is less 25 shares (or such other de minimis amount determined by the President of Power Team), such payment shall be made in cash proportionally at the relevant Payment Dates for such Stock Payment Amount. If the Option Payment Amount with respect to an Award is less than 60 Options (or such other de minimis amount determined by the President of Power Team), such payment shall be made in shares of Common Stock proportionally at the relevant Payment Dates for such Option Payment Amount.

6. Eligibility to Receive Award.

6.1. In general. Except as provided below, an individual shall be eligible to receive an Award for a Performance Year only if such individual is an Employee throughout the Performance Year and on the Computation Date.

6.2. Termination on Account of Retirement, Death or Disability. If an individual who was an Employee on the first day of the Performance Period ceases to be an Employee on or before the Grant Date on account of Retirement, death or disability, such individual shall be an eligible for a reduced Award, the Payment Amount (if any) of which shall be determined at the target level and multiplied by a fraction, the numerator of which is the number of full calendar months during the Performance Year that the individual was actively employed as an Employee

and the denominator of which is 12. Such reduced Award shall be paid entirely in cash as soon as practicable following the Grant Date.

6.3. New Hire, Transfer of Employment or Leave of Absence. If an individual who is an Employee on the Grant Date (i) became an Employee after the first day of the Performance Year or (ii) was on an approved leave of absence (including, without limitation, by reason of disability) for any period during the Performance Year or (iii) transferred to another business unit, such individual shall, with the consent of the President of Power Team, be eligible for a reduced Award, the Payment Amount (if any) of which shall be multiplied by a fraction, the numerator of which is the number of full calendar months during the Performance Year that the individual was actively employed as an Employee and the denominator of which is 12.

6.4. Termination on Account of Merger-Related Restructuring or Reduction in Force. In the event an Employee's employment is involuntarily terminated by the Power Team prior to the Grant Date on account of restructuring directly relating to the merger of PECO Energy Company and Unicom Corporation or a reduction in force (in each case as determined by the President of Power Team in his sole discretion), the Employee shall be entitled to an Award, at the target level. Such Award shall be paid entirely in cash as soon as practicable following the Grant Date.

6.5. Other Termination of Active Employment. If an Employee is not actively employed as Employee throughout the Performance Period and as of the Grant Date for any reason other than as provided in Section 6.2, 6.3 or 6.4, the Employee shall not be entitled to receive an Award, unless otherwise determined by the President of Power Team, in its sole discretion.

7. Time of Payment.

7.1. Cash Payment Amount. The Cash Payment Amount, if any, shall be paid to an Employee as soon as practicable after the Computation Date, provided that the Employee is eligible to receive the Payment Amount pursuant to Section 6.

7.2. Stock Payment Amounts. On each of the first anniversary, the second anniversary and the third anniversary of the Computation Date (each, a "Payment Date"), one-third of the Stock Payment Amount, if any, related to an Award shall vest and be payable to an Employee, provided that (i) the Employee is eligible to receive the Payment Amount pursuant to Section 6 and (ii) the Employee is employed by the Company on the applicable Payment Date. Notwithstanding the preceding sentence, if an Employee ceases to be employed by the Company before full payment of the Employee's Stock Payment Amount on account of Retirement, disability or death, the fair market value of the shares of Stock not yet paid shall be paid in cash to the Employee, or the Successor Grantee, in the case of the Employee's death, as soon as practicable after the date of the Employee's Retirement, disability or death, as the case may be. The fair market value of the shares of Stock shall be determined as of such date of Retirement, disability or death, as the case may be.

7.3. Option Payment Amounts. On each Payment Date (as defined in Section 7.2), an Option under an Employee's Award shall become vested and exercisable with respect to

one-third of the total shares subject to such Option on the Grant Date, provided that (i) the Employee is eligible to receive the Payment Amount pursuant to Section 6 and (ii) the Employee is employed by the Company on the applicable Payment Date. Notwithstanding the preceding sentence (but subject to the "acceptable conduct" provisions of Section 5(e)(i) of the Plan), if an Employee ceases to be employed by the Company before such Option becomes fully vested and exercisable on account of Retirement, disability or death, then such Option shall immediately become fully vested exercisable with respect to such non-vested shares until the earlier of the fifth anniversary of the date of Retirement and the last day of the term of the Option (except in the case of death such Option shall be exercisable until the earlier of the last day of the term of the Option or the third anniversary of the date of death). If an Employee's employment is terminated for Cause, any remaining Stock Payments shall be forfeited and any Option subject to an outstanding Award shall be exercisable only to the extent then vested until the effective date of the Employee's termination of employment. If an Employee's employment terminates prior to a Payment Date other than pursuant to this Section 7.3 or Section 7.4, any Option subject to an outstanding Award shall be exercisable only to the extent then vested until the earlier of three months after the effective date of the Employee's termination of employment and the last day of the term of the Option.

7.4. Change in Control. Notwithstanding any preceding provision herein to the contrary, if within 24 months following a Change in Control (as such term is defined in the Plan as may be amended from time to time, but including for this purpose the merger of PECO Energy Company and Unicom Corporation), an Employee's employment is terminated before an Option under the Employee's outstanding Award is fully vested and exercisable or a Stock Payment Amount relating to an outstanding Award is fully paid (i) by the Company other than for Cause, or (ii) by the Employee for Good Reason, such Option shall immediately become fully vested and exercisable or such Stock Payment Amount shall be paid in cash as soon practicable following the effective date of the Employee's termination of employment. For this purpose, a termination of employment followed by immediate reemployment by an entity that purchases or otherwise acquires assets of the Company shall not be considered a termination of employment.

8. Rights as a Stockholder. No Employee shall have any rights as a stockholder of the Company with respect to any shares of Common Stock that may be payable hereunder unless and until such shares shall have been issued to such Employee or otherwise credited to an account for the benefit of such Employee.

9. Additional Terms and Conditions of Awards.

9.1. Nontransferability of Award. In accordance with Section 12 of the Plan, no Award or other related benefit may, except as otherwise specifically provided by the Plan, be transferable and any attempt to transfer such Award or other benefit shall be void; provided, however, that the foregoing shall not restrict the ability of any Employee to transfer any cash or Common Stock received as part of the Payment Amount.

9.2. Withholding Taxes. As a condition precedent to the delivery to the Employee of cash or Common Stock hereunder and in accordance with Section 11 of the Plan, the Company may deduct from any amount (including any Payment Amount) payable then or

thereafter payable by the Company to the Employee, or may request the Employee to pay to the Company in cash, such amount as the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over with respect to the Award.

9.3. Compliance with Applicable Law. Each Award is subject to the condition that if the listing, registration or qualification of the shares of Common Stock subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the vesting or delivery of such shares hereunder, such shares may not be delivered, in whole or in part, unless such listing, registration, qualification, consent or approval shall have been effected or obtained.

9.4. Amendment, Adjustment or Termination of Award. The Awards may be amended from time to time by the Committee, provided that no such amendment shall reduce the Amount of an Award that has already been determined on the Computation Date. Notwithstanding anything herein to the contrary, (i) in the event of a Change in Control the Committee shall make any equitable adjustments to outstanding Awards it deems necessary or appropriate (which may include adjustments to the form of payment) and (ii) in the event of a Change in Control, or a restructuring or reduction in force of the Power Team, the Committee may (subject to Section 6.4) make any changes it deems necessary or appropriate in respect of the grant of Awards or terminate Employees' right to receive Awards for the Performance Year.

9.5. Award Subject to the Plan. The Awards are subject to the provisions of the Plan, and shall be interpreted in accordance therewith.

9.6. Miscellaneous This Award supercedes and replaces the PECO Energy Company Power Team Long Term Incentive Plan (Effective as of January 1, 1995) in respect of any performance period ending after December 31, 2000, and the amount payable to any individual hereunder shall be reduced pro-rata by any amount which at any time is determined to be payable to such individual pursuant to any claim made under such plan in respect of or relating to any such performance period. Any power reserved herein to the President of Power Team shall be exercised by the Committee in respect of any decision or interpretation relating solely to the eligibility for or amount of any Award by the President of Power Team.

IN WITNESS WHEREOF, Exelon Corporation has caused this instrument to be executed effective as of January 1st, 2001.

EXELON CORPORATION

By: __________________________

Ian Mclean

President, Power Team

EXHIBIT 21-1

Subsidiaries of Exelon Corporation

Subsidiary	Jurisdiction of Incorporation
Commonwealth Edison Company	Illinois
Exelon Energy Delivery Company, LLC	Delaware
Exelon Generation Company, LLC	Pennsylvania
Exelon Ventures Company, LLC	Delaware
PECO Energy Company	Pennsylvania

EXHIBIT 23-1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (File Nos. 333-57640 and 333-84446), on Form S-4 (File No. 333-37082) and on Form S-8 (File Nos. 333-61390 and 333-49780) of Exelon Corporation and Subsidiary Companies of our report dated January 29, 2002, except for Note 25 for which the date is March 1, 2002, relating to the financial statements, which appears in the Annual Report to Shareholders, which in incorporated by reference in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated January 29, 2002 relating to the financial statement schedule, which appears in this Form 10-K.

PricewaterhouseCoopers LLP

Chicago, Illinois
April 1, 2002

EXHIBIT 23-2-1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (File Nos. 33-6879 and 33-51379) and on Form S-8 (File No. 333-33847) of Commonwealth Edison Company and Subsidiary Companies of our report dated January 29, 2002, except for Note 19 for which the date is March 21, 2002, relating to the financial statements and financial statement schedule, which appears in this Form 10-K.

PricewaterhouseCoopers LLP

Chicago, Illinois
April 1, 2002

EXHIBIT 23-2-2

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference of our report in this Form 10-K for the year ended December 31, 2001, into Commonwealth Edison Company's (the Company) previously filed prospectuses as follows: (1) prospectus dated August 21, 1986, constituting part of Form S-3 Registration Statement File No. 33-6879, as amended (relating to the Company's Debt Securities and Common Stock); (2) prospectus dated January 6, 1997, constituting part of Form S-3 Registration Statement File No. 33-51379 (relating to the Company's Debt Securities and Cumulative Preference Stock); (3) Form S-8 Registration Statement File No. 333-33847 (relating to the Commonwealth Edison Company Excess Benefit Savings Plan).

Arthur Andersen LLP

Chicago, Illinois
April 1, 2002

EXHIBIT 23-3

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (File Nos. 333-49887, 33-54935 and 3359152) of PECO Energy Company and Subsidiary Companies of our report dated January 29, 2002 relating to the financial statements and financial statement schedule, which appears in this Form 10-K.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
April 1, 2002