

Qo II-A-1 Provide capitalization and capitalization ratios for the last five-year period and projected through the next two years. (With short-term debt and without short-term debt.) (Company, Parent and System (consolidated)).

Provide year-end interest coverages before and after taxes for the last three years and at latest date. (Indenture and SEC Bases.) (Company, Parent and System (consolidated))

b. Provide year-end preferred stock dividend coverages for last three years and at latest date (Charter and SEC bases).

II-A-1 Refer to Attachment II-A-1 for the Company's historical and projected interest coverages and preferred stock dividend coverages and historical Parent interest coverages and preferred stock dividend. Coverages for 2009 and beyond are **CONFIDENTIAL AND ARE SUBMITTED ONLY IN THE NON-PUBLIC VERSION FILED WITH THE COMMISSION. Forward-looking** data for Parent and System consolidated is not applicable.

For capitalization ratios, refer to SDR-ROR 23.

**Exelon Corporation**

Line	(Millions of Dollars)	12/31/2003	<b>12/31/2004</b>	Actual 12/31/2005	12/31/2006	12/31/2007	Bud-let 12/31/2008	12/31/2009
1	Short-Term Debt	<u>416</u>	<u>490</u>	1,290	305	<u>616</u>		
2	Long-Term Debt	15,344	13,061	12,674	12,740	13,071		
3	Less: Long-term <i>Securitized Debt</i>	(5,5257)	(4,797)	(3,9637)	<b>(3,0517)</b>			
4	Total Debt	10,235	8,754	10,001	9,994	11,681		
5	Preferred Stock	87	87	87	87	87		
6	Total Shareholder's Equity	8,503	9,489	9,125	9,973	10,137		
7	Total Capitalization	18,825	18,330	19,213	20,054	<u>21,905</u>		
8	Ratios with Short-term Debt							
9	Short-term Debt	2%	3%	7%	2%	3%	<b>NOT APPLICABLE</b>	
10	Long-term Debt	52%	45%	45%	48%	51%		
11	Total Debt	<b>54%</b>	<b>48%</b>	<b>52%</b>	<b>50%</b>	<b>53%</b>		
12	Preferred Stock	0%	0%	0%	0%	0%		
13	Shareholder's Equity	<b>45%</b>	<b>52%</b>	<b>47%</b>	<b>50%</b>	<b>46%</b>		
14	Total Capitalization	<b>100%</b>	100%	<b>100%</b>	<b>100%</b>	<b>100%</b>		
15	Ratios without Short.term Debt							
16	Long-term Debt	53%	46%	49%	49%	52%		
17	Preferred Stock	0%	0%	0%	0%	0%		
18	Shareholder's Equity	46%	53%	51%	50%	48%		
19	Total Capitalization	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		

PECO Energy Company

			Actual			Budget		
	(Millions of Dollars)	12/31/2003	12/31/2004	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009
1	Short-Term Debt	<u>46</u>		220	140	246	106	
2	Long-Term Debt	5,392	4,839	4,342	4,057	3,543	3,319	
3	Less: Long-term Secudtized Debt	13,849)	(3,456)	(2,975)	(2,404)	(1,733)	(1,158)	
4	Total Debt	1,589	1,383	<u>1,587</u>	1,793	<u>2,057</u>	<u>2,267</u>	
5	Preferred Stock	87	87	87	87	87	87	
6	Shareholder's Equity	929	1,311	1,617	1,722	2,023	2,213	
7	Plus: Parent Receivable	1,623	1,482	1,232	1,090	784	498	
8	Total Shareholder's Equity	2,552	2,793	<u>2,849</u>	2,812	<u>2,807</u>	2,711	
9	Total Capitalization	4,228	4,263	<u>4,523</u>	4,692	4,951	<u>5,065</u>	
10	Ratios with Short-term Debt							
11	Short-term Debt	1%	0%	5%	3%	5%	2%	
12	Long-term Debt	36%	32%	30%	35%	37%	43%	
13	Total Debt	<b>38%</b>	<b>32%</b>	<b>35%</b>	<b>38%</b>	<b>42%</b>	<b>45%</b>	
14	Preferred Stock	2%	2%	2%	2%	2%	2%	
15	Shareholder's Equity	60%	66%	63%	60%	57%	54%	
16	Total Capitalization	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	
17	Ratios without Short-term Debt							
18	Long-term Debt	37%	32%	32%	36%	38%	44%	
19	Preferred Stock	2%	2%	2%	2%	2%	2%	
20	Shareholder's Equity	61%	66%	66%	62%	60%	55%	
21	Total Capitalization	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	

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- Q. II-A-2 Provide latest quarterly financial report (Company and Parent).
- A. II-A-2 Refer to the response to SDR-ROR-I.

- Q. II-A-3 Provide latest Stockholder's Report (Company and Parent).
- A. II-A-3 Refer to the response to SDR-ROR-I(a).

eo II - A - 4 Provide latest Prospectus (Company and Parent).

II - A - 4 Refer to the following attachments:

Attachment II-A-4A (Exelon - Prospectus \$1.7B - 2/10/04),  
as supplemented on 6/6/05.

Attachment II-A-4B (PECO - Prospectus \$500M - 2/27/08),  
as supplemented on 2/27/08.

ATTACHMENT  
**II - A - 4A**

**\$2,000,000,000**

# **Exel n.**

## **EXELON CORPORATION**

Debt Securities  
Common Stock  
Stock Purchase Contracts  
Stock Purchase Units  
Preferred Stock  
Subordinated Debt Securities  
Guarantee of Trust Preferred Securities

## **EXELON CAPITAL TRUST I EXELON CAPITAL TRUST II EXELON CAPITAL TRUST III**

Trust Preferred Securities  
(guaranteed by Exelon Corporation as described in this prospectus)

Exelon Corporation may use this prospectus to offer and sell from time to time:

- unsecured senior debt securities;
- common stock;
- stock purchase contracts;
- stock purchase units;
- preferred stock in one or more series;
- subordinated debt securities to be purchased by Exelon Capital Trust I, Exelon Capital Trust II and/or Exelon Capital Trust III; and  
guarantees of trust preferred securities sold by Exelon Capital Trust I, Exelon Capital Trust II and Exelon Capital Trust III.

Exelon Capital Trust I, Exelon Capital Trust II and Exelon Capital Trust III may use this prospectus to offer and sell from time to time trust preferred securities that will be guaranteed by Exelon Corporation.

We will provide the specific terms of these securities in supplements to this prospectus prepared in connection with each offering. The securities offered will contain other significant terms and conditions. Please read this prospectus and the applicable prospectus supplement carefully before you invest. This prospectus may not be used to consummate sales of the offered securities unless accompanied by a prospectus supplement.

Our common shares are listed on the New York, Chicago and Philadelphia Stock Exchanges, under the symbol "EXC."

**Please see "Risk Factors" beginning on page 4 for a discussion of factors you should consider in connection with a purchase of the securities offered in this prospectus.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is February 10, 2004.

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## ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (SEC) using a "shelf" registration process. Under this shelf registration process, we may, from time to time, sell the securities described in this prospectus or combinations thereof in one or more offerings with a maximum aggregate initial offering price of up to \$2,000,000,000, which includes \$1,000,000,000 of debt securities that were registered on a prior registration statement. This prospectus provides a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under "Where You Can Find More Information."

Unless otherwise indicated, all references in this prospectus or a prospectus supplement to "Exelon Corporation," "Exelon," "we," "our," "us," or similar terms mean Exelon Corporation, and all references to "the trusts" mean Exelon Capital Trust I, Exelon Capital Trust II and Exelon Capital Trust III.

We are not offering the securities in any state where the offer is not permitted.

You should not assume that the information in this prospectus is accurate as of any date other than the date on the front cover of this document.

**You should rely only on information contained in this prospectus or the documents to which we have referred you. We have not authorized anyone to provide you with information that is different. This prospectus and related prospectus supplement may be used only where it is legal to sell these securities. The information in this prospectus and any prospectus supplement may only be accurate on the date of this document. Our business, financial condition, results of operations and prospects may have changed since that date.**

**Please see "Risk Factors" beginning on page 4 for a discussion of factors you should consider in connection with a purchase of the securities offered in this prospectus.**

## WHERE YOU CAN FIND MORE INFORMATION

We are a reporting company and file annual, quarterly and current reports, proxy statements and other information with the SEC. The public may read and copy any reports or other information that we file with the SEC at the SEC's public reference room, Room 1024 at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. The public may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. These documents are also available to the public from commercial document retrieval services and at the web site maintained by the SEC at <http://www.sec.gov>. Reports, proxy statements and other information concerning us may also be inspected at the offices of the New York Stock Exchange, which is located at 20 Broad Street, New York, New York 10005. You may also obtain a copy of the registration statement at no cost by writing us at the following address:

Exelon Corporation  
Attn: Investor Relations  
10 South Dearborn Street - 37<sup>th</sup> Floor  
P.O. Box 805379  
Chicago, IL 60680-5379

This prospectus is one part of a registration statement filed on Form S-3 with the SEC under the Securities Act of 1933, as amended, known as the Securities Act. This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules to the registration statement. For further information concerning us and the securities, you should read the entire registration statement including this prospectus and any related prospectus supplements, and the additional information described under the sub-heading "Documents Incorporated By Reference" below. The registration statement has been filed electronically and may be obtained in any manner listed above. Any statements contained herein concerning the provisions of any document are not necessarily complete, and, in each instance, reference is made to the copy of such document filed as an exhibit to the registration statement or otherwise filed with the SEC. Each such statement is qualified in its entirety by such reference.

Information about us is also available on our web site at <http://www.exeloncorp.com>. This URL and the SEC's URL above are intended to be inactive textual references only. Such information on our or the SEC's web site is not a part of this prospectus.

## DOCUMENTS INCORPORATED BY REFERENCE

The SEC allows us to "incorporate by reference" information that we file with them, which means that we can disclose important information to you by referring you to those other documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. This incorporation by reference does not include documents that are furnished but not filed with the SEC. We incorporate by reference the documents listed below and any future documents that we file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act but prior to the termination of any offering of securities made by this prospectus:

Our Annual Report on Form 10-K for the year ended December 31, 2002, as amended by the Form 10-K/A filed on December 15, 2003;

Our Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2003, June 30, 2003, and September 30, 2003, in each case as amended by the Form 10-Q/A filed on December 15, 2003;

Our Current Reports on Form 8-K filed January 15, 2003, January 30, 2003, February 21, 2003, March 6, 2003, March 7, 2003, March 31, 2003, May 6, 2003, May 8, 2003, May 30, 2003, June 6, 2003, June 13, 2003, June 17, 2003, June 18, 2003, June 18, 2003, June 26, 2003, July 11, 2003, July 29, 2003, July 30, 2003, August 6, 2003, August 13, 2003, September 2, 2003, September 12, 2003, September 25, 2003, September 29, 2003, October 1, 2003, October 3, 2003, October 31, 2003, November 3, 2003, November 10, 2003, November 24, 2003, December 3, 2003, December 18, 2003, December 22, 2003, January 28, 2004 and February 10, 2004; and

the description of our common stock contained in the registration statement on Form 8-A filed under the Securities Exchange Act of 1934, as amended, including any amendment thereto or report filed for the purpose of updating such description.

Upon written or oral request, we will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered, a copy of any or all of such documents which are incorporated herein by reference (other than exhibits to such documents unless such exhibits are specifically incorporated by reference into the documents that this prospectus incorporates). Written or oral requests for copies should be directed to Exelon Corporation, Attn: Investor Relations, 10 South Dearborn Street, 37<sup>th</sup> Floor, P.O. Box 805379, Chicago, IL 60680-5379.

Any statement contained in this prospectus, or in a document all or a portion of which is incorporated by reference, shall be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus, any supplement or any document incorporated by reference modifies or supersedes such statement. Any such statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this prospectus.

All reports and other documents subsequently filed by us pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment, which indicates that all of a class of securities offered hereby have been sold or which deregisters all of a class of securities then remaining unsold, shall be deemed incorporated by reference herein and to be a part hereof from the date of filing of such documents.

We have not included or incorporated by reference any separate financial statements of the trusts. We do not consider the financial statements of the trusts to be material to holders of the trust preferred securities because each trust (1) is a newly formed special purpose entity that has no operating history or independent operations and (2) is not engaged in and does not propose to engage in any activity other than holding our subordinated debt securities and issuing the trust preferred securities. We do not expect the trusts to file periodic reports under Sections 13 and 15(d) of the Exchange Act.

## RISK FACTORS

Our business is affected by the various factors discussed in Management's Discussion and Analysis of Financial Condition and Results of Operations incorporated into this prospectus by reference to our Annual Report on Form 10-K. In addition, the various other factors described in this section could affect our business, results of operations or the price of our securities. We believe the risks and uncertainties described below and in our Annual Report on Form 10-K are the material risks and uncertainties known or currently anticipated by us that effect our business. Additional risks relating to any offered securities will be included in the prospectus supplement for those securities.

### **Our holding company structure could limit our ability to pay debt service or dividends.**

We are a holding company with no material assets other than the stock of our subsidiaries. Accordingly, all of our operations are conducted by our subsidiaries. Our ability to pay principal and interest on our debt and dividends on our common and preferred stock depends on the payment to us of dividends by our operating subsidiaries, namely Commonwealth Edison Company (ComEd), PECO Energy Company (PECO) and Exelon Generation Company, LLC (Generation). These subsidiaries' payments of dividends to us in turn depend on their results of operations and cash flows. PECO and ComEd also are subject to regulatory restrictions that generally permit the payment of dividends solely from the amount of retained or current earnings and preclude any payment if the subsidiary's equity is less than 30% of its capitalization.

### **Fluctuations in our operating results may affect the market prices of our securities.**

The market price of our common stock and other securities may fluctuate because our operating results may vary. Variations in our operating results can result from many factors, including factors beyond our control, such as weather and economic conditions. Our results of operations may also vary significantly from quarter to quarter because of the timing of certain events and other factors, including the other risks factors set forth in this prospectus. Therefore, you should not rely on our results of operations during any particular quarter as an indication of our results for a full year or any other quarter.

### **Our financial performance will be affected by our ability to achieve the targeted cash savings under our new Exelon Way business model.**

We have begun to implement our new business model referred to as The Exelon Way, which is focused on improving operating cash flows while meeting service and financial commitments through improved integration of operations and consolidation of support functions. We may, however, not be able to attain the improvements in operating cash flow presently targeted by The Exelon Way business model. We anticipate incurring expenses associated with reaching these annual cash savings levels in the near future. Our inability to achieve targeted annual cash savings levels in the targeted timeframes could adversely affect our future financial performance.

### **The price of our securities may be affected by the general perception of the energy and utility sectors of the economy.**

Events, such as the August 14, 2003 blackout, those involving Enron Corporation, political unrest in oil-producing countries and the California energy crisis, in addition to the fact that the energy industry is changing and subject to greater risk, could adversely affect investors' perception of the energy and utility sectors and could adversely affect the equity prices of companies in those sectors. We cannot predict what news or event will affect the public or how any news or event affects the market price of our

securities, but fluctuations due to such news and events could be severe and any negative effects could be long lasting.

- **Our businesses are subject to extensive regulation that affects our operations and our costs.**

Our businesses are extensively regulated. We are subject to regulation by the SEC under the Public Utility Holding Company Act (PUHCA), by the Federal Energy Regulatory Commission (FERC) and the Nuclear Regulatory Commission (NRC) under energy legislation, by federal, state and local authorities under environmental laws and by state public utility commissions under laws regulating our distribution and transmission businesses. Regulation affects almost every aspect of our businesses, from our fundamental business management actions to our ability to:

- determine the terms and rates of our Energy Delivery businesses' services;
- make acquisitions;
- issue equity or debt securities;
- engage in *transactions* among our affiliates; and
- pay dividends.

Changes in regulation can cause delays in or affect business planning and transactions and can increase our costs.

As part of retail deregulation initiatives in Illinois and Pennsylvania and other regulatory proceedings, ComEd's and PECO's rates are currently subject to limitations, including:

- a freeze on ComEd's rates through 2006;
- a limitation on ComEd's return on equity through 2006;
- a cap on PECO's electric transmission and distribution rates through 2006;
- a cap on PECO's overall rates through 2010; and
- scheduled recovery of PECO's electric stranded costs that will increase amortization expenses through 2010.

These rate provisions substantially limit the ability of ComEd and PECO to recover cost increases or the costs of new investments. As a result, ComEd and PECO must effectively manage their costs to maintain their current profitability.

- **Our financial performance will be affected by the amortization and eventual termination of stranded cost recovery for ComEd and PECO.**

Both ComEd's and PECO's current retail electric rates include charges to recover stranded costs that might not otherwise be recoverable in a fully competitive market. The amount of stranded cost recovery by ComEd varies annually depending on wholesale market prices and other factors, with stranded cost recovery ending at the end of 2006. Stranded cost recovery by PECO continues through 2010. Although the annual amount of stranded cost recovery is scheduled to increase during that period,

annual increases in amortization of PECO's stranded cost recovery and the corresponding reductions in the return on the unamortized portion of stranded cost recovery will adversely affect PECO's results through 2010. Further, the termination of stranded cost recovery at the end of 2006 for ComEd and at the end of 2010 for PECO could significantly adversely affect their future results of operation.

**Failure to provide reliable service to our customers could adversely affect our operating results.**

Our Energy Delivery businesses remain obligated to provide safe and reliable service to their customers within their franchised service territories. Meeting this commitment requires significant capital and other resources. Failure to provide safe and reliable service, including from equipment failures in electric and gas delivery systems, could adversely affect our operating results through reduced revenues and increased maintenance and capital costs. In addition, under Illinois law, ComEd can be required to pay damages to its customers in the event of extended outages affecting large numbers of its customers. While we were not affected directly by the failure in the transmission grid that affected a large portion of the northeastern United States and Canada on August 14, 2003, the North American transmission grid is highly interconnected and, in extraordinary circumstances, disruptions at a point within the grid can cause a systemic response that results in an extensive power outage on our delivery systems. Power outages in ComEd or PECO's service territories could occur even if the disruptions originate outside of those territories.

**Impairment of ComEd's goodwill could adversely affect our results of operation and could restrict ComEd's ability to pay dividends to us.**

At June 30, 2003, ComEd had recorded goodwill of \$4.7 billion. This goodwill was recognized and recorded in connection with the merger of Unicom Corporation and PECO. Under generally accepted accounting principles, the goodwill will remain at its recorded amount unless it is determined to be impaired, which is based upon an analysis of ComEd's expected future cash flows. If an impairment is determined at ComEd, the amount of the impaired goodwill will be written off and expensed at ComEd. However, a goodwill impairment charge at ComEd may not affect our results of operations. Our goodwill impairment test would include assessing the expected future cash flows of the entire Energy Delivery business segment (a single reporting unit, which includes PECO, as defined under current accounting guidance), not just ComEd's expected future cash flows. ComEd's cash flows include competitive transition charges, which will cease at the end of 2006, unless there is a legislative or regulatory change and collections from traditional bundled customers at tariffed rates. ComEd's cash flows will be affected by other factors, including the restructuring of the power purchase agreement (PPA) with Generation. Absent another source of revenues to replace the loss of competitive transition charge revenue or changes in its cost structure, all or a portion of the goodwill may become impaired. Under current regulations, a significant goodwill impairment may restrict ComEd's ability to pay dividends to us.

**Energy Delivery is obligated as the provider-of-last-resort to provide energy to all retail customers in its service territories, which makes it difficult to predict and plan for load requirements.**

Energy Delivery continues to serve as the provider-of-last-resort (POLR) for energy for all customers in its electric and gas service territories. As long as the POLR obligation remains unchanged, Energy Delivery could be mandated to secure load requirements sufficient to serve 100% of its service territories under the assumption that all customers in these territories may return to Energy Delivery as their electricity supplier. Because the choice of electricity generation supplier or natural gas supplier lies with the customer, planning has a higher level of uncertainty than that traditionally experienced due to weather and the economy, and it is difficult to predict and plan for the number of customers and their

associated energy demand. The POLR obligation also affects Generation because it provides electricity to Energy Delivery. The uncertainty regarding the amount of Energy Delivery load that Generation must prepare for increases Generation's costs. The load requirements of the POLR obligation may affect pricing, competitive market development and planning by Energy Delivery, Generation, alternate electricity generation suppliers, alternate natural gas suppliers and customers. A significant under-estimation of Energy Delivery's electric-load requirements could result in Generation not having enough power to cover its load obligation, in which case it would be required to buy power from third parties at prevailing market prices. Those prices may not be as favorable or as manageable as Generation's long-term supply costs and thus could increase its costs.

**Energy Delivery and Generation may not be able to manage costs to operate profitably under current rate caps and freezes and fixed priced PPAs.**

ComEd and PECO are subject to electric rate caps and freezes and the PPAs between them and Generation are at fixed prices. These supply contracts are a substantial portion of our business and so our profitability depends on Generation's ability to manage its costs and produce or procure electricity efficiently, at costs less than the prices at which it sells under the PPAs. Our businesses' ability to manage costs also may be affected by the other risk factors described in this prospectus, inflation and other factors outside of their control. We cannot assure you that we can maintain current cost levels or operational efficiency to sustain our current levels of profitability.

**Energy Delivery's revenues are affected by factors beyond our control.**

Energy Delivery's revenues are affected by the demand for electricity and natural gas. That demand can vary greatly based upon:

- weather conditions, seasonality and temperature extremes;
- availability of competitively priced alternative energy sources; and
- fluctuations in economic activity and growth in our service territories.

Weather conditions, accidents and other catastrophic events can disrupt or limit Energy Delivery's ability to deliver electricity and natural gas. Very warm and very cold temperatures, especially for prolonged periods, can dramatically increase the demand for electricity and natural gas for cooling and heating. The pricing of alternative energy sources may affect the demand of customers, such as commercial and industrial customers, who have the ability to use alternative energy sources in their operations.

**Generation may incur substantial costs and liabilities due to its ownership and operation of nuclear facilities.**

The ownership and operation of nuclear facilities involve risks, including:

- mechanical or structural problems;
- inadequacy or lapses in maintenance protocols;
- impairment of reactor operation and safety systems due to human error;
- costs of storage, handling and disposal of nuclear materials;
- limitations on the amounts and types of insurance coverage commercially available; and

uncertainties regarding both technological and financial aspects of decommissioning nuclear facilities.

The material risks known or currently anticipated by us that could affect Generation's ability to sustain its current levels of profitability are:

*Capacity Factors.* Generation's nuclear fleet must operate at consistently high capacity factors in order for it to produce efficient, low-cost energy and sustain its current profitability levels.

*Life Extensions.* Generation's nuclear facilities are currently operating under 40-year NRC licenses. Generation has applied for 20-year extensions to those licenses, but it cannot predict whether any of the pending extensions will be granted. If the extensions are granted, Generation cannot be sure that it will be able to operate the facilities for all or any portion of the extended license.

*Regulatory Risk.* The NRC may modify, suspend or revoke licenses, shut down a nuclear facility and impose civil penalties for failure to comply with the Atomic Energy Act, related regulations or the terms of the licenses for nuclear facilities. A change in the Atomic Energy Act or the applicable regulations or licenses may require a substantial increase in capital expenditures or may result in increased operating or decommissioning costs.

*Operational Risk.* Operations at any of our nuclear generation plants could degrade to the point where Generation has to shut down the plant. If this were to happen, identifying and correcting the causes may require significant time and expense. Generation may choose to close a plant rather than incur the expense of restarting it. In either event, Generation may lose revenue and incur increased fuel and purchased power expense to meet its supply commitments. For plants operated by Generation but not wholly owned by it, Generation may also incur liability to the co-owners.

*Nuclear Accident Risk.* Although the safety record of nuclear reactors generally, including Generation's, has been very good, accidents and other unforeseen problems have occurred both in the United States and elsewhere. The consequences of an accident can be severe and include loss of life and property damage. Any resulting liability from a nuclear accident may exceed Generation's resources, including insurance coverages.

*Nuclear fuel quality may affect costs.* The quality of nuclear fuel utilized by Generation can affect the efficiency and costs of its operations. Certain Generation nuclear units have recently identified a limited number of fuel performance issues. Remediation actions, including those required to address public, personnel and safety issues, have resulted in increased costs due to accelerated fuel amortization and/or increased outage costs and could continue to do so. It is difficult to predict the total cost of these remediation procedures.

**Generation is exposed to price fluctuations and other risks of the wholesale power markets.**

Generation sells electricity in both the wholesale bilateral markets and spot markets. These sales expose it to the risks of rising and falling prices in those markets, and its cash flows may vary accordingly. To the extent Generation does not supply power to serve the needs of CornEd and PECO at fixed rates mandated by state regulatory commissions, its cash flows will largely be determined by wholesale prices of electricity and its ability to successfully market energy, capacity and ancillary services.

At any given time, the wholesale spot-market price of electricity for each hour is generally determined by the cost of supplying the next unit of electricity to the market during that hour. Many times the next unit of electricity supplied would be supplied from generating stations fueled by fossil fuels, primarily natural gas. Consequently, the open market wholesale price of electricity may reflect the cost of natural gas plus the spark spread, the cost to convert natural gas to electricity. Therefore, changes in the supply and cost of natural gas may impact the open market wholesale price of electricity.

*Credit Risk.* In the bilateral markets, Generation is exposed to the risk that counterparties that owe it money or energy as a result of market transactions will not perform their obligations. For example, energy supplied by third-party generators under long-term agreements represents a significant portion of Generation's overall capacity. These generators face operational risks, such as those that Generation faces, and their ability to perform depends on their financial condition. In the event the counterparties to these arrangements fail to perform, Generation might be forced to honor the underlying commitment at then-current market prices and incur additional losses, to the extent of amounts, if any, already paid to the counterparties. In the spot markets, Generation is exposed to the risks of whatever default mechanisms exist in that market, some of which attempt to spread the risk across all participants, which may or may not be an effective way of lessening the severity of the risk and the amounts at stake.

*Immature Markets.* The wholesale spot markets are new and evolving markets that vary from region to region and are still developing practices and procedures. While FERC has proposed an initiative to standardize wholesale spot markets, Generation cannot predict whether that initiative will be successful, what form any of these markets will eventually take or what roles it will play in them. Problems in or the failure of any of these markets, as was experienced in California in 2000, could adversely affect Generation's business.

*Hedging.* The Power Team buys and sells energy and other products in the wholesale markets and enters into financial contracts to manage risk and hedge various positions in our power generation profiles. This activity, along with the effects of any specialized accounting for the trading contracts, may cause volatility in Generation's future results of operations and affect the payment of dividends.

**The ongoing transformation of the energy industry could have a negative effect on our businesses.**

The energy industry is undergoing major transformations. Increased competition from new or restructured suppliers could have a negative impact on our wholesale and retail sales. Additionally, the changing industry exposes our Generation and Energy Delivery businesses to marketplace volatility that they have not historically been called upon to manage. These changes have significantly affected the whole industry and the manner in which its participants conduct their businesses. These changes are ongoing, and we cannot predict the future course of changes in laws and regulations, including changes resulting from market volatility and increased security concerns, or the ultimate effect that this changing regulatory environment will have on our businesses.

**Our businesses depend on access to the capital markets.**

Our businesses are capital intensive and we depend on access to the capital markets to meet our capital resource requirements to the extent not provided by internally generated funds. We also may need to access the capital markets to finance acquisitions. When necessary, we secure funds from external sources by issuing commercial paper and, as required, long-term debt securities. We actively manage our exposure to changes in interest rates through interest-rate swap transactions and our balance of fixed- and floating-rate instruments. We currently anticipate primarily using internally generated cash flows and short-term financing through commercial paper to fund our operations as well as long-term external

financing sources to fund capital requirements as the need arises. The ability to arrange debt financing, to refinance current maturities and early retirements of debt, and the costs of issuing new debt are dependent on~

- credit availability from banks and other financial institutions;
- maintenance of acceptable credit ratings;
- investor confidence in us and our subsidiaries;
- general economic and capital market conditions; and
- the success of current projects.

- **We may make acquisitions that do not achieve the intended financial results.**

We continue to opportunistically pursue investments that fit our strategic objectives and improve our financial performance. Our future financial performance will depend in part upon a variety of factors related to these investments, including our ability to successfully integrate them into existing operations. These new investments, as well as our existing investments, may not achieve the financial performance that we anticipate.

**Our results of operations may be affected by our ability to divest ourselves of unprofitable or under-performing businesses.**

We are actively pursuing opportunities to dispose of businesses, such as Sithe Energies, Inc., which are either unprofitable or do not meet our goals. We may incur significant disposition costs or expenses in divesting these businesses. We also may be unable to successfully implement our divestiture strategy of certain businesses for a number of reasons, including an inability to locate appropriate buyers or to negotiate acceptable terms for the transactions. In addition, the amounts that we may realize from a divestiture are subject to fluctuating market conditions that may contribute to pricing and other terms *that* are materially different than expected and could result in a loss on the sale. Timing of any divestitures may positively or negatively affect our results of operations.

**Market performance affects our decommissioning trust funds and benefit plan asset values.**

The performance of the capital markets affects the value of the assets that are held in trust to satisfy our future obligations under our pension and post-retirement benefit plans and to decommission nuclear generating plants. A decline in the market value of those assets, as was experienced from 2000 to 2002, may increase our funding requirements for these obligations.

**Competition from other electric generation companies could affect our stock price, results of operations and ability to pay dividends.**

Restructuring of the energy markets in the United States and elsewhere in the world, including the privatization of government-owned utilities and the sale of utility-owned assets, is creating opportunities for, and competition from, well-capitalized competitors, which may affect our ability to achieve our objectives. Increased competition also could erode the price of power and result in lower revenues, which in turn could affect our results of operations.

- **We may be unable to respond effectively to competition or new technologies.**

We may be unable to respond in a timely or effective manner to the many changes in the power industry that may occur as a result of regulatory initiatives to increase competition. Increased competition may create additional competitors in our industry, and we may be unable to maintain our revenues and earnings levels or pursue our growth strategy. In addition, new technologies may be developed that affect the competitiveness of our generation facilities. To the extent that competition increases, our profit margins may be negatively affected.

**War and acts and threats of terrorism may adversely affect our results of operations, our ability to raise capital and our future growth.**

We do not fully know the impact that any future terrorist attacks may have on our industry in general and on us in particular. In addition, any retaliatory military strikes or sustained military campaign may affect our operations in unpredictable ways, such as changes in insurance markets and disruptions of fuel supplies and markets, particularly oil. The possibility alone that infrastructure facilities, such as electric generation, electric and gas transmission and distribution facilities, would be direct targets of, or indirect casualties of, an act of terror may affect our operations. Additionally, the continuing military activity in Iraq and other wars may have an adverse effect on the economy in general. A lower level of economic activity might result in a decline in energy consumption, which may adversely affect our revenues or restrict our future growth. Instability in the financial markets as a result of terrorism or war may affect our stock price and our ability to raise capital.

**Our financial performance is affected by our ability to manage costs for security and liability insurance.**

*Security.* In connection with the events of September 11, 2001, the electric industry has developed additional security guidelines. The electric industry, through the North American Electric Reliability Council (NERC), developed physical security guidelines, which were accepted by the U.S. Department of Energy and which may become mandatory through regulation or legislation. The gas industry, through the American Gas Association, developed physical security guidelines that were accepted by the U.S. Department of Transportation.

Generation has also 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 energy production and delivery systems. These security measures have resulted in and are expected to continue to result in increased costs. On a continuing basis, Generation is evaluating enhanced security measures at certain critical locations, enhanced response and recovery plans and assessing long-term design changes and redundancy measures. Additionally, the energy industry is working with governmental authorities to ensure that emergency plans are in place and critical infrastructure vulnerabilities are addressed in order to maintain the reliability of the country's energy systems. These measures will involve additional expense to develop and implement.

*Insurance.* Any claim resulting from a nuclear accident exceeding the amounts available under our nuclear liability insurance and other sources for payment of claims would have a negative effect on our results of operations and our financial condition. As a result of significant changes in the insurance marketplace, due in part to the September 11, 2001 terrorist acts, the coverage available and the limits under property damage and liability insurance that we buy may be less than those that we could obtain in the past, and the recovery for losses due to terrorists acts may be limited. We are self-insured for losses that exceed the amount of insurance we maintain. A claim that exceeds the amounts available under our property damage and liability insurance would negatively affect our results of operations.

We do not carry any form of business interruption insurance other than replacement power coverage for Generation's nuclear operations. Damage to ComEd's or PECO's delivery facilities may disrupt their distribution services and significantly and adversely affect our results of operations.

**We may incur substantial cost to fulfill our obligations related to environmental matters.**

ComEd, PECO and Generation are subject to extensive environmental regulation by local, state and Federal authorities. These laws and regulations affect the manner in which our subsidiaries conduct their operations and make capital expenditures. ComEd, PECO and Generation are subject to liability under these laws for the costs of remediating environmental contamination of property now or formerly owned by them and of property contaminated by hazardous substances they generated. We believe that ComEd, PECO and Generation have responsible environmental management and compliance programs; however, each has incurred and expects to incur significant costs related to environmental compliance and site remediation and clean-up. Remediation activities associated with manufactured gas plant operations for ComEd and PECO will be one source of such costs. Also, ComEd, PECO and Generation are currently involved in a number of proceedings relating to sites where hazardous substances have been deposited and may be subject to additional proceedings in the future.

## EXELON CORPORATION

Exelon Corporation is a registered public utility holding company that operates through its subsidiaries in three business segments:

*Energy Delivery*, consisting of the retail electricity distribution and transmission businesses of CornEd 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 the owned and contracted for electric generating facilities and energy marketing operations of Generation and 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).

Our principal executive offices are located at 10 South Dearborn Street, 37<sup>th</sup> Floor, P.O. Box 805379, Chicago, Illinois 60680-5379, and our telephone number is (312) 394-4321.

### EXELON CAPITAL TRUST I, EXELON CAPITAL TRUST II AND EXELON CAPITAL TRUST III

Each of Exelon Capital Trust I, Exelon Capital Trust II and Exelon Capital Trust III is a Delaware statutory trust that was formed on August 25, 2003. Each of the trust's businesses is defined in a declaration of trust, dated as of August 25, 2003, executed by us, as sponsor, and certain of the trustees specified below. The declaration of trust for a trust will be amended and restated in its entirety as of the date trust preferred securities are initially issued by the applicable trust. Each declaration, as amended and restated, is referred to in this prospectus individually as the "trust agreement," and collectively as the "trust agreements." The trust agreements will be qualified under the Trust Indenture Act of 1939, as amended.

The trusts exist for the exclusive purposes of."

- issuing and selling their trust preferred securities and trust common securities; using the proceeds from the sale of the trust common securities and trust preferred securities to acquire the subordinated debt securities from us; and
- engaging in only those other activities necessary or incidental to these purposes.

The trusts will have no assets other than the subordinated debt securities. The trusts will have no revenue other than payments under the subordinated debt securities. Each trust has a term of 30 years, but may dissolve earlier as provided in the trust agreements.

We will, directly or indirectly, acquire all of the trust common securities of each trust, which will have an aggregate liquidation amount equal to at least 3% of the total capital of the issuing trust.

Each trust's business and affairs will be conducted by its trustees, as provided in the trust agreements. At the time of the issuance of the trust preferred securities, the trustees for the issuing trust

will be Wachovia Trust Company, National Association, as the property trustee and the Delaware trustee, and three of our employees as administrative trustees. We, as holder of the trust common securities, or, if an event of default under the applicable trust *agreement* has occurred and is continuing, the holders of *not* less than a majority in liquidation amount of the trust preferred securities, will be entitled to appoint, remove or replace the property trustee and the Delaware trustee. In no event will the holders of the trust preferred securities have the right to vote to appoint, remove or replace the administrative trustees. Only the holder of the trust common securities will be entitled to do that.

For so long as the trust preferred securities remain outstanding, we will:

- maintain directly or indirectly 100% ownership of the trust common securities;
- use our reasonable efforts to cause the issuing trust to remain a statutory trust and not to voluntarily dissolve, wind-up, liquidate or be terminated, except as permitted by the applicable trust agreement; and
- use our reasonable efforts to cause the issuing trust to continue to be treated as a grantor trust and not an association taxable as a corporation for United States federal income tax purposes.

We will pay all of the issuing trust's fees and expenses, including those related to the offering of the trust preferred securities. In addition, we will guarantee payments on the trust preferred securities to the extent that the issuing trust has funds to make payments on the trust preferred securities. See "Description of Guarantees" below.

The rights of the holders of the trust preferred securities are set forth in the trust agreements and the Delaware Statutory Trust Act.

The location of each trust's principal executive office is 10 South Dearborn Street, 37<sup>th</sup> Floor, P.O. Box 805379, Chicago, Illinois 60680-5379, and the telephone number is (312) 394-4321.

#### FORWARD-LOOKING STATEMENTS

This prospectus and the documents we have filed with the SEC, which we have referenced under "Where You Can Find More Information" and "Documents Incorporated by Reference" contain forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this prospectus that address activities, events or developments that we expect or anticipate will or may occur in the future, including such matters as our projections, future capital expenditures, business strategy, competitive strengths, goals, expansion, market and industry developments and the growth of our businesses and operations, are forward-looking statements. These statements are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. These statements involve a number of risks and uncertainties, many of which are beyond our control. The following are among the most important factors that could cause actual results to differ materially from the forward-looking statements:

- the significant considerations and risks discussed in this prospectus;
- general and local economic, market or business conditions;

fluctuations in demand for electricity, capacity and ancillary services in the markets in which we operate;

- uncertain obligations due to customers' right to choose generation suppliers;
- changes in laws or regulations that are applicable to us;
- environmental constraints on construction and operation; and
- access to capital.

Consequently, all of the forward-looking statements made in this prospectus are qualified by these cautionary statements and we cannot assure you that the results or developments anticipated by us will be realized or, even if realized, will have the expected consequences to or effects on us or our business prospects, financial condition or results of operations. You should not place undue reliance on these forward-looking statements in making your investment decision. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to these forward-looking statements to reflect events or circumstances that occur or arise or are anticipated to occur or arise after the date hereof. In making an investment decision regarding the shares of common stock described in this prospectus, we are not making, and you should not infer, any representation about the likely existence of any particular future set of facts or circumstances.

## USE OF PROCEEDS

Unless we indicate otherwise in the applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities for general corporate purposes, including to discharge or refund (by redemption, by purchase on the open market, by purchase in private transactions, by tender offer or otherwise) outstanding long-term debt, to invest in our operating subsidiaries, to finance capital improvements and to supplement working capital. Any proceeds of securities issued by the trusts will be used by the trusts to purchase subordinated debt securities from us. We will describe in the applicable prospectus supplement any specific allocation of the proceeds to a particular purpose that we have made at the date of that prospectus supplement. Please refer to our annual and quarterly reports incorporated by reference into this prospectus and any prospectus supplement for information concerning our outstanding long-term debt. See "Where You Can Find More Information."

## RATIO OF EARNINGS TO FIXED CHARGES

The following are our consolidated ratios of earnings to fixed charges and ratios of earnings to combined fixed charges and preferred stock dividends for each of the periods indicated:

	<b>Years Ended December 31,</b>					<b>Six Months Ended</b>
	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>June 30, 2003</b>
Ratio of earnings to fixed charges	3.07	3.11	2.39	2.86	3.39	2.91

The ratio of earnings to fixed charges represents, on a pre-tax basis, the number of times earnings cover fixed charges. Earnings consist of pre-tax net income from continuing operations after adjustment for income from equity investees and capitalized interest or allowance for funds used during construction (AFUDC), to which has been added fixed charges. Fixed charges consist of interest costs and amortization of debt discount and premium on all indebtedness and the interest portion of all rental expense.

## DESCRIPTION OF DEBT SECURITIES

The debt securities will be our direct, unsecured obligations and may be issued from time to time in one or more offerings of one or more series. The debt securities will be issued under an Indenture to be entered into between us and Chase Manhattan Trust Company, N.A., as trustee, dated as of May 1, 2001 (Indenture). The form of Indenture has been filed as exhibit to the registration statement of which this prospectus is a part. Selected provisions of the Indenture have been summarized below. The summary is not complete and many of the terms contained in the following summary may be modified in the accompanying prospectus supplement. You should read the Indenture for provisions that may be important to you. In the summary below, we include references to section numbers of the Indenture so that you can easily locate these provisions and, when appropriate, we also included references to sections of the Trust Indenture Act.

### **General Provisions of the Indenture**

The debt securities will be our direct, unsecured obligations and will rank equally with all of our other unsecured and unsubordinated indebtedness.

Because we are a holding company that conducts all of our operations through our subsidiaries, holders of debt securities will generally have a junior position to claims of creditors of those subsidiaries, including trade creditors, debt holders, secured creditors, taxing authorities, guarantee holders and any preferred stockholders other than, in each case, where we are the creditor or stockholder. Our subsidiaries have ongoing corporate debt programs used to finance their business activities. As of June 30, 2003, our subsidiaries had approximately \$14.9 billion of outstanding debt. We do not have any preferred stock outstanding, but our subsidiary PECO has outstanding preferred stock with an aggregate value of \$87 million. CornEd, another of our subsidiaries, has less than 1% of its shares of common stock held by non-affiliates. Finance subsidiaries of each of PECO and ComEd have preferred securities outstanding, with an aggregate value of \$178 million and \$344 million~ respectively. If distributions are not timely made on any of these preferred securities, PECO or ComEd, as the case may be, may not pay dividends on its common stock, which may adversely affect our ability to make payment on these debt securities.

The Indenture provides that any debt securities proposed to be sold by this prospectus and the accompanying prospectus supplement, as well as other of our unsecured debt securities, may be issued under the Indenture in one or more series, in each case as authorized by us from time to time. The particular terms of any series of debt securities and any modifications of or additions to the general terms of the debt securities described in this prospectus will be described in the prospectus supplement for that series. Accordingly, for a description of the terms of any series of debt securities, you should refer to both the prospectus supplement relating to that series and the description of debt securities, set forth in this prospectus.

The applicable prospectus supplement for a series of debt securities that we issue will describe, among other things, the following terms of the offered debt securities:

- the title;
- any limit on the aggregate principal amount;
- whether issued in the form of one or more global securities and whether all or a portion of the principal amount of the debt securities is represented thereby;
- the price or prices at which the debt securities will be issued;

the date or dates on which principal is payable, which may range from nine months to 30 years for medium-term debt securities and more than 30 years for long-term debt securities;

interest rates, which may be fixed or floating rates, and the dates from which interest, if any, will accrue, and the dates when interest is payable;

the right, if any, to extend the interest payment periods and the duration of the extensions;

- additional covenants for the benefit of the holders of debt securities;
- our rights or obligations to redeem or purchase the debt securities;
- any sinking fund provisions;

the terms applicable to any debt securities issued at a discount from their stated principal amount;

the portion of the principal amount payable upon acceleration of maturity as a result of a default on our obligations, if other than the entire principal amount of the debt securities when issued;

whether and under what circumstances we will pay additional amounts on our debt securities to any holder who is not a United States person in respect of any tax, assessment or governmental charge attributable to that person and, if so, whether we will have the option to redeem those debt securities rather than pay those additional amounts; and

- any other specific terms of any debt securities.

If applicable, the prospectus supplement will also include a discussion of federal income tax considerations relevant to the debt securities being offered.

We may issue debt securities that provide for less than the entire principal amount to be payable upon declaration of acceleration of the maturity of those debt securities, which are commonly referred to as "original issue discount securities." Federal income tax and other considerations pertaining to any original issue discount securities will be discussed in the applicable prospectus supplement.

We are not restricted by the Indenture from incurring indebtedness and you are not protected from a highly leveraged or similar transaction involving us. You should refer to the prospectus supplement for information with respect to any deletions from, modifications of or additions to the events of default or the covenants that are described below, including any addition of a covenant or other provision providing event risk or similar protection.

### **Denominations, Registration and Transfer**

Debt securities of a series may be issuable solely as registered securities (registered in our books in the name of the holder thereof). The Indenture also provides that debt securities of a series may be issuable in global form. See "Book-Entry System." Unless otherwise provided in the prospectus supplement, debt securities denominated (other than global securities, which may be of any

denomination) are issuable in United States dollars in denominations of \$1,000 or any integral multiples of \$1,000. (Section 2.7 of the Indenture).

Debt securities will be exchangeable for other debt securities of the same series and maturity. (Section 2.8 of the Indenture).

Debt securities of a series may be presented for registration of transfer, and debt securities of a series may be presented for exchange, (1) at each office or agency required to be maintained by us for payment of that series as described in "Payment and Paying Agents," and (2) at each other office or agency that we may designate from time to time for that purpose. No service charge will be made for any transfer of debt securities, but we may require payment of any tax or other governmental charge payable in connection therewith. (Section 2.8 of the Indenture).

We will not be required to:

issue, register the transfer of, or exchange debt securities during a period beginning at the opening of business 15 days preceding the first mailing of notice of redemption of debt securities of that series to be redeemed; or

register the transfer of or exchange any debt security, or portion thereof, called for redemption, except the unredeemed portion of any debt security being redeemed in part.

(Section 2.8 of the Indenture).

### **Payment and Paying Agents**

Principal, premium, if any, and interest, if any, on debt securities will be payable at any office or agency to be maintained by us in New York, New York, except that at our option, interest may be paid (1) by check mailed to the address of the person entitled thereto as that address appears in our security register or (2) by wire transfer to an account maintained by the person entitled thereto as specified in our security register. (Section 3.1 of the Indenture). Payment of any installment of interest on debt securities will be made to the person in whose name the debt security is registered at the close of business on the regular record date for interest. (Section 2.7 of the Indenture).

We may from time to time designate additional offices or agencies, approve a change in the location of any office or agency and, except as provided above, rescind the designation of any office or agency.

### **Events of Default**

Unless otherwise provided for in the prospectus supplement, we will be subject to an "event of default" under the Indenture if any of the following occurs:

failure to pay interest for 30 days after the date payment is due and payable; *provided*, that if we extend an interest payment period in accordance with the terms of the debt securities, the extension will not be a failure to pay interest;

failure to pay principal or premium, if any, on any debt security when due, either at maturity, upon any redemption, by declaration or otherwise;

- failure to make any sinking fund payments when due;

failure to perform other covenants under the Indenture for 60 days after the trustee has notified us that performance was required;

- bankruptcy, insolvency or reorganization of our company; or
- any other event of default provided in the applicable *resolution* of our board of directors under which we issue a series of debt securities.

(Section 5.1 of the Indenture).

An event of default for a particular series of debt securities does not necessarily constitute an event of default for any other series of debt securities issued under the Indenture. If an event of default relating to the payment of interest, principal or any sinking fund installment involving any series of debt securities has occurred and is continuing, the trustee or the holders of not less than 25% in aggregate principal amount of outstanding debt securities of each affected series may declare the entire principal amount of all the debt securities of that series (or, if the debt securities of that series are original issue discount securities, that portion of the principal amount as may be specified in the terms thereof) to be due and payable immediately. (Section 5.1 of the Indenture).

Where an event of default has occurred and is continuing with respect to the outstanding debt securities of a series, the trustee is under no obligation to exercise any of its rights or powers under the Indenture at the request, order or direction of the holders of the outstanding debt securities of that series, unless those holders have offered the trustee reasonable indemnity against the expenses and liabilities that it might incur in compliance with the request that the trustee take action in response to an event of default. Subject to these provisions for the indemnification of the trustee, the holders of a majority in principal amount of the outstanding debt securities of a series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee with respect to the debt securities of that series. (Section 5.9 of the Indenture).

The holders of a majority in principal amount of the outstanding debt securities of a series may, on behalf of the holders of all debt securities of that series, waive any past default under the Indenture with respect to that series and its consequences, except a default (1) in payment of the principal of (or premium, if any) or interest, or any additional amounts payable in respect of any debt security of that series or (2) in respect of a covenant or provision that cannot be modified or amended without the consent of the holder of each affected outstanding debt security of that series. (Section 5.10 of the Indenture)

The Indenture imposes limitations on suits brought by holders of debt securities against us. Except for actions for payment of overdue principal or interest, no holder of debt securities of any series may institute any action against us under the Indenture unless:

the holder has previously given to the trustee written notice of default and continuance of that default;

the holders of at least 25% in principal amount of the affected outstanding debt securities have requested that the trustee institute the action;

the requesting holders have offered the trustee reasonable indemnity for expenses and liabilities that may be incurred by bringing the action;

the trustee has not instituted the action within 60 days of the request; and

the trustee has not received inconsistent direction by the holders of a majority in principal amount of the outstanding debt securities of that series.

(Sections 5.6 and 5.7 of the Indenture).

We will be required to file annually with the trustee a certificate, signed by an officer of our company, stating whether or not the officer knows of any default by us in the performance, observance or fulfillment of any condition or covenant of the Indenture. (Section 3.5 of the Indenture). The Indenture provides that the trustee may withhold notice of a default (except payment defaults) to the holders of debt securities of the series to which the default applies if the trustee considers it in the interests of those holders of those debt securities to do so. (Section 5.11 of the Indenture).

### **Covenants**

The Indenture provides that we comply with the following covenants:

- punctually pay principal and interest on the debt securities;
  - if the debt securities are no longer in book-entry form, maintain an office in New York, New York where debt securities may be presented for payment, exchange and transfer;
  - appoint a trustee to fill any vacancy;
  - issue a certificate to the trustee on January 31 each year indicating whether we have complied with all covenants and conditions in the Indenture;
  - maintain our corporate existence; and
- pay our taxes and other assessments and claims as they become due, unless they are being contested in good faith.

### **Merger or Consolidation**

The Indenture provides that we may not consolidate with or merge with or into any other corporation or other person or convey or transfer our properties or assets in their entirety or substantially in their entirety to any corporation or other person, unless we are the continuing corporation or the other corporation or other person is organized under the laws of the United States or any state or is organized under the laws of a foreign jurisdiction and consents to the jurisdiction of the United States or a state and assumes by supplemental indenture all of our obligations under the Indenture and the debt securities issued thereunder and immediately after the transaction no default exists.

### **Modification or Waiver**

The Indenture provides that the trustee and we may modify and amend the Indenture and enter into supplemental indentures without the consent of any holders of debt securities to:

- evidence the assumption by a *successor* corporation of our obligations;
- add covenants for the protection of the holders of debt securities;

cure any ambiguity or correct any inconsistency in the Indenture, *provided* that this action does not adversely affect the interests of holders of any series of debt securities in any material respect; and

evidence and provide for the acceptance of appointment by a successor trustee.

(Section 8.1 of the Indenture).

The Indenture also provides that the trustee and we may, with the consent of the holders, add, eliminate or modify in any way the provisions of the Indenture or modify in any manner the rights of the holders of the debt securities. Consent of the holders means holders of not less than a majority in aggregate principal amount of debt securities of all affected series then outstanding, voting as one class. (Section 8.2 of the Indenture). We cannot do this, however, for those matters requiring the consent of each holder as described below.

The trustee and we may not without the consent of the holder of each outstanding debt security affected thereby:

extend the final maturity of any debt security;

- reduce the principal amount or premium, if any;
- reduce the rate or extend the time of payment of interest;
- reduce any amount payable on redemption;

reduce the amount of the principal of any debt security issued with an original issue discount that is payable upon acceleration or provable in bankruptcy;

impair the right to sue for the enforcement of any payment on any debt security when due; or

reduce the percentage of holders of debt securities of any series whose consent is required for any modification of the Indenture.

In determining whether the holders of the requisite principal amount of outstanding debt securities have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture, (1) the principal amount of an original issue discount security that will be deemed to be outstanding will be the amount of the principal thereof that would then be due and payable upon acceleration of the maturity thereof and (2) debt securities owned by us or any other obligor upon the debt securities or any affiliate of ours or of any other obligor will be disregarded. (Section 7.4 of the Indenture).

### **Satisfaction and Discharge, Defeasance and Covenant Defeasance**

We can discharge or defease our obligations under the Indenture as stated below or as provided in the prospectus supplement.

We may discharge obligations to holders of any series of debt securities that have not already been delivered to the trustee for cancellation and that have either become due and payable or are to become due and payable, or are scheduled for redemption, within one year. We may discharge these

obligations by irrevocably depositing with the trustee cash or "U.S. Government Obligations" (as defined below), as trust funds, in an amount certified to be enough to pay when due, whether at maturity, upon redemption or otherwise, the principal of and interest on the debt securities and any mandatory sinking fund payments. (Section 9.1 of the Indenture).

We may also discharge any and all of our obligations to holders of any series of debt securities at any time, referred to as "defeasance." We may also be released from the obligations imposed by any covenants of any outstanding series of debt securities and provisions of the Indenture, and we may avoid complying with those covenants without creating an event of default under the Indenture, referred to as "covenant defeasance." We may effect defeasance and covenant defeasance only if, among other things:

we irrevocably deposit with the trustee cash or U.S. Government Obligations, as trust funds, in an amount certified to be enough to pay at maturity, or upon redemption, the principal, and interest on all outstanding debt securities of that series; and

we deliver to the trustee an opinion of counsel from a nationally recognized law firm to the effect that (1) in the case of covenant defeasance, the holders of the series of debt securities will not recognize income, gain or loss for U.S. federal income tax purposes as a result of that defeasance, and will be subject to tax in the same manner and at the same time as if no covenant defeasance had occurred and (2) in the case of defeasance, either we have received from, or there has been published by, the Internal Revenue Service a ruling or there has been a change in applicable U.S. federal income tax law, and based thereon, the holders of the series of debt securities will not recognize income, gain or loss for U.S. federal income tax purposes as a result of that defeasance, and will be subject to tax in the same manner as if no defeasance had occurred.

(Section 9.1 of the Indenture).

Although we may discharge or decrease our obligations under the Indenture as described in the two preceding paragraphs, we may not avoid, among other things, the rights and obligations of the trustee under the Indenture, to register the transfer or exchange of any series of debt securities, to replace any temporary, mutilated, destroyed, lost or stolen series of debt securities or to maintain an office or agency in respect of any series of debt securities. (Section 9.1 of the Indenture).

If we effect covenant defeasance with respect to any debt securities and those debt securities are declared due and payable because of the occurrence of any event of default other than the event of default resulting from a failure to comply with any covenant in the Indenture after the notice served therefor has elapsed, the amount of U.S. Government Obligations and funds on deposit with the trustee will be sufficient to pay amounts due on those debt securities at the time of their stated maturity but may not be sufficient to pay amounts due on those debt securities at the time of the acceleration resulting from that event of default. In that case, we would remain liable to make payment of those amounts due at the time of acceleration. (Section 9.1 of the Indenture).

If the trustee or any paying agent is prevented by a court or governmental authority from applying any money deposited with the trustee in accordance with the Indenture, then our obligations under the Indenture and the debt securities shall be revived and reinstated as though no deposit had occurred pursuant to the Indenture. Thereafter, our obligation will continue until such time as the trustee or paying agent is permitted to apply all money in accordance with the Indenture. Any payment of principal of (or premium, if any) or interest that we make on any debt security following the reinstatement of our obligations will be subrogated to the rights of the holders of those debt securities to receive such payment from the money held by the trustee or paying agent.

As used above, "U.S. Government Obligations" means securities that are (1) direct obligations of the United States or (2) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States, which are not callable or redeemable at the option of the issuer thereof (Section 9.1 of the Indenture).

### **Book-Entry Debt Securities**

Unless otherwise specified in the applicable prospectus supplement, the debt securities will be issued in registered, global form. See "Book-Entry System."

### **Information About the Trustee**

The Indenture provides that there may be more than one trustee under the Indenture, each for one or more series of debt securities. If there are different trustees for different series of debt securities, each trustee will be a trustee under the Indenture separate and apart from the trust administered by any other trustee under the Indenture. Except as otherwise indicated in this prospectus or any prospectus supplement, any action permitted to be taken by a trustee may be taken by that trustee only on the one or more series of debt securities for which it is the trustee under the Indenture. All payments of principal of, premium, if any, and interest on, and all registration, transfer, exchange, authentication and delivery of, the debt securities of a series will be made by the trustee for that series at an office designated by the trustee.

The trustee may resign at any time and if the trustee resigns, we will appoint a successor trustee. We may remove the trustee if the trustee fails to satisfy the eligibility requirements of the Trust Indenture Act, fails to comply with the Trust Indenture Act, is incapable of acting or if the trustee becomes bankrupt or insolvent and, upon removal, we will appoint a successor trustee. The holders of a majority in aggregate principal amount of the debt securities of each series may remove the trustee for that series at any time and, upon removal, we will appoint a successor trustee. (Section 6.11 of the Indenture).

If the trustee becomes our creditor, the Indenture places limitations on the rights of the trustee to obtain payment of claims directly or from property received in respect of that claim as security or otherwise. The trustee may engage in other transactions. If the trustee acquires any conflicting interest relating to any duties concerning the debt securities, however, it must eliminate the conflict or resign as trustee, (Section 6.9 of the Indenture).

The Indenture provides that if an event of default occurs and is not cured or waived, the trustee must use the same degree of care and skill as a prudent person would use in the conduct of his or her own affairs in the exercise of the trustee's power. (Section 6.1 of the Indenture). The trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any of the holders of the debt securities, unless that trustee has been offered security and indemnity satisfactory to that trustee. (Section 6.2 of the Indenture).

We maintain ordinary banking relationships with Chase Manhattan Trust Company, N.A., including credit facilities and lines of credit.

### **Governing Law**

The Indenture is governed by Pennsylvania law.

## DESCRIPTION OF COMMON STOCK

The description below is a summary of certain provisions of our common stock. The Pennsylvania Business Corporation Law and our Amended and Restated Articles of Incorporation and Bylaws determine the rights and privileges of holders of our common stock. We encourage you to read such documents, which have been filed with the SEC and are incorporated herein by reference, and the Pennsylvania law for more information regarding such common stock.

### **Authorized Capital**

Our authorized capital consists of 600,000,000 shares of common stock, no par value, and 100,000,000 shares of Preferred Stock, no par value.

### **Common Stock**

As of June 30, 2003, 325,848,491 shares of our common stock were issued and outstanding. The outstanding common stock is, and the common stock offered hereby, when issued and paid for, will be, fully paid and non-assessable.

### **Dividends**

Dividends on the common stock will be paid if, when and as determined by our Board of Directors out of funds legally available for this purpose. The rate and timing of future dividends will depend upon our future earnings and financial condition and upon other relevant factors affecting our dividend policy, which we cannot presently determine. As a practical matter, our ability to pay dividends will be governed by the ability of our operating subsidiaries to pay dividends to us. To date, the funds that we require to enable us to pay dividends on our common stock have been derived predominantly from dividends paid by PECO and ComEd. To date, Generation has not declared or paid dividends.

Our subsidiaries' ability to pay dividends to us will be subject to the prior rights of the holders of such subsidiaries' outstanding debt and preferred securities, the availability of earnings and the needs of their businesses. Neither CornEd nor PECO may declare dividends on any shares of their respective 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 its 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. The restrictions on the payment of dividends contained in PECO's Amended and Restated Articles of Incorporation do not currently limit the amount of regular quarterly dividends PECO pays on its common stock. In addition, under PUHCA, CornEd, PECO and Generation can pay dividends only from retained, undistributed or current earnings. Similar restrictions also apply to ComEd under the Illinois Public Utilities Act.

### **Voting Rights**

Holders of common stock are entitled to one vote for each share held of record by them on all matters presented to shareholders. Pursuant to our Amended and Restated Articles of Incorporation, the holders of common stock do not have cumulative voting rights in the election of directors. Our Bylaws provide for a classified board of directors consisting of three classes as nearly equal in number as may be. Each class holds office until the third year following the election of such class, and no director may be removed except for cause upon a majority vote of all outstanding shares. Our Bylaws also provide for certain notice requirements for shareholder nominations and proposals at annual meetings and preclude shareholders from bringing business before any special meeting. Our Amended and Restated Articles of

Incorporation and certain provisions of Pennsylvania law would require a supermajority vote of holders or a majority vote of disinterested directors to approve certain business combinations and other major transactions involving us.

### **Liquidation Rights**

After satisfaction of the preferential liquidation rights of any preferred stock, the holders of the common stock are entitled to share, ratably, in the distribution of all remaining net assets.

### **Preemptive and Other Rights**

The holders of common stock do not have preemptive rights as to additional issues of common stock or conversion rights. The shares of common stock are not subject to redemption or to any further calls or assessments and are not entitled to the benefit of any sinking fund provisions.

### **Listing**

The outstanding shares of common stock are, and the shares offered hereby will be, listed on the New York, Chicago and Philadelphia Stock Exchanges.

### **Transfer Agent and Registrar**

The Transfer Agent and Registrar for the common stock is EquiServe Trust Company, N.A.

## **DESCRIPTION OF STOCK PURCHASE CONTRACTS AND STOCK PURCHASE UNITS**

We may issue stock purchase contracts representing contracts obligating holders to purchase from us, and us to sell to the holders, a specified number of shares of our common stock (or a range of numbers of shares pursuant to a predetermined formula) at a future date or dates. The price per share of common stock and the number of shares of common stock may be fixed at the time the stock purchase contracts are issued or may be determined by reference to a specific formula set forth in the stock purchase contracts.

The stock purchase contracts may be issued separately or as a part of units, often known as stock purchase units, consisting of a stock purchase contract and either:

our debt securities; or

debt obligations of third parties, including U.S. Treasury securities,

securing the holders' obligations to purchase the common stock under the stock purchase contracts.

The stock purchase contracts may require us to make periodic payments to the holders of the stock purchase units or vice versa, and such payments may be unsecured or prefunded on some basis. The stock purchase contracts may require holders to secure their obligations in a specified manner and in certain circumstances we may deliver newly issued prepaid stock purchase contracts, often known as prepaid securities, upon release to a holder of any collateral securing such holder's obligations under the original stock purchase contract.

The applicable prospectus supplement will describe the terms of any stock purchase contracts or stock purchase units and, if applicable, prepaid securities. The description in the applicable prospectus supplement will not contain all of the information that you may find useful. For more information, you should review the stock purchase contracts, the collateral arrangements and depositary arrangements, if

applicable, relating to such stock purchase contracts or stock purchase units and, if applicable, the prepaid securities and the document pursuant to which the prepaid securities will be issued. These documents will be filed with the SEC promptly after the offering of the stock purchase contracts or stock purchase units. Material United States federal income tax considerations applicable to the stock purchase contracts and the stock purchase units will also be discussed in the applicable prospectus supplement.

## DESCRIPTION OF PREFERRED STOCK

### **General.**

As of June 30, 2003, our authorized capital stock included 100,000,000 shares of preferred stock, no par value. As of June 30, 2003, there were no shares of preferred stock outstanding.

Our Board of Directors is authorized, without further shareholder action, to divide the preferred stock into one or more series and to determine the following designations, preferences, limitations and special rights of any series (which for any series will be set forth in the related prospectus supplement):

- the annual dividend rate or rates;
- the rights, if any, of the holders of shares of the series upon voluntary or involuntary liquidation, dissolution or winding up of our company;
- the terms and conditions upon which shares may be converted into shares of other series or other capital stock, if issued with the privilege of conversion;
- the price at and the terms and conditions upon which shares may be redeemed;
- .o the terms and amount of any sinking fund for the purchase or redemption of shares of a series; and
- the exchange or exchanges on which the preferred stock will be listed, if any.

### **Dividend Rights.**

The annual dividend rate for each new series of preferred stock and whether such dividends will be cumulative from the date of issuance will be set forth in the applicable prospectus supplement. Dividends will be payable, when declared, quarterly on the first day of February, May, August and November. Any limitations on our rights to pay dividends will be described in the applicable prospectus supplement.

### **Voting Rights.**

The voting rights for each new series of preferred stock will be set forth in the applicable prospectus supplement.

### **Liquidation Rights.**

The amount per share payable on each series of preferred stock in the event of any voluntary or involuntary liquidation will be set forth in the applicable prospectus supplement.

### **Redemption Provisions.**

The redemption provisions, if any, with respect to each series of preferred stock will be set forth in the applicable prospectus supplement.

### **Sinking Fund.**

The sinking fund provisions, if any, with respect to each series of preferred stock will be set forth in the applicable prospectus supplement.

### **Miscellaneous.**

Holders of our preferred stock will not have any preemptive rights to subscribe for or purchase any additional shares of our capital stock, or other securities or other right or option to purchase shares of capital stock. The new preferred stock, when issued and paid for, will be fully paid and nonassessable.

There is no provision restricting us from purchasing shares of preferred stock in the event of an arrearage in the payment of dividends or sinking fund obligations.

### **Listing.**

The prospectus supplement will indicate whether and where the preferred stock to be issued will be listed.

## **DESCRIPTION OF TRUST PREFERRED SECURITIES**

Each trust may issue trust preferred securities and trust common securities under the terms of its respective trust agreement. A form of the trust agreement has been filed as an exhibit to the registration statement of which this prospectus is a part. We suggest that you read the trust agreement for the complete text of the provisions that are summarized below as well as for the provisions that are not summarized but may be important to you. The trust agreement has been qualified as an indenture under the Trust Indenture Act. The Trust Indenture Act contains provisions that apply to the trust preferred securities, and you may wish to refer to it as well. Wherever particular defined terms of the trust agreement are referred to in this prospectus, those defined terms are incorporated by reference into this prospectus and any related prospectus supplement.

### **General Information.**

Both the trust preferred securities and the trust common securities will represent undivided beneficial interests in the assets of the issuing trust. If there is an event of default under a trust agreement, as described below, the rights of the holders of the trust preferred securities at issue will be entitled to priority in right of payment over the holders of trust common securities. We will own all of the trust common securities.

### **Prohibited Actions of the Trust.**

Each trust will invest the proceeds from any issuance of trust preferred securities, together with the consideration we pay for the trust common securities, to purchase subordinated debt securities from us. Legal title in the subordinated debt securities will be held by the property trustee in trust for the benefit of the trust and the holders of the trust securities.

In accordance with the trust agreements, each trust may not:

acquire any investments or engage in any activities not authorized by the applicable trust agreement;

take or consent to any action that would cause the trust to fail or cease to qualify as a grantor trust for United States federal income tax purposes;

issue debt or any securities other than the trust *securities*;

- incur indebtedness for borrowed money;
- pledge any of its assets;

sell, assign, transfer, exchange or otherwise dispose of trust property or interests except as provided in the applicable trust agreement; or

take any action that would vary the investment by the trust.

We will guarantee distributions on the trust preferred securities on a limited basis to the extent described under the caption "Description of Guarantees." The guarantees will not guarantee payment of distributions or amounts payable on redemption of the trust preferred securities or liquidation of the trust when the trust does not have funds on hand legally available for those payments. In that event, a remedy of a holder of trust preferred securities is to direct the property trustee to enforce its rights under the subordinated debt securities held by the issuing trust. If the property trustee fails to enforce its rights with respect to the subordinated debt securities held by the issuing trust, any record holder of the trust preferred securities of that trust may, to the fullest extent permitted by law, institute legal proceedings directly against us to enforce the property trustee's rights under those subordinated debt securities without first instituting any legal proceedings against the property trustee or any other person or entity. In addition, a holder of the trust preferred securities may institute a legal proceeding directly against us for enforcement of payment to that holder of principal of, premium, if any, or interest on the subordinated debt securities having a principal amount equal to the aggregate liquidation amount of the trust preferred securities of that holder on or after the due date specified in the subordinated debt securities.

Holders of the trust preferred securities have no preemptive or similar rights.

#### **Distributions.**

Distributions on the trust preferred securities of a trust will be payable on the dates and at the rates set forth in the applicable prospectus supplement. The distribution rate and the relevant distribution date for the trust securities will correspond to the payments and payment dates on the associated subordinated debt securities held by the issuing trust. The revenue of the issuing trust available for distribution to holders of the trust preferred securities will be limited to payments under the subordinated debt securities in which the issuing trust will invest the proceeds from the issuance and sale of the trust securities. If we fail to make interest payments on the subordinated debt securities held by the issuing trust, the property trustee will not have funds available to pay distributions on the trust preferred securities.

Unless an event of default under the subordinated debt indenture has occurred and is continuing, we may, on one or more occasions, defer the payment of interest on the subordinated debt securities. The applicable prospectus supplement will specify the length of time for which such interest deferral period may last. See "Description of Subordinated Debt Securities - Events of Default."

However, no deferral period shall end on a date other than an interest payment date or extend beyond the stated maturity date. Distributions on the trust preferred securities will be deferred by the issuing trust during any such deferral period. Distributions to which holders of the trust preferred securities are entitled during any such deferral period will accumulate additional distributions at the rate per annum set forth in the applicable prospectus supplement.

Upon the termination of any deferral period and the payment of all amounts then due on any interest payment date, we may elect to begin a new deferral period, subject to the requirements described above. No interest shall be due and payable during any deferral period, except at the end of the period, except as permitted by the subordinated debt indenture.

We must give the trust holding the subordinated debt securities at issue and the subordinated debt trustee notice of our election to defer the payment of interest on the subordinated debt securities at least the number of business days specified in the subordinated debt indenture prior to the earlier of:

the date the distributions on the trust preferred securities would have been payable except for the election to begin such deferral period; or

the date we or the trust are required to give notice to any securities exchange or any other applicable self-regulatory organization or to the holders of trust preferred securities of the record date or the date such distributions are payable.

There is no limitation on the number of times that we may elect to begin a deferral period. Accordingly, there could be multiple deferral periods of varying lengths throughout the term of the trust preferred securities. See "Description of Subordinated Debt Securities - Option to Extend Interest Payment Date."

During any deferral period, we may not declare or pay any dividend on, make any distributions with respect to, or redeem, purchase or make a liquidation payment with respect to, any of our capital stock.

#### **Payment of Additional Amounts.**

If a Tax Event (the meaning of which can be found under "Description of Subordinated Debt Securities - Special Event Redemption") has occurred and is continuing at any time while the property trustee holds any subordinated debt securities, and a trust or the property trustee in respect of that trust is required to pay any taxes, duties, assessments or other governmental charges of whatever nature (other than withholding taxes) imposed by the United States or any other taxing authority, then, in any case, we will pay any additional amounts as may be required so that the net amounts received and retained by the trust and the property trustee, after paying those taxes, duties, assessments or other governmental charges, will be equal to the amounts the trust and the property trustee would have received had those taxes, duties, assessments or other governmental charges not been imposed as a result of the Tax Event. We refer to these payments in this prospectus as "Additional Amounts." Our payments of Additional Amounts on the subordinated debt securities will ensure that the distributions then due and payable by the trust at issue on the trust's outstanding trust preferred securities and trust common securities will not be reduced as a result of such taxes, duties, assessments or governmental charges imposed as a result of a Tax Event.

#### **Redemption.**

Whenever subordinated debt securities are repaid (other than following the distribution of subordinated debt securities to the holders of the trust securities), whether at maturity or earlier

redemption, the property trustee will apply the proceeds to redeem a Like Amount (as defined below) of the related trust securities, upon not less than 30 nor more than 60 days notice of the date of redemption to the holders of the trust securities, at a redemption price equal to the liquidation amount of the trust securities to be redeemed plus accrued and unpaid interest to the redemption date. See "Description of Subordinated Debt Securities - Optional Redemption" and "- Special Event Redemption." If less than all of the subordinated debt securities are to be redeemed on a redemption date, then the proceeds of such redemption shall be allocated pro rata among the related trust securities, unless an event of default with respect to the subordinated debt securities has occurred and is continuing. See "- Subordination of Trust Common Securities."

The term "Like Amount" means:

with respect to a redemption of the trust securities, trust securities having a liquidation amount equal to the principal amount of the subordinated debt securities that are to be contemporaneously paid in accordance with their terms; and

with respect to a distribution of subordinated debt securities upon the dissolution and liquidation of the trust, subordinated debt securities having a principal amount equal to the liquidation amount of the trust securities of the holder to whom such subordinated debt securities are being distributed.

We will have the option to redeem the subordinated debt securities:

in whole at any time or in part from time to time on or after the date indicated in the prospectus supplement; and

- in whole, but not in part, at any time within 90 days of the occurrence of a Special Event.

See "Description of Subordinated Debt Securities - Optional Redemption and - Special Event Redemption."

#### **Redemption Procedures.**

If applicable, trust securities will be redeemed at the applicable redemption price with the proceeds from the contemporaneous repayment or redemption of the related subordinated debt securities. Any redemption of trust securities will be made and the applicable redemption price will be payable on the redemption date only to the extent that a trust has funds legally available for the payment of the applicable redemption price. See also "- Subordination of Trust Common Securities."

If a trust gives a notice of redemption in respect of its trust preferred securities, then, by 2:00 p.m., New York City time, on the redemption date, to the extent funds are legally available to the trust, with respect to the trust preferred securities held by DTC, or its nominees, the property trustee will deposit with DTC funds sufficient to pay the applicable redemption price. See "Book-Entry System." With respect to the trust preferred securities that are held in certificated form, the property trustee, to the extent funds are legally available, will deposit with the paying agent for those trust preferred securities funds sufficient to pay the applicable redemption price and will give that paying agent irrevocable instructions to pay the applicable redemption price to the holders of those trust preferred securities upon surrender of their certificates evidencing those trust preferred securities. See "- Payment and Paying Agency." Notwithstanding the foregoing, distributions payable on or prior to the redemption date shall be payable to the holders of those trust preferred securities on the relevant record dates for the related distribution dates. If notice of redemption has been given and funds are deposited as required, then upon

the date of that deposit, all rights of the holders of the trust preferred securities called for redemption will cease, except the right of those holders to receive the applicable redemption price, and those trust preferred securities will cease to be outstanding.

If any redemption date of trust preferred securities is not a business day, then the redemption price will be paid on the next succeeding day that is a business day. If the next succeeding business day falls in the next calendar year, then the required payment will be made on the immediately preceding business day. If payment of the redemption price is improperly withheld or refused and not paid either by the trust or by us pursuant to the guarantees:

distributions on the trust preferred securities will continue to accumulate at the then applicable rate, from the redemption date originally established by the issuing trust to the date the redemption price is actually paid; and

the actual payment date will be the redemption date for purposes of calculating the applicable redemption price.

We or our affiliates may, subject to applicable law, from time to time purchase outstanding trust preferred securities by tender, in the open market or by private agreement.

If less than all of a trust's outstanding trust preferred securities and trust common securities are to be redeemed on a redemption date, then the aggregate amount of those trust preferred securities and trust common securities to be redeemed shall be allocated pro rata among such trust's trust preferred securities and trust common securities. The property trustee will select on a pro rata basis the particular outstanding trust preferred securities to be redeemed not more than 60 days prior to the redemption date, by such method as the property trustee shall deem fair and appropriate. The property trustee will promptly notify the trust registrar in writing of the trust preferred securities selected for redemption and, in the case of any trust preferred security selected for partial redemption, the liquidation amount to be redeemed. For all purposes of the trust agreements, unless the context otherwise requires, all provisions relating to the redemption of the trust preferred securities will relate, in the case of any trust preferred security redeemed or to be redeemed only in part, to the portion of the aggregate liquidation amount of trust preferred securities which has been or is to be redeemed.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of trust securities that are to be redeemed at its registered address. Unless we default in payment of the applicable redemption price on, or in the repayment of, the subordinated debt securities, on and after the redemption date, distributions will cease to accrue on the trust securities called for redemption.

#### **Dissolution of a Trust and Distribution of the Subordinated Debt Securities.**

Each trust shall automatically dissolve upon the first to occur of:

- our bankruptcy, dissolution or liquidation;
- delivery by us to the property trustee of a direction in writing to dissolve the trust and distribute the subordinated debt securities to the holders of the trust's trust securities;
- the expiration of the term of the trust;

the payment at maturity or redemption of the applicable subordinated debt securities and the consequent payment of all of the trust preferred securities as described under "- Redemption"; and

- the entry of an order for dissolution of the trust by a court of competent jurisdiction.

We have the right at any time to dissolve the trusts and, after satisfaction of liabilities to creditors of the trusts, cause the subordinated debt securities held by the trusts to be distributed to the holders of the trust securities in liquidation of the trusts.

If a dissolution occurs as described in the first or last bullet points in the preceding paragraph, the trust at issue will be wound up by the administrative trustees as expeditiously as possible. After satisfaction (whether by payment or reasonable provision for payment) of liabilities to the trust's creditors, except in connection with a dissolution of the trust resulting from the redemption of trust securities, the property trustee will distribute to the holders of trust securities a Like Amount of the subordinated debt securities held by the trust, unless that distribution is determined by the administrative trustees not to be practicable. In that case, the holders will be entitled to receive pro rata out of the assets of the trust legally available for distribution to holders an amount equal to the aggregate of the liquidation amount plus accumulated and unpaid distributions thereon to the date of payment. If this liquidation distribution can be paid only in part because the trust has insufficient assets on hand legally available to pay in full the aggregate liquidation distribution, then the amount payable directly by the trust on the trust securities will be paid on a pro rata basis, except that if an event of default has occurred and is continuing, the trust preferred securities shall have a priority over the trust common securities. See "- Subordination of Trust Common Securities."

If we elect not to prepay the subordinated debt securities before maturity in accordance with their terms and either elect not to or are unable to dissolve and wind up a trust and distribute the subordinated debt securities to holders of the trust securities, the trust securities will remain outstanding until the repayment of the subordinated debt securities on the stated maturity date.

After the liquidation date is fixed for any distribution of subordinated debt securities to holders of the trust securities:

- the trust securities will no longer be deemed to be outstanding;
- any holders who provide certificates representing trust securities will receive certificates representing a Like Amount of subordinated debt securities;

any certificates for trust securities not surrendered for exchange will be deemed to represent a Like Amount of subordinated debt securities; and

all rights of holders of trust securities will cease except the right to receive a Like Amount of subordinated debt securities.

#### **Subordination of Trust Common Securities.**

Payment of distributions on, and the redemption price of, the trust securities will be made pro rata based on the liquidation amount of the trust securities. However, if on any distribution date or redemption date, an event of default has occurred and is continuing, no payment of any distribution on, or applicable redemption price of, any of the trust common securities, and no other payment on account of the redemption, liquidation or other acquisition of the trust common securities, will be made unless payment

in full in cash of all accumulated and unpaid distributions on all of the outstanding trust preferred securities for all distribution periods terminating on or prior thereto, or in the case of payment of the applicable redemption price the full amount of such redemption price, shall have been made or provided for, and all funds available to the property trustee shall first be applied to the payment in full in cash of all distributions on, or redemption price of, the trust preferred securities then due and payable.

In the case of any event of default under the subordinated debt indenture, we, as holder of the trust common securities, will be deemed to have waived any right to act with respect to that event of default until its effect on the trust preferred securities is cured, waived or otherwise eliminated. Until that event of default is so cured, waived or otherwise eliminated, the property trustee will act solely on behalf of the holders of the trust preferred securities and not on behalf of us, as the holder of the trust common securities, and only the holders of the trust preferred securities will have the right to direct the property trustee to act on their behalf.

### **Trust Agreement Events of Default; Notice.**

Each trust agreement provides that an event of default under the subordinated debt indenture with respect to the series of subordinated debt securities held by that trust constitutes an event of default with respect to the trust securities. See "Description of Subordinated Debt Securities - Events of Default."

! Within ninety days after the occurrence of any trust agreement event of default actually known to the property trustee, the property trustee will transmit notice of that default to the holders of the trust securities and the other persons entitled to such notice under the trust agreement, unless the default is cured or waived. We are required to file annually with the subordinated debt trustee a certificate as to whether or not we are in compliance with all the conditions and covenants under the subordinated debt indenture.

Upon the occurrence of a trust agreement event of default, the subordinated debt trustee or the property trustee as the holder of the subordinated debt securities will have the right under the subordinated debt indenture to declare the principal of and interest on the subordinated debt securities held by the trust to be immediately due and payable.

If a trust agreement event of default occurs and is continuing, then the holders of a majority in aggregate liquidation amount of the trust preferred securities have the right to direct the exercise of any trust or power conferred upon the property trustee under the trust agreement, including the right to direct the property trustee to exercise the remedies available to it as holder of the subordinated debt securities. If the property trustee fails to enforce its rights with respect to the subordinated debt securities held by the trust at issue, any record holder of the trust preferred securities issued by that trust may, to the fullest extent permitted by law, institute legal proceedings directly against us to enforce the property trustee's rights under those subordinated debt securities without first instituting any legal proceedings against the property trustee or any other person or entity. In addition, if a trust agreement event of default has occurred and is continuing and that event is attributable to our failure to pay interest, principal or other required payments on the subordinated debt securities issued to the trust on the date that interest, principal or other payment is otherwise payable, then a record holder of the trust preferred securities may, on or after the respective due dates specified in the subordinated debt securities, institute a proceeding directly against us for enforcement of payment on those subordinated debt securities having a principal amount equal to the aggregate liquidation amount of the trust preferred securities held by that holder. In connection with such an action, we will be subrogated to the rights of that record holder of trust preferred securities to the extent of any payment made by us to that record holder of trust preferred securities.

If a trust agreement event of default has occurred and is continuing, the trust preferred securities shall have a preference over the trust common securities as described above under " - Liquidation of the Trust and Distribution of Subordinated Debt Securities" and " - Subordination of Trust Common Securities."

#### **Removal of a Trust's Trustees.**

Unless a trust agreement event of default occurs and is continuing, we may remove any trustee of a trust at any time, as the holder of the trust common securities. If a trust agreement event of default has occurred and is continuing, the property trustee and the Delaware trustee may be removed at that time by the holders of a majority in liquidation amount of the outstanding trust preferred securities. In no event will the holders of the trust preferred securities have the right to vote to appoint, remove or replace the administrative trustees, which voting rights are vested exclusively in the holder of the trust common securities. No resignation or removal of a trustee of a trust and no appointment of a successor trustee shall be effective until the acceptance of appointment by the successor trustee in accordance with the provisions of the applicable trust agreement.

Under the trust agreement, if the property trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act, the property trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and the trust agreement. To the extent permitted by the Trust Indenture Act, the property trustee shall not be deemed to have a conflicting interest by virtue of being trustee under the guarantee.

#### **Mergers, Consolidations, Amalgamations or Replacements of a Trust.**

A trust may not merge with or into, convert into, consolidate, amalgamate, or be replaced by, or convey, transfer or lease its properties and assets as an entirety or substantially as an entirety to any corporation or other person, except as described below or as otherwise described under " - Liquidation of the Trust and Distribution of Subordinated Debt Securities." Each trust may, at our request and with the consent of the administrative trustees but without the consent of the holders of the trust preferred securities, the Delaware trustee or the property trustee, merge with or into, convert into, consolidate, amalgamate, or be replaced by a trust organized as such under the laws of any State; provided that:

- such successor entity either:

expressly assumes all of the obligations of the trust with respect to the trust securities; or

substitutes for the trust preferred securities other securities having substantially the same terms as the trust preferred securities (successor securities) so long as the successor securities rank the same as the trust preferred securities rank in priority with respect to distributions and payments upon liquidation, redemption and otherwise;

we expressly appoint a trustee of that successor entity possessing the same powers and duties as the property trustee as the holder of the subordinated debt securities;

the trust preferred securities or any successor securities are listed, or any successor securities will be listed upon notification of issuance, on any national securities exchange or other organization on which the trust preferred securities are then listed or quoted, if any;

if the trust preferred securities (including any successor securities) are rated by any nationally recognized statistical rating organization prior to such transaction, such merger, consolidation, amalgamation or replacement does not cause those trust preferred securities (including any successor securities) to be downgraded by any such nationally recognized statistical rating organization;

such merger, conversion, consolidation, amalgamation or replacement does not adversely affect the rights, preferences and privileges of the holders of the trust securities (including any successor securities) in any material respect;

- the successor entity has a purpose substantially identical to the purpose of the trust;

prior to such merger, consolidation, amalgamation or replacement, we and the property trustee have received an opinion from counsel to the effect that:

the merger, consolidation, amalgamation or replacement does not adversely affect the rights, preferences and privileges of the holders of the trust securities (including any successor securities) in any material respect;

following the merger, conversion, consolidation, amalgamation or replacement, neither the trust nor the successor entity will be required to register as an investment company under the Investment Company Act;

following such merger, consolidation, amalgamation or replacement, the trust or the successor entity will continue to be classified as a grantor trust for U.S. federal income tax purposes; and

we guarantee the obligations of that successor entity under the Successor Securities at least to the extent provided by the guarantees.

Notwithstanding the foregoing, a trust will not, except with the consent of holders of 100% in liquidation amount of its trust securities, consolidate, amalgamate, merge with or into, convert into, or be replaced by any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it if that consolidation, amalgamation, merger or replacement would cause the trust or the successor entity not to be classified as a grantor trust for United States federal income tax purposes.

### **Voting Rights.**

Except as provided above under "- Mergers, Consolidations, Amalgamations or Replacements of the Trust" and below under "Description of Guarantees - Amendments and Assignment" and as otherwise required by law and the trust agreements, the holders of the trust preferred securities will have no voting rights.

### **Amendment of the Trust Agreements.**

We and the administrative trustees, without the consent of the holders of the trust securities issued pursuant to the trust agreement or the other trustees, may amend each trust agreement from time to time:

to cure any ambiguity, correct or supplement any provisions in the trust agreement that may be inconsistent with any other provision, or to make any other provisions with respect to matters or questions arising under the trust agreement, which shall not be

inconsistent with the other provisions of the trust agreement, provided, however, that the interests of the holders of the trust securities shall not be adversely affected in any material respect; or

to modify, eliminate or add to any provisions of the trust agreement to such extent as shall be necessary to ensure that the trust will be classified for United States federal income tax purposes as a grantor trust at all times that any trust securities are outstanding.

Any amendments of the trust agreement pursuant to the bullets above shall become effective once notice is given to the holders of the trust securities issued pursuant to the trust agreement at issue.

The sponsor and the administrative trustees may amend a trust agreement:

with the consent of holders representing not less than 66 2/3% (based upon liquidation amount) of the outstanding trust securities issued pursuant to the trust agreement; and

upon receipt by the trustees of an opinion of counsel to the effect that the amendment or the exercise of any power granted to the trustees in accordance with the amendment will not affect the trust's status as a grantor trust for United States federal income tax purposes or the trust's exemption from status as an "investment company" under the Investment Company Act.

However, without the consent of each holder of trust securities issued pursuant to the trust agreement, a trust agreement may not be amended to:

change the amount or timing of any distribution on the trust securities or otherwise adversely affect the amount of any distribution required to be made in respect of the trust securities as of a specified date;

restrict the right of a holder of the trust securities to institute suit for the enforcement of any such payment on or after such date; or

change the level of consent required from the holders of the trust securities to amend a trust agreement.

The trustees may not enter into or consent to any amendment to a trust agreement which would cause the trust to fail or cease to qualify for the exemption from status of an "investment company" under the Investment Company Act or to not be characterized for U.S. federal income tax purposes as a grantor trust and each holder of trust securities not to be treated as owning an undivided beneficial interest in the subordinated debt securities.

So long as any subordinated debt securities are held by a trust, the trustees will not:

direct the time, method and place of conducting any proceeding for any remedy available to the subordinated debt trustee, or execute any trust or power conferred on the subordinated debt trustee with respect to the subordinated debt securities held by the trust;

- waive any past defaults under the subordinated debt indenture held by the trust;

exercise any right to rescind or annul a declaration of acceleration of the maturity of the principal of the subordinated debt securities held by the trust; or

consent to any amendment, modification or termination of the subordinated debt indenture or the subordinated debt securities, where that consent shall be required, or to any other action as the holder of the subordinated debt securities held by the trust,

without, in each case, obtaining the prior approval of the holders of at least 66 2/3% in liquidation amount of all outstanding trust preferred securities issued by the trust. However, where a consent under the subordinated debt indenture would require the consent of each holder of subordinated debt securities affected thereby, no such consent shall be given by the trustees without the prior consent of each holder of the trust preferred securities. The trustees will not revoke any action previously authorized or approved by a vote of the holders of the trust preferred securities except pursuant to a subsequent vote of those holders. The property trustee shall notify each holder of the trust preferred securities of any notice of default that it receives with respect to the subordinated debt securities held by the trust. In addition to obtaining the foregoing approvals of the holders of the trust preferred securities, prior to taking any of the foregoing actions, the trustees shall obtain an opinion of counsel experienced in such matters to the effect that the trust will not fail to be classified as a grantor trust for United States federal income tax purposes on account of such action.

Any required approval of holders of trust preferred securities may be given at a meeting of those holders convened for that purpose or pursuant to written consent. The administrative trustees will cause a notice of any meeting at which holders of the trust preferred securities are entitled to vote to be given to each holder of record of trust preferred securities in the manner set forth in the trust agreement.

No vote or consent of the holders of trust preferred securities will be required for a trust to redeem and cancel trust preferred securities in accordance with its trust agreement.

**Form, Denomination, Book-Entry Procedures and Transfer.**

Unless otherwise specified in the applicable prospectus supplement, the trust preferred securities will be issued in registered, global form. See "Book-Entry System."

**Payment and Paying Agent.**

Payments in respect of trust preferred securities held in global form will be made to the depository, which shall credit the relevant accounts at the depository on the applicable distribution dates, or in respect of trust preferred securities that are not held by the depository, those payments shall be made by check mailed to the address of the holder entitled thereto as that address shall appear on the register. The paying agent for the trusts will initially be the property trustee or an affiliate of the property trustee and any co-paying agent chosen by the property trustee and acceptable to the administrative trustees and us. The paying agent will be permitted to resign as paying agent upon 30 days' written notice to the administrative trustees and us. If the paying agent resigns or is removed, the administrative trustees will appoint a successor (which will be a bank or trust company acceptable to the administrative trustees and us) to act as paying agent.

**Registrar and Transfer Agent.**

The property trustee will act as registrar and transfer agent for the trust preferred securities.

Registration of transfers of the trust preferred securities will be effected without charge by or on behalf of the issuing trust, but upon payment of any tax or other governmental charges that may be imposed in connection with any transfer or exchange. The issuing trust will not be required to register or cause to be registered the transfer of the trust preferred securities after they have been called for redemption.

#### **Information Concerning the Property Trustee.**

The property trustee, other than during the occurrence and continuance of a trust agreement event of default, will perform only such duties as are specifically set forth in the trust agreement and, during the existence of a trust agreement event of default, must exercise the same degree of care and skill as a prudent person would exercise or use in the conduct of his or her own affairs. The property trustee is under no obligation to exercise any of the powers vested in it by the trust agreement at the request of any holder of trust securities unless it is offered reasonable indemnity against the costs, expenses and liabilities that might be incurred thereby. If the property trustee is required to decide between alternative courses of action, construe ambiguous provisions in the trust agreement or is unsure of the application of any provision of the trust agreement, and the matter is not one on which holders of the trust preferred securities are entitled under the trust agreement to vote, then the property trustee shall take such action as is directed by us and, if not so directed, shall take such action as it deems advisable and in the best interests of the holders of the trust securities and will have no liability except for its own bad faith, negligence or willful misconduct.

Wachovia Trust Company, National Association, will serve as the property trustee, the Delaware trustee and the guarantee trustee. See "Description of Guarantees." Wachovia Bank, National Association, serves as the trustee for the subordinated debt securities. See "Description of Subordinated Debt Securities."

#### **MisceHaneous.**

The administrative trustees are authorized and directed to conduct the affairs of and to operate each trust in such a way that the trust will not be deemed to be an "investment company" required to be registered under the Investment Company Act or classified as an association taxable as a corporation for United States federal income tax purposes and so that the subordinated debt securities will be treated as our indebtedness for United States federal income tax purposes. In this connection, we and the administrative trustees are authorized to take any action, not inconsistent with applicable law, the certificate of trust or the trust agreement, that we and the administrative trustees determine in our discretion is necessary or desirable for such purposes, as long as such action does not materially adversely affect the interests of the holders of the trust securities.

The trust agreements and the trust preferred securities will be governed by and construed in accordance with the internal laws of the State of Delaware.

#### **United States Federal Income Tax Consequences.**

We will include a discussion of the material United States federal income tax considerations generally applicable to the purchase, ownership and disposition of a trust preferred security in the prospectus supplement related to the issuance of that trust preferred security. Please refer to any discussion of the taxation of the trusts, subordinated debt securities or trust preferred securities provided in the applicable prospectus supplement.

In connection with each issuance of trust preferred securities, Ballard Spahr Andrews & Ingersoll LLP, special tax counsel to us and to the trusts, will render its opinion that, under then current law and subject to certain assumptions, each of the trusts will be characterized for United States federal income tax purposes as a "grantor trust" and not as an association or publicly traded partnership taxable as a corporation. If a trust is properly characterized as a grantor trust, the trust will not be subject to United States federal income taxes and each beneficial owner of trust preferred securities will be treated for such purposes as owning a pro rata undivided interest in the subordinated debt securities, and will be required to include in income any income with respect to the owner's allocable share of those subordinated debt securities.

Potential purchasers of trust preferred securities should be aware that a subordinated debt security might be treated as having been issued with original issue discount (OID). In general, a subordinated debt security will be treated as having been issued with OID if, among other possibilities:

the subordinated debt security has an issue price (determined under applicable regulations) that is less than the subordinated debt security's principal amount, or

interest on the subordinated debt security is not considered to be unconditionally payable at least annually during the entire term of the subordinated debt security at a single fixed rate or, subject to certain exceptions, at one or more variable rates.

Our ability to defer interest payments on the subordinated debt securities, described in "Distributions" and "Description of Subordinated Debt Securities - Option to Extend Interest Payment Date" might result in the subordinated debt securities having OID. A beneficial owner of a trust preferred security evidencing an interest in a subordinated debt security with OID generally will be required to include that OID in income as it accrues, regardless of the owner's method of accounting for United States federal income tax purposes, before receipt of cash payments attributable to that income.

If relevant, the applicable prospectus supplement will contain a more complete discussion of the rules governing the treatment of OID, including a discussion of the consequences under those rules of our ability to defer interest payments on the subordinated debt securities.

## **DESCRIPTION OF SUBORDINATED DEBT SECURITIES**

We will issue the subordinated debt securities under an Indenture between us and Wachovia Bank, National Association, as subordinated debt trustee. We refer to this Indenture, as amended and supplemented, in this prospectus as the "subordinated debt indenture" and to Wachovia Bank, National Association, in its capacity as trustee under the subordinated debt indenture, as the "subordinated debt trustee." The subordinated debt indenture will be qualified under the Trust Indenture Act. We have summarized selected provisions of the subordinated debt indenture below. We suggest that you read the form of subordinated debt indenture for the complete text of those provisions as well as for the provisions that are not summarized but may be important to you. A copy of the form of subordinated debt indenture is incorporated by reference as an exhibit to the registration statement of which this prospectus is a part.

The subordinated debt securities may be distributed to the holders of trust securities in liquidation of the issuing trust. See "Description of Trust Preferred Securities - Liquidation of the Trust and Distribution of the Subordinated Debt Securities." If that occurs, we will use our best efforts to have the subordinated debt securities listed on the New York Stock Exchange or on the exchange on which the trust preferred securities are then listed.

### **General Information.**

Each trust will invest the proceeds obtained from any issuance of its trust preferred securities, together with the consideration paid by us for its trust common securities, in subordinated debt securities issued by us. The subordinated debt securities will bear interest from the same date and at the same rate as the trust preferred securities. It is anticipated that, until the liquidation, if any, of the issuing trust, each subordinated debt security will be held in the name of the property trustee in trust for the benefit of the holders of the trust securities.

Unless otherwise specified in the accompanying prospectus supplement, we will initially issue each of the subordinated debt securities in the form of one or more global securities, in registered form, as described under "- Form, Registration and Transfer" below and "Book-Entry System." The subordinated debt securities will be issued in denominations and integral multiples as provided in the applicable prospectus supplement. Payments with respect to global subordinated debt securities will be made to the depository as described under "Book-Entry System." In the event the subordinated debt securities are issued in certificated form, principal and interest will be payable, the transfer of the subordinated debt securities will be registrable and the subordinated debt securities may be exchanged for subordinated debt securities of other denominations for a like aggregate principal amount at the corporate trust office of the subordinated debt trustee in Philadelphia, Pennsylvania. See "- Payment and Paying Agents."

### **Ranking.**

The subordinated debt securities will rank equally with all other subordinated debt and will be unsecured, subordinate, and junior in right of payment to all Senior Indebtedness to the extent and in the manner set forth in the subordinated debt indenture. The subordinated debt securities will mature on the date provided in the applicable prospectus supplement.

Unless otherwise specified in the applicable prospectus supplement, the subordinated debt securities will not be subject to a sinking fund provision.

### **Subordination.**

In the subordinated debt indenture, we will covenant and agree that any subordinated debt securities issued under the subordinated debt indenture will be subordinate and junior in right of payment to all Senior Indebtedness (the meaning of which is set forth below). Upon any payment or distribution of assets to creditors upon any liquidation, dissolution, winding up, reorganization, or in connection with any insolvency, receivership or bankruptcy proceeding with respect to us, all Senior Indebtedness must be paid in full before the holders of subordinated debt securities will be entitled to receive or retain any payment in respect thereof.

No payments on account of principal, or premium, or interest, if any, in respect of the subordinated debt securities may be made if a default in any payment with respect to Senior Indebtedness has occurred and is continuing, or an event of default with respect to any Senior Indebtedness resulting in the acceleration of the maturity thereof has occurred and is continuing, or if any judicial proceeding shall be pending with respect to any such default.

The term "Senior Indebtedness" means:

- all of our obligations for borrowed money;

all of our obligations evidenced by securities, bonds, notes, debentures issued under indentures other than the subordinated debt indenture or other similar instruments;

all of our capital lease obligations;

all of our obligations issued or assumed as the deferred purchase price of property, all of our conditional sale obligations and our obligations under any title retention agreement, but excluding our trade accounts payable arising in the ordinary course of business;

all of our reimbursement obligations with respect to any letter of credit, banker's acceptance, security purchase facility or similar credit transactions;

all obligations of the type referred to in the preceding bullet points of another person that we have guaranteed or are responsible or liable for as obligor or otherwise; and

all obligations of the type referred to in the preceding bullet points of another person secured by any lien on any of our property or assets (whether or not that obligation has been assumed by us),

except for:

those obligations that, by their terms, rank equally with or junior to the subordinated debt securities, including all of our obligations and associated guarantees to our other trusts, partnerships or entities that act as our financing vehicle for the issuance of preferred securities that rank equally with or junior to the trust preferred securities; and

obligations between our affiliates and us.

Senior Indebtedness continues to be Senior Indebtedness and to be entitled to the benefits of the subordination provisions irrespective of any amendment, modification or waiver of any term of that Senior Indebtedness.

The subordinated debt indenture does not limit the aggregate amount of Senior Indebtedness that we may issue, nor does it afford holders of the subordinated debt securities protection in the event of a highly leveraged or similar transaction involving our company.

#### **Certain Covenants.**

We covenant that we will not, and will not permit any subsidiary to declare or pay any dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of our capital stock (subject to certain exceptions) if at such time there shall have occurred any event that would constitute an event of default under the subordinated debt indenture or we are in default with respect to payments of any of our obligations under the guarantees.

If we have given notice of our election to defer interest payments on the subordinated debt securities as provided in the subordinated debt indenture and the deferral period, or any extension thereof, is continuing, we covenant not to declare or pay any dividend on, make any distributions with respect to, or redeem, purchase or make a liquidation payment with respect to, any of our capital stock.

So long as an issuing trust's trust preferred securities remain outstanding, we also covenant:

to maintain 100% direct or indirect ownership of the issuing trust's trust common securities; provided, however, that any successor to us is permitted under the subordinated debt indenture to succeed to our ownership of the trust common securities;

to not cause or permit the dissolution, winding-up or termination of the issuing trust, except in connection with the distribution of subordinated debt securities or in connection with certain mergers, consolidations or amalgamations, each as permitted by the applicable trust agreement; and

to use our reasonable efforts to cause the issuing trust:

to remain a statutory trust, except in connection with the distribution of subordinated debt securities to the holders of trust securities in liquidation of the trust, the redemption of all of the trust securities, or certain mergers, consolidations or amalgamations as permitted by the applicable trust agreement; and

to continue otherwise to be treated as a grantor trust for United States federal income tax purposes.

#### **Optional Redemption.**

Unless otherwise specified in the applicable *prospectus* supplement, we may redeem a series of subordinated debt securities, at our option, in whole at any time or in part from time to time, on or after the date indicated in the prospectus supplement. Unless the applicable prospectus supplement states otherwise, the redemption price for such an optional redemption will be equal to 100% of the principal amount of subordinated debt securities to be redeemed plus any accrued and unpaid interest, including Additional Amounts and Compounded Interest, if any, as described under "- Interest," to the redemption date.

If a partial redemption of a series of subordinated debt securities would result in the delisting of the trust preferred securities from any national securities exchange or other organization on which those securities are then listed, we may only redeem a series of subordinated debt securities in whole.

Unless otherwise specified in the applicable prospectus supplement, upon the occurrence of a Tax Event as described under "- Special Event Redemption" below, we may, at our option in certain circumstances redeem the subordinated debt securities in whole, but not in part, within 90 days following the occurrence of the Special Event at a redemption price equal to 100% of the principal amount of subordinated debt securities to be redeemed plus any accrued and unpaid interest to the redemption date.

#### **Cancellation.**

All subordinated debt securities surrendered for payment, redemption, transfer or exchange shall, if surrendered to any person, other than the subordinated debt trustee, be delivered to the subordinated debt trustee, and any of those subordinated debt securities surrendered directly to the subordinated debt trustee for any such purpose shall be promptly canceled by it. Our acquisition at any time of any subordinated debt securities shall not operate as a redemption or satisfaction of the indebtedness represented by those subordinated debt securities unless and until we deliver the same to the subordinated debt trustee for cancellation.

### **Option to Extend Interest Payment Date.**

The applicable prospectus supplement will set forth the length of time for which we may defer the payment of interest on a series of subordinated debt securities. No deferral period may end on a date other than an interest payment date or extend beyond the stated maturity date of the subordinated debt securities. At the end of any deferral period, we will pay all interest then accrued and unpaid (including Additional Amounts and Compounded Interest, if any).

During any interest deferral period at any time when a trust is the holder of subordinated debt securities, we will not make specified payments on our capital stock. See "- Certain Covenants."

Prior to the termination of any deferral period, we may further extend that deferral period, so long as the extension does not cause that deferral period to exceed the time period specified in the applicable prospectus supplement or extend beyond the stated maturity date of the subordinated debt securities. Upon the termination of any deferral period and the payment of all amounts then due, we may elect to begin a new deferral period, subject to the above requirements. No interest shall be due and payable during a deferral period, except at the end thereof, but we have the option to prepay at any time all or a portion of the interest accrued during any deferral period.

We will give the trust holding the subordinated debt securities at issue notice of our selection or extension of a deferral period at least the number of business days specified in the applicable prospectus supplement prior to:

the next date on which distributions on the applicable trust securities are payable; or

the date on which we or the trust are required to give notice to any securities exchange or other applicable self-regulatory organization of the record date or the date such distributions are payable, but in any event at least one business day before that record date.

There is no limitation in the subordinated debt indenture on the number of times that we may elect to begin a deferral period. Accordingly, there could be multiple deferral periods of varying lengths throughout the term of the subordinated debt securities.

### **Interest.**

We will pay interest on the subordinated debt securities as set forth in the applicable prospectus supplement. We will also pay the following amounts on the subordinated debt securities:

Additional Amounts, in the circumstances described under "Description of Trust Preferred Securities - Payment of Additional Amounts"; and

interest on interest payments that are deferred because of an interest deferral period, which we refer to in this prospectus as Compounded Interest.

### **Special Event Redemption.**

Unless otherwise specified in the applicable prospectus supplement, if a Special Event occurs and is continuing, we may, at our option, redeem the subordinated debt securities in whole or in part at any time within 90 days of the occurrence of that Special Event, at a redemption price to be specified in the applicable prospectus supplement.

A "Special Event" means a Tax Event or an Investment Company Event.

An "Investment Company Event" means the receipt by us of an opinion of counsel to the effect that, as a result of the occurrence of a change in law or regulation or a written change in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority, there is more than an insubstantial risk that the trust is or will be considered an "investment company" that is required to be registered under the Investment Company Act of 1940, as amended, which change or prospective change becomes effective on or after the date of the original issuance of the trust preferred securities.

A "Tax Event" means the receipt by us of an opinion of counsel experienced in such matters to the effect that, as a result of:

any amendment to, or change (including any announced prospective change) in, the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein, or

any amendment to, or change in, any interpretation or application of such laws or regulations,

which change or amendment becomes effective on or after the date of the original issuance of the trust preferred securities, there is more than an insubstantial risk that:

a trust would be subject to United States federal income tax with respect to income received or accrued on the subordinated debt securities;

interest payable by us to a trust on the subordinated debt securities would not be deductible by a member of our consolidated tax group for United States federal income tax purposes; or

a trust would be subject to more than a de minimis amount of other taxes, duties or other governmental charges.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of subordinated debt securities to be redeemed at its registered address. Unless we default in payment of the redemption price, on and after the redemption date interest ceases to accrue on such those subordinated debt securities called for redemption.

#### **Modification of Subordinated Debt Indenture.**

From time to time we and the subordinated debt trustee may, without the consent of the holders of subordinated debt securities, amend the subordinated debt indenture for specified purposes, including, among other things, to cure any ambiguity, defect or inconsistency contained in the subordinated debt indenture or the trust preferred securities and to create any new series of subordinated debt securities.

The subordinated debt indenture contains provisions permitting us and the Subordinated Debt Trustee, with the consent of the holders of at least 66 2/3% in aggregate principal amount of the subordinated debt securities, to modify the subordinated debt indenture or any supplemental indenture in a manner affecting the rights of the holders of subordinated debt securities. However, no such modification may, without the consent of the holders of each outstanding subordinated debt security so affected:

extend the fixed maturity, or reduce the rate of interest or extend the time of payment of interest on, or reduce the principal amount of, the subordinated debt securities or reduce the amount payable on redemption thereof; or

reduce the percentage of principal amount of subordinated debt securities, the holders of which are required to consent to any such modification of the subordinated debt indenture.

#### **Events of Default.**

The subordinated debt indenture provides that any one or more of the following constitute an event of default with respect to the subordinated debt securities:

failure to pay any interest on the subordinated debt securities when due for 30 days, subject to the deferral of any due date in the case of an extension period;

failure to pay any principal or premium, if any, on the subordinated debt securities when due whether at maturity, upon redemption, by declaration of acceleration of maturity or otherwise, subject to the deferral of any due date in the case of an extension period;

failure to observe or perform any of our other covenants contained in the subordinated debt indenture for 90 days after written notice to us from the subordinated debt trustee or the holders of at least 25% in aggregate outstanding principal amount of subordinated debt securities;

our bankruptcy, insolvency or reorganization, in certain cases; or

the voluntary or involuntary dissolution, winding-up or termination of the trust, except in connection with the distribution of subordinated debt securities to the holders of trust securities in liquidation of the trust, the redemption of all of the trust securities, or certain mergers, consolidations or amalgamations as permitted by the applicable trust agreement.

The holders of a majority in aggregate outstanding principal amount of the subordinated debt securities have the right to direct the time, method and place of conducting any proceeding for any remedy available to the subordinated debt trustee. If an event of default has occurred and is continuing, the subordinated debt trustee or the holders of not less than 25% in aggregate outstanding principal amount of the subordinated debt securities may declare the principal amount on all subordinated debt securities due and payable immediately upon an event of default. The holders of a majority in aggregate outstanding principal amount of the subordinated debt securities may annul such declaration and waive the default if the default has been cured and a sum sufficient to pay all matured installments of interest and principal of, and premium, if any, due otherwise than by acceleration has been deposited with the subordinated debt trustee.

The holders of a majority in aggregate outstanding principal amount of the subordinated debt securities affected thereby may, on behalf of the holders of all the subordinated debt securities, waive any past default or event of default and its consequences, except:

a default in the payment of principal, premium, if any, on or interest (unless such a default has been cured and a sum sufficient to pay all matured installments of interest and

principal due otherwise than by acceleration and any applicable premium has been deposited with the subordinated debt trustee); or

- a default in our covenant not to declare or pay dividends on, or make distributions with respect to, or redeem, purchase or acquire any of our capital stock during any interest deferral period.

In case an event of default shall occur and be continuing, the property trustee will have the right to declare the principal of and the interest on the subordinated debt securities, and any other amounts payable under the subordinated debt indenture, to be forthwith due and payable and to enforce its other rights as a creditor with respect to the subordinated debt securities.

An event of default under the subordinated debt indenture also constitutes an event of default under the related trust agreement. The holders of trust preferred securities in certain circumstances have the right to direct the property trustee to exercise its rights as the holder of the subordinated debt securities. See "Description of Trust Preferred Securities - Trust Agreement Events of Default; Notice."

### **Consolidation, Merger, Sale of Assets and Other Transactions.**

The subordinated debt indenture does not contain any covenant which restricts our or the trusts' ability to:

- merge or consolidate with or into any corporation;
- sell or convey all or substantially all of our or the trust's assets to any person, firm or corporation; or
- otherwise engage in restructuring transactions;

provided that the due and punctual performance and observance of all the covenants and conditions of the subordinated debt indenture is expressly assumed by any successor to us.

### **Satisfaction and Discharge.**

We may be discharged from all of our obligations under the subordinated debt indenture (except as otherwise provided in the subordinated debt indenture) when:

- either (1) all of the subordinated debt securities have been delivered to the subordinated debt trustee for cancellation, or (2) all subordinated debt securities not delivered to the subordinated debt trustee for cancellation
  - have become due and payable,
  - will become due and payable by their terms within one year, orare to be called for redemption within one year under arrangements satisfactory to the subordinated debt trustee for the giving of notice of redemption,

and we, in the case of clause (2), have deposited or caused to be deposited with the subordinated debt trustee, in trust, an amount in moneys or Governmental Obligations, or any combination of the foregoing, sufficient in the opinion of a nationally recognized

firm of independent public accountants expressed in a written certification delivered to the subordinated debt trustee to pay all principal, premium, if any, and interest on those subordinated debt securities due or to become due;

we have paid or caused to be paid all other sums payable by us under the subordinated debt indenture; and

we have delivered to the subordinated debt trustee an opinion of counsel to the effect that, based upon our receipt from, or the publication by the Internal Revenue Service of a ruling or change in law, the holders of subordinated debt securities will not recognize income, gain or loss for United States federal income tax purposes as a result of the deposit, defeasance and discharge and will be subject to United States federal income tax on the same amount and in the same manner and at the same times as would have been the case if the deposit, defeasance and discharge had not occurred.

### **Form, Registration and Transfer.**

If the subordinated debt securities are distributed to the holders of the trust securities, the subordinated debt securities may be represented by One or more global certificates registered in the name of DTC or its nominee. Under those circumstances, the depository arrangements for the subordinated debt securities would be expected to be substantially similar to those in effect for the trust preferred securities. For a description of DTC and the terms of the depository arrangements relating to payments, transfers, voting rights, redemptions and other notices and other matters, see "Book-Entry System."

### **Payment and Paying Agents.**

Payment of principal of, premium, if any, and interest on the subordinated debt securities will be made at the office of the subordinated debt trustee or at the office of any other paying agent or paying agents as we may designate from time to time, except that, at our option, payment of any interest may be made, except in the case of subordinated debt securities in global form, by check mailed to the address of the holder thereof as such address shall appear in the register for subordinated debt securities.

Payment of any interest on any subordinated debt security will be made to the person in whose name that subordinated debt security is registered at the close of business on the record date for that interest. We may at any time designate additional paying agents or rescind the designation of any paying agent; however, we will at all times be required to maintain a paying agent in each place of payment for the subordinated debt securities.

Any monies deposited with the subordinated debt trustee or any paying agent for the payment of the principal of, and premium, if any, or interest on any subordinated debt security and remaining unclaimed for two years after that principal, and premium, if any, or interest has become due and payable shall, at our request, be repaid to us and the holder of that subordinated debt security shall thereafter look only to us for payment thereof.

### **Governing Law.**

The subordinated debt indenture and the subordinated debt securities will be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to conflicts of laws principles thereof.

### **Information Concerning the Subordinated Debt Trustee.**

The subordinated debt trustee will be subject to all the duties and responsibilities specified with respect to an indenture trustee under the Trust Indenture Act. Subject to those provisions, the subordinated debt trustee is under no obligation to exercise any of the powers vested in it by the subordinated debt indenture at the request of any holder of subordinated debt securities, unless offered reasonable indemnity by that holder against the costs, expenses and liabilities which might be incurred thereby. However, the foregoing shall not relieve the subordinated debt trustee, upon the occurrence of an event of default under the subordinated debt indenture, from exercising the rights and powers vested in it by the subordinated debt indenture. Under the subordinated debt indenture, if the subordinated debt trustee has or shall acquire any "conflicting interest" within the meaning of Section 310(b) of the Trust Indenture Act, the subordinated debt trustee and we shall in all respects comply with the provisions of Section 310(b) of the Trust Indenture Act. The subordinated debt trustee is not required to expend or risk its own funds or otherwise incur personal financial liability in the performance of its duties if the subordinated debt trustee reasonably believes that repayment or adequate indemnity is not reasonably assured to it. Wachovia Bank, National Association, will serve as subordinated debt trustee. See "Description of Trust Preferred Securities - Information Concerning the Property Trustee."

### **Miscellaneous.**

We have the right at all times to assign any of our rights or obligations under the subordinated debt indenture to a direct or indirect wholly owned subsidiary of us; provided that, in the event of any such assignment, we will remain liable for all of our obligations under the subordinated debt indenture. Subject to the foregoing, the subordinated debt indenture will be binding upon and inure to the benefit of the parties thereto and their respective successors and assigns. The subordinated debt indenture provides that it may not otherwise be assigned by the parties thereto.

We have covenanted in the subordinated debt indenture to pay all fees and expenses related to:

- the offering of the trust preferred securities and the subordinated debt securities;
- the organization, maintenance and dissolution of the trusts;
- the retention of the trusts' trustees; and
- the enforcement by the property trustee of the rights of holders of trust preferred securities.

### **DESCRIPTION OF GUARANTEES**

Set forth below is a summary of information concerning the guarantees, which will be executed and delivered by us for the benefit of the holders from time to time of the trust preferred securities. The guarantee has been qualified under the Trust Indenture Act. Wachovia Trust Company, National Association, the guarantee trustee, will hold the guarantees for the benefit of the holders of the trust preferred securities. The following summary is not necessarily complete, and reference is hereby made to the copy of the form of the guarantee (including the definitions therein of certain terms), which is filed as an exhibit to the registration statement of which this prospectus forms a part, and to the Trust Indenture Act.

## **General Information.**

We will irrevocably and unconditionally agree to pay in full on a subordinated basis guarantee payments to the holders of the trust preferred securities, as and when due, regardless of any defense, right of setoff or counterclaim that we, in our capacity as guarantor, may have or assert other than the defense of payment. The following payments with respect to the trust preferred securities, to the extent not paid by or on behalf of the trust, will be subject to the guarantee:

any accrued and unpaid distributions required to be paid on the trust preferred securities, to the extent that the issuing trust has funds on hand legally available therefor at that time;

the applicable redemption price with respect to the trust preferred securities called for redemption, to the extent that the issuing trust has funds on hand legally available therefor at that time; and

upon a voluntary or involuntary dissolution, winding-up or liquidation of the issuing trust (other than in connection with the distribution of the subordinated debt securities held by the issuing trust to holders of its trust preferred securities), the lesser of:

the aggregate of the liquidation amount and all accrued and unpaid distributions on the trust preferred securities, to the extent the trust has funds legally available therefor at the time; and

the amount of assets of the trust remaining available for distribution to holders of the trust preferred securities after satisfaction of liabilities to creditors of the trust as required by applicable law.

Our obligation to make a guarantee payment may be satisfied by direct payment of the required amounts by us to the holders of the trust preferred securities or by causing the trust to pay those amounts to those holders.

Each guarantee will be a guarantee of the guarantee payments with respect to the trust preferred securities at issue from the time of issuance of the trust preferred securities, but will not apply to distributions and other payments on the trust preferred securities when the issuing trust does not have sufficient funds legally and immediately available to make such distributions or other payments. Therefore, if we do not make interest payments on the subordinated debt securities held by the property trustee, the issuing trust will not make distributions on the trust preferred securities.

Through the guarantees, the trust agreements, the subordinated debt securities and the subordinated debt indenture, taken together, we will fully, irrevocably and unconditionally guarantee all of the issuing trust's obligations under its trust preferred securities. No single document standing alone or operating in conjunction with fewer than all of the other documents constitutes such guarantee. It is only the combined operation of these documents that has the effect of providing a full, irrevocable and unconditional guarantee of the trust's obligations under the trust preferred securities. See "Relationship Among the Trust Preferred Securities, the Subordinated Debt Securities and the Guarantee."

## **Status of the Guarantees.**

Each guarantee will constitute our unsecured obligation and will rank (x) subordinate and junior in right of payment to all of our other liabilities, including the subordinated debt securities, except those

obligations or liabilities made pari passu or subordinate by their terms, (y) pari passu with any guarantee in respect of any preferred stock of any affiliate of ours and (z) senior to all of our preferred and common stock.

Our obligations under each guarantee effectively will be subordinated to all existing and future liabilities of our subsidiaries and all liabilities of any of our future subsidiaries. Claimants should look only to us for payments under the guarantees. See "Description of Subordinated Debt Securities - Subordination." The guarantees do not limit us or any of our subsidiaries from incurring or issuing other secured or unsecured debt, including Senior Indebtedness, whether under the subordinated debt indenture, any other indenture that we may enter into in the future or otherwise.

Each guarantee will constitute a guarantee of payment and not of collection. Each guarantee will be held for the benefit of the holders of the trust preferred securities and will not be discharged except by payment of the guarantee payments in full to the extent not paid by the trust or upon distribution to the holders of the trust preferred securities of the subordinated debt securities. The guarantees do not limit the amount of additional Senior Indebtedness that we may incur.

#### **Guarantee Events of Default.**

An event of default under a guarantee will occur upon our failure to perform any of our payment obligations thereunder. The holders of more than 50% in liquidation amount of the trust preferred securities affected by such an event of default will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the guarantee trustee in respect of the guarantee or to direct the exercise of any trust or power conferred upon the guarantee trustee under the guarantee.

If the guarantee trustee fails to enforce the guarantee at issue, any holder of the trust preferred securities at issue may institute a legal proceeding directly against us to enforce its rights under the guarantee without first instituting a legal proceeding against the issuing trust, the guarantee trustee or any other person or entity.

We, as guarantor, will be required to file annually with the guarantee trustee a certificate as to whether or not we are in compliance with all the conditions and covenants applicable to us under the guarantee.

#### **Amendments and Assignment.**

Except with respect to any changes that do not materially and adversely affect the rights of holders of the trust preferred securities (in which case no consent will be required), each guarantee may be amended only with the prior approval of the holders of not less than 66 2/3% of the liquidation amount of the outstanding trust preferred securities at issue. The manner of obtaining that approval will be as set forth under "Description of Trust Preferred Securities, - Voting Rights, - Amendment of the Trust Agreement." All guarantees and agreements contained in the guarantee shall bind our successors, assigns, receivers, trustees and representatives and shall inure to the benefit of the holders of the trust preferred securities then outstanding. Except in connection with our consolidation or merger or a conveyance, transfer or lease by us, we may not assign our obligations under the guarantee.

#### **Termination of the Guarantees.**

Each guarantee will terminate and be of no further force and effect upon:

full payment of the applicable redemption price of the trust preferred securities covered by the guarantee; or

upon liquidation of the issuing trust, the full payment of the liquidation distribution or the distribution of the subordinated debt securities to the holders of the trust preferred securities.

Each guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any holder of the trust preferred securities covered by the guarantee must restore payment of any sums paid under the trust preferred securities or the guarantee.

#### **Information Concerning the Guarantee Trustee.**

Other than during the occurrence and continuance of a default by us in performance of the guarantee, the guarantee trustee will undertake to perform only those duties as are specifically set forth in the guarantee and, in case default with respect to the guarantee has occurred, must exercise the same degree of care and skill as a prudent person would exercise or use in the conduct of his or her own affairs. Subject to this provision, the guarantee trustee will be under no obligation to exercise any of the powers vested in it by the guarantee at the request of any holder of the trust preferred securities unless it is offered indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred thereby. If the guarantee trustee has or shall acquire a "conflicting interest" within the meaning of Section 301(b) of the Trust Indenture Act, the guarantee trustee and we shall in all respects comply with the provisions of Section 310(b) of the Trust Indenture Act.

#### **Governing Law.**

The guarantee will be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to conflict of laws principles thereof.

#### **RELATIONSHIP AMONG THE TRUST PREFERRED SECURITIES, THE SUBORDINATED DEBT SECURITIES AND THE GUARANTEES**

##### **Full and Unconditional Guarantee.**

Payments of distributions and other amounts due on the trust preferred securities (to the extent the issuing trust has funds on hand legally available for the payment of such distributions) are irrevocably guaranteed by us as and to the extent set forth under "Description of Guarantees." Taken together, our obligations under the subordinated debt securities, the subordinated debt indenture, the trust agreements and the guarantees provide, in the aggregate, a full, irrevocable and unconditional guarantee of payments of distributions and other amounts due on the trust preferred securities. No single document standing alone or operating in conjunction with fewer than all of the other documents constitutes such guarantee. It is only the combined operation of these documents that has the effect of providing a full, irrevocable and unconditional guarantee of the issuing trust's obligations under the trust preferred securities. If and to the extent that we do not make the required payments on the subordinated debt securities held by the trust, the trust will not have sufficient funds to make the related payments, including distributions, on the trust preferred securities. The guarantees will not cover any such payment when the trust does not have sufficient funds on hand legally available therefor. In that event, the remedy of a holder of trust preferred securities is to institute a direct action against us. Our obligations under the guarantees are subordinate and junior in right of payment to all Senior Indebtedness.

### **Sufficiency of Payments.**

As long as payments of interest and other payments are made when due on the subordinated debt securities, such payments will be sufficient to cover distributions and other payments due on the trust securities, primarily because:

- the aggregate principal amount or redemption price of the subordinated debt securities is equal to the sum of the liquidation amount or redemption price, as applicable, of the trust securities;
- the interest rate and interest and other payment dates on the subordinated debt securities will match the distribution rate and distribution and other payment dates for the trust securities;
- we will pay for all and any costs, expenses and liabilities of the trusts except the trusts' obligations to holders of trust securities under the trust securities; and
- each trust agreement will provide that the trust is not authorized to engage in any activity that is not consistent with the limited purposes thereof.

Notwithstanding anything to the contrary in the subordinated debt indenture, we have the right to set-off any payment we are otherwise required to make with and to the extent we have theretofore made, or are concurrently on the date of such payment making, a payment under the guarantee.

### **Enforcement Rights of Holders of Trust Preferred Securities.**

A holder of any trust preferred security may institute a legal proceeding directly against us to enforce its rights under the guarantee without first instituting a legal proceeding against the applicable guarantee trustee, trust or any other person or entity.

### **Limited Purpose of the Trusts.**

The trust preferred securities represent preferred undivided beneficial interests in the assets of the issuing trust, and the issuing trust exists for the sole purpose of:

- issuing and selling its trust securities;
- using the proceeds from the sale of its trust securities to acquire the subordinated debt securities; and
- engaging in only those other activities necessary or incidental to these purposes.

A principal difference between the rights of a holder of a trust preferred security and a holder of a subordinated debt security is that a holder of a subordinated debt security will be entitled to receive from us the principal amount of, and premium, if any, and interest on subordinated debt securities held, while a holder of trust preferred securities is entitled to receive distributions from the trust (or, in certain circumstances, from us under the guarantee) if and to the extent the issuing trust has funds on hand legally available for the payment of those distributions.

## **Rights Upon Dissolution.**

Unless the subordinated debt securities are distributed to holders of the related trust securities or if the trust securities have been redeemed, upon any voluntary or involuntary dissolution and liquidation of the issuing trust, after satisfaction of liabilities to creditors of the issuing trust as required by applicable law, the holders of the trust securities will be entitled to receive, out of assets held by the issuing trust, the liquidation distribution in cash. See "Description of *Trust Preferred Securities* - Liquidation of the *Trust* and Distribution of Subordinated Debt Securities." Upon our voluntary or involuntary liquidation or bankruptcy, each property trustee, as holder of the subordinated debt securities, would be our subordinated creditor, subordinated in right of payment to all Senior Indebtedness as set forth in the subordinated debt indenture, but entitled to receive payment in full of principal, and premium, if any, and interest, before any of our stockholders receive payments or distributions. Since we will be the guarantor under the guarantees and will agree to pay for all costs, expenses and liabilities of the trusts (other than the trusts' obligations to the holders of the trust securities), the positions of a holder of trust preferred securities and a holder of subordinated debt securities relative to other creditors and to our shareholders in the event of our liquidation or bankruptcy are expected to be substantially the same.

## **BOOK-ENTRY SYSTEM**

Unless otherwise indicated in the applicable prospectus supplement, each series of debt securities, common stock, preferred stock and trust preferred securities will initially be issued in the form of one or more global securities, in registered form, without coupons (as applicable). The global security will be deposited with, or on behalf of, a depository, and registered in the name of that depository or a nominee of that depository. Unless otherwise indicated in the applicable prospectus supplement, the depository for any global securities will be DTC.

The global securities will be issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One fully registered global security certificate will be issued for each issue of the global securities, each in the aggregate principal amount of that issue and will be deposited with DTC. So long as the depository, or its nominee, is the registered owner of a global security, that depository or such nominee, as the case may be, will be considered the owner of that global security for all purposes under the Indenture, the subordinated debt indenture or the trust agreement, as applicable, including for any notices and voting. Except as otherwise provided below, the owners of beneficial interests in a global security will not be entitled to have securities registered in their names, will not receive or be entitled to receive physical delivery of any such securities and will not be considered the registered holder thereof under the indenture, subordinated debt indenture or the trust agreement, as applicable. Accordingly, each person holding a beneficial interest in a global security must rely on the procedures of the depository and, if that person is not a direct participant, on procedures of the direct participant through which that person holds its interest, to exercise any of the rights of a registered owner of such security.

A global security may not be transferred as a whole except by DTC to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the global securities shall be transferred and exchanged through the facilities of DTC. Beneficial interests in the global securities may not be exchanged for securities in certificated form except in the circumstances described in the following paragraph.

We will be obligated to exchange global securities in whole for certificated securities only if:

the depository notifies us that it is unwilling or unable to continue as depository for the global securities or the depository has ceased to be a clearing agency registered under

applicable law and, in either case, we thereupon fail to appoint a successor depository within 90 days;

we, at our option, notify the applicable trustee in writing that we elect to cause the issuance of certificated securities; or

there shall have occurred and be continuing an event of default with respect to the applicable securities of any series.

In all cases, certificated securities delivered in exchange for any global security or beneficial interest therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depository (in accordance with customary procedures).

The descriptions of operations and procedures of DTC that follow are provided solely as a matter of convenience. These operations and procedures are solely within DTC's control and are subject to changes by DTC from time to time. We take no responsibility for these operations and procedures and urge you to contact DTC or its participants directly to discuss these matters. DTC has advised us as follows:

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing corporation" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934.

DTC holds securities that its direct participants deposit with DTC. DTC also facilitates the settlement among direct participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in direct participants' accounts, thereby eliminating the need for physical movement of securities certificates.

Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc.

Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly, which are referred to as indirect participants and, together with the direct participants, the participants.

- The rules applicable to DTC and its participants are on file with the SEC.

Purchases of global securities under the DTC system must be made by or through direct participants, who will receive a credit for such purchases of global securities on DTC's records. The ownership interest of each actual purchaser of each global security, or beneficial owner, is in turn to be recorded on the direct and indirect participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from

the direct or indirect participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the global securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the global securities, except in the event that use of the book-entry system for the global securities is discontinued.

To facilitate subsequent transfers, all global securities deposited by participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of global securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the global securities; DTC's records reflect only the identity of the direct participants to whose accounts such global securities are credited which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. If the global securities are redeemable, redemption notices shall be sent to Cede & Co. If less than all of the global securities are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the global securities. Under its usual procedures, DTC mails an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants whose accounts the global securities are credited on the record date, identified in a listing attached to the omnibus proxy.

Payments of distributions, dividends, principals, interests, premiums and liquidation amounts, if any, on the global securities will be made to DTC in immediately available funds. DTC's practice is to credit direct participants' accounts on the date on which interest is payable in accordance with the respective holdings shown on DTC's records, unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of that participant and not of DTC, the trustee for those securities, or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of distributions, dividends, principals, interests, premiums and liquidation amounts, if any, on any of the aforementioned securities represented by global securities to DTC is the responsibility of the appropriate trustee and us. Disbursement of those payments to direct participants shall be the responsibility of DTC, and disbursement of those payments to the beneficial owners shall be the responsibility of the participants.

DTC may discontinue providing its services as securities depository with respect to the global securities at any time by giving us reasonable notice. Although DTC has agreed to the foregoing procedures in order to facilitate transfers of beneficial ownership interests in the global securities among participants, it is under no obligation to perform or continue to perform those procedures, and those procedures may be discontinued at any time.

The underwriters, dealers or agents of any of the securities may be direct participants of DTC.

None of the trustees, us or any agent for payment on or registration of transfer or exchange of any global security will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial interests in that global security or for maintaining, supervising or reviewing any records relating to those beneficial interests.

## PLAN OF DISTRIBUTION

We may sell the securities offered pursuant to this prospectus through agents, through underwriters or dealers or directly to one or more purchasers.

Underwriters, dealers and agents that participate in the distribution of the securities offered pursuant to this prospectus may be underwriters as defined in the Securities Act of 1933 and any discounts or commissions received by them from us and any profit on the resale of the offered securities by them may be treated as underwriting discounts and commissions under the Securities Act. Any underwriters or agents will be identified and their compensation, including underwriting discount, will be described in the applicable prospectus supplement. The prospectus supplement will also describe other terms of the offering, including any discounts or concessions allowed or reallocated or paid to dealers and any securities exchanges on which the offered securities may be listed.

The distribution of the securities offered under this prospectus may occur from time to time in one or more transactions at a fixed price or prices, which may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

If the applicable prospectus supplement indicates, we will authorize dealers or our agents to solicit offers by certain institutions to purchase offered securities from us pursuant to contracts that provide for payment and delivery on a future date. We must approve all institutions, but they may include, among others:

- commercial and savings banks;
- insurance companies;
- pension funds;
- investment companies; and
- educational and charitable institutions.

The institutional purchaser's obligations under the contract are only subject to the condition that the purchase of the offered securities at the time of delivery is allowed by the laws that govern the purchaser. The dealers and our agents will not be responsible for the validity or performance of the contracts.

We may have agreements with the underwriters, dealers and agents to indemnify them against certain civil liabilities, including liabilities under the Securities Act, or to contribute with respect to payments which the underwriters, dealers or agents may be required to make as a result of those certain civil liabilities.

When we issue the securities offered by this prospectus, except for shares of our common stock, they may be new securities without an established trading market. If we sell a security offered by this prospectus to an underwriter for public offering and sale, the underwriter may make a market for that

security, but the underwriter will not be obligated to do so and could discontinue any market making without notice at any time. Therefore, we cannot give any assurances to you concerning the liquidity of any security offered by this prospectus.

Underwriters and agents and their affiliates may be customers of, engage in transactions with, or perform services for us or our subsidiaries in the ordinary course of their and/or our businesses.

## LEGAL MATTERS

Ballard Spahr Andrews & Ingersoll, LLP, Philadelphia, Pennsylvania, will render an opinion as to the validity of the securities (other than the trust preferred securities) for us, and Winston & Strawn LLP, Chicago, Illinois, will render an opinion as to the validity of the securities (other than the trust preferred securities) for any underwriters, dealers, purchasers or agents. Richards, Layton & Finger, P.A., special Delaware counsel to us and the trusts, will render an opinion as to the validity of the trust preferred securities. Winston & Strawn LLP provides legal services to Exelon and its subsidiaries from time to time.

## EXPERTS

The financial statements incorporated in this Prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2002 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.



**\$1,700,000,000**

# **Exeleno**

## **Exelon Corporation**

**\$400,000,000 4.45 % Senior Notes due 2010**  
**\$800,000,000 4.90% Senior Notes due 2015**  
**\$500,000,000 5.625% Senior Notes due 2035**

PROSPECTUS SUPPLEMENT

June 6, 2005

*Joint Book-Running Managers*

## **Citigroup Merrill Lynch & Co.**

**Banc of America Securities LLC  
Barclays Capital  
Credit Suisse First Boston  
Deutsche Bank Securities**

UBS Investment Bank  
Wachovia Securities

ABN AMRO Incorporated  
BNP Paribas  
BNY Capital Markets, Inc.  
Capital Management Group Securities LLC  
Dresdner Kleinwort Wasserstein  
KeyBanc Capital Markets  
Loop Capital Markets, LLC  
Piper Jaffray  
Ramirez & Co., Inc.  
Scotia Capital  
The Williams Capital Group, L.P.  
Wells Fargo Securities

**ATTACHMENT  
II - A - 4B**



## **EXELON CORPORATION**

Debt Securities  
Common Stock  
Stock Purchase Contracts  
Stock Purchase Units  
Preferred Stock  
Subordinated Debt Securities  
Guarantee of Trust Preferred Securities

### **Exelono** Generation

## **EXELON GENERATION COMPANY, LLC**

Debt Securities  
Preferred Securities

### **EXELON CAPITAL TRUST I EXELON CAPITAL TRUST II EXELON CAPITAL TRUST III**

Trust Preferred Securities  
(guaranteed by Exelon Corporation as described in this prospectus)

An Exe'l'on Company

## **PECO ENERGY COMPANY**

Preferred Stock  
First and Refunding Mortgage Bonds  
Subordinated Debt Securities  
Guarantee of Trust Preferred Securities

### **PECO ENERGY CAPITAL TRUST V PECO ENERGY CAPITAL TRUST VI**

Trust Preferred Securities  
(guaranteed by PECO Energy Company as described in this prospectus)

Exelon Corporation (Exelon) may use this prospectus to offer and sell from time to time:

- unsecured senior debt securities;
- common stock;
- stock purchase contracts;
- stock purchase units;
- preferred stock in one or more series;
- subordinated debt securities to be purchased by Exelon Capital Trust I, Exelon Capital Trust II and/or Exelon Capital Trust III; and
- guarantees of trust preferred securities sold by Exelon Capital Trust I, Exelon Capital Trust II and Exelon Capital Trust III.

Exelon Generation Company, LLC (Generation) may use this prospectus to offer and sell from time to time:

- \* unsecured senior debt securities; and
- \* preferred limited liability company interests in one or more series.

Exelon Capital Trust I, Exelon Capital Trust II and Exelon Capital Trust III may use this prospectus to offer and sell from time to time trust preferred securities that will be guaranteed by Exelon Corporation.

PECO Energy Company (PECO) may use this prospectus to offer and sell from time to time:

- \* preferred stock in one or more series;
- \* one or more series of first and refunding mortgage bonds;
- \* subordinated debt securities to be purchased by PECO Energy Capital Trust V and/or PECO Energy Capital Trust VI; and
- \* guarantees of trust preferred securities sold by PECO Energy Capital Trust V and PECO Energy Capital Trust VI.

PECO Energy Capital Trust V and PECO Energy Capital Trust VI may use this prospectus to offer and sell from time to time trust preferred securities that will be guaranteed by PECO Energy Company.

We sometimes refer to the securities listed above as the "Securities."

We will provide the specific terms of the Securities in supplements to this prospectus prepared in connection with each offering. The Securities offered will contain other significant terms and conditions. Please read this prospectus and the applicable prospectus supplement carefully before you invest. This prospectus may not be used to consummate sales of the offered Securities unless accompanied by a prospectus supplement.

Exelon's common shares are listed on the New York, Chicago and Philadelphia Stock Exchanges, under the symbol "EXC."

**Please see "Risk Factors" beginning on page 5 for a discussion of factors you should consider in connection with a purchase of the Securities offered in this prospectus.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this prospectus is December 12, 2007.

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## ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (SEC) using a "shelf" registration process. Under this shelf registration process, we may, from time to time, sell combinations of the Securities described in this prospectus in one or more offerings. Each time we sell Securities, we will provide a prospectus supplement that will contain a description of the Securities we will offer and specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. If there is any inconsistency between the information in this prospectus and the prospectus supplement, you should rely on the prospectus supplement. You should read both this prospectus and any prospectus supplement together with additional information described under "Where You Can Find More Information."

Information contained herein relating to each registrant is filed separately by such registrant on its own behalf. No registrant makes any representation as to information relating to any other registrant or Securities or guarantees issued by any other registrant, except that information relating to (i) Exelon Capital Trust I, Exelon Capital Trust II and Exelon Capital Trust III's Securities is also attributed to Exelon and (ii) PECO Energy Capital Trust V and PECO Energy Capital Trust VI's Securities is also attributed to PECO.

As used in this prospectus, the term "we," "our" and "us" generally refer to:

- Exelon with respect to Securities issued by Exelon.
- Generation with respect to Securities issued by Generation.
- PECO with respect to Securities issued by PECO.

All references to "the Exelon Trusts" mean Exelon Capital Trust I, Exelon Capital Trust II and Exelon Capital Trust III. All references to "the PECO Trusts" means PECO Energy Capital Trust V and PECO Energy Capital Trust VI.

We are not offering the Securities in any state where the offer is not permitted.

You should rely only on information contained in this prospectus or the documents to which we have referred you. We have not authorized anyone to provide you with information that is different. This prospectus and related prospectus supplement may be used only where it is legal to sell those securities. The information in this prospectus and any prospectus supplement may only be accurate on the date of this document. Our business, financial condition, results of operations and prospects may have changed since that date.

Please see "Risk Factors" beginning on page 5 for a discussion of factors you should consider in connection with a purchase of the securities offered in this prospectus.

## WHERE YOU CAN FIND MORE INFORMATION

We are reporting companies and file annual, quarterly and current reports, proxy statements and other information with the SEC. The public may read and copy any reports or other information that we file with the SEC at the SEC's public *reference* room, 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. These documents are also available to the public from commercial document retrieval *services and at the web site* maintained by the SEC at <http://www.sec.gov>. Reports, proxy statements and other information concerning Exelon may also be inspected at the offices of the New York Stock Exchange, which is located at 20 Broad Street, New York, New York 10005. You may also obtain a copy of the registration statement at no cost by writing us at the following address:

Exelon Corporation  
Attn: Investor Relations  
10 South Dearborn Street-- 52<sup>nd</sup> Floor  
P.O. Box 805398  
Chicago, IL 60680-5398

This prospectus is one part of a registration statement I-filed on Form S-3 with the SEC under the Securities Act of 1933, as amended, known as the Securities Act. This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules to the registration statement. For further information concerning us and the securities, you should read the entire registration statement, including this prospectus and any related prospectus supplements, and the additional information described under the sub-heading "Documents Incorporated By Reference" below. The registration statement has been filed electronically and may be obtained in any manner listed above. Any statements contained herein concerning the provisions of any document are not necessarily complete, and, in each instance, reference is made to the copy of such document filed as an exhibit to the registration statement or otherwise filed with the SEC. Each such statement is qualified in its entirety by such reference.

Information about us is also available on our web site at <http://www.exeloncorp.com>. This URL and the SEC's URL above are intended to be inactive textual references only. Such information on our or the SEC's web site is not a part of this prospectus.

## DOCUMENTS INCORPORATED BY REFERENCE

The SEC allows us to "incorporate by reference" information that we file with the SEC, which means that we can disclose important information to you by referring you to the documents we file with the SEC. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. This incorporation by reference does not include documents that are furnished but not filed with the SEC. We incorporate by reference the documents listed below and any future documents that we file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (Exchange Act) but prior to the termination of any offering of securities made by this prospectus:

### Exelon Corporation

0 Our Annual Report on Form 10-K for the year ended December 31, 2006

- Our Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2007, June 30, 2007 and September 30, 2007

Our Current Reports on Form 8-K dated:  
February 9, 2007 and filed on February 9, 2007;  
March 1, 2007 and filed on March 2, 2007;  
March 22, 2007 and filed on March 23, 2007;  
April 4, 2007 and filed on April 5, 2007;  
April 23, 2007 and filed on April 24, 2007;  
May 8, 2007 and filed on May 14, 2007;  
May 23, 2007 and filed on May 24, 2007;  
May 23, 2007 and filed on May 25, 2007;  
May 30, 2007 and filed on May 30, 2007;  
May 30, 2007 and filed on June 1, 2007;  
June 5, 2007 and filed on June 8, 2007;  
July 19, 2007 and filed on July 25, 2007;  
July 24, 2007 and filed on July 24, 2007;  
July 24, 2007 and filed on July 25, 2007;  
July 26, 2007 and filed on July 27, 2007;  
August 28, 2007 and filed on September 4, 2007 (Item 8 only);  
August 31, 2007 and filed on September 7, 2007;  
September 4, 2007 and filed on September 10, 2007;  
September 24, 2007 and filed on September 27, 2007;  
October 5, 2007 and filed on October 9, 2007;  
October 15, 2007 and filed on October 15, 2007;  
October 17, 2007 and filed on October 17, 2007;  
October 11, 2007 and filed on October 18, 2007 (Item 8 only);  
October 29, 2007 and filed on November 2, 2007; and  
December 11, 2007 and filed on December 11, 2007.

the description of our common stock contained in the registration statement on Form 8-A filed under the Securities Exchange Act of 1934, as amended, including any amendment thereto or report filed for the purpose of updating such description.

**Exelon Generation Company, LLC**

- Our Annual Report on Form 10-K for the year ended December 31, 2006
- Our Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2007, June 30, 2007 and September 30, 2007
- Our Current Reports on Form 8-K dated:  
February 9, 2007 and filed on February 9, 2007;  
April 4, 2007 and filed on April 5, 2007;

May 8, 2007 and filed on May 14, 2007;  
May 23, 2007 and filed on May 24, 2007;  
May 23, 2007 and filed on May 25, 2007;  
May 30, 2007 and filed on May 30, 2007;  
May 30, 2007 and filed on June 1, 2007;  
July 19, 2007 and filed on July 25, 2007;  
July 24, 2007 and filed on July 24, 2007;  
July 24, 2007 and filed on July 25, 2007;  
July 26, 2007 and filed on July 27, 2007;  
August 28, 2007 and filed on September 4, 2007 (Item 8 only);  
August 31, 2007 and filed on September 7, 2007;  
September 24, 2007 and filed on September 27, 2007;  
September 28, 2007 and filed on September 28, 2007;  
October 15, 2007 and filed on October 15, 2007;  
October 18, 2007 and filed on October 19, 2007; and  
December 11, 2007 and filed on December 11, 2007.

#### **PECO Energy Company**

- . Our Annual Report on Form 10-K for the year ended December 31, 2006
  - Our Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2007, June 30, 2007 and September 30, 2007
- Our Current Reports on Form 8-K dated:
- March 19, 2007 and filed on March 19, 2007;
  - March 14, 2007 and filed on March 20, 2007;
  - April 2, 2007 and filed on April 6, 2007;
  - July 19, 2007 and filed on July 25, 2007; and
  - August 31, 2007 and filed on September 7, 2007.

Upon written or oral request, we will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered, a copy of any or all of such documents which are incorporated herein by reference (other than exhibits to such documents unless such exhibits are specifically incorporated by reference into the documents that this prospectus incorporates). Written or oral requests for copies should be directed to Exelon Corporation, Attn: Investor Relations, 10 South Dearborn Street, 52<sup>nd</sup> Floor, P.O. Box 805398, Chicago, IL 60680-5398, 312-394-2345.

Any statement contained in this prospectus, or in a document all or a portion of which is incorporated by reference, shall be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus, any supplement or any document incorporated by reference modifies or supersedes such statement. Any such statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this prospectus.

All reports and other documents subsequently filed by us pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment, which indicates that all of a class of securities offered hereby have been sold or which deregisters all of a class of securities then remaining unsold, shall be deemed incorporated by reference herein and to be a part hereof from the date of filing of such documents.

We have not included or incorporated by reference any separate financial statements of the trusts. We do not consider the financial statements of the trusts to be material to holders of the trust preferred securities because each trust (1) is a special purpose entity that has no operating history or independent operations and (2) is not engaged in and does not propose to engage in any activity other than holding our subordinated debt securities and issuing the trust preferred securities. We do not expect the trusts to file periodic reports under Sections 13 and 15(d) of the Exchange Act.

## **RISK FACTORS**

Investing in the Securities involves various risks. You are urged to read and consider the risk factors described in the Annual Reports on Form 10-K of Exelon, Generation and PECO, as applicable, for the year ended December 31, 2006, filed with the SEC on February 13, 2007, which have been updated under Part I-I, Item A of our quarterly reports on Form 10-Q for the quarters ended March 31, 2007, June 30, 2007 and September 30, 2007 and incorporated by reference in this prospectus. Before making an investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus. The risks and uncertainties we have described are not the only ones facing Exelon, Generation and PECO. The prospectus supplement applicable to each type or series of Securities we offer will contain a discussion of additional risks applicable to an investment in us and the particular type of Securities we are offering under that prospectus supplement.

## EXELON CORPORATION

Exelon, a utility services holding company, operates through its principal subsidiaries -- Generation, Commonwealth Edison Company (CoInEd) and PECO.

Exelon was incorporated in Pennsylvania in February 1999. Exelon's principal executive offices located at 10 South Dearborn Street, Chicago, Illinois 60603, and its telephone number is 312-394-7700.

As discussed further below, Generation's business consists of its owned and contracted electric generating facilities, wholesale energy marketing operations and competitive retail sales operations.

Exelon's regulated energy delivery operations consist of ComEd and PECO.

ComEd is engaged principally in the purchase and regulated retail and wholesale sale of electricity and the provision of distribution and transmission services to a diverse base of residential, commercial, industrial and wholesale customers in northern Illinois. ComEd is subject to extensive regulation by the Illinois Commerce Commission (ICC) as to rates and service, the issuance of securities, and certain other aspects of ComEd's operations. ComEd is also subject to regulation by the Federal Energy Regulatory Commission (FERC) as to transmission rates and certain other aspects of ComEd's business.

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

As discussed further below, PECO is engaged principally in the purchase and regulated retail sale of electricity and the provision of transmission and distribution services to residential, commercial and industrial customers in southeastern Pennsylvania, including the City of Philadelphia, as well as the purchase and regulated retail sale of natural gas and the provision of distribution services to residential, commercial and industrial customers in the Pennsylvania counties surrounding the City of Philadelphia.

## EXELON GENERATION COMPANY, LLC

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

Generation is one of the largest competitive electric generation companies in the United States, as measured by owned and controlled megawatts (MWs). Generation combines its large generation fleet with an experienced wholesale energy marketing operation and a competitive retail sales operation.

At December 31, 2006, Generation owned generation assets with an aggregate net capacity of 25,543 MWs, including 16,945 MWs of nuclear capacity. In addition, Generation controlled another 7,691 MWs of capacity through long-term contracts.

Generation's wholesale marketing unit, Power Team, a major wholesale marketer of energy, draws upon Generation's energy generation portfolio and logistical expertise to ensure delivery of energy to Generation's wholesale customers under long-term and short-term contracts, including a power purchase agreement (PPA) with PECO and, beginning in 2007, ICC-approved standardized supplier forward contracts and other power purchase agreements with ComEd and Ameren Corporation. In addition, Power Team markets energy in the wholesale bilateral and spot markets.

Generation's retail business provides retail electric and gas service as an unregulated retail energy supplier in Illinois, Michigan and Ohio. Generation's retail 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 service customers with higher volume so as to manage costs.

The PPA between Generation and PECO expires at the end of 2010. Generation's PPA with ComEd expired at the end of 2006. In September 2006, Generation participated in and won portions of the ComEd and Ameren auctions in Illinois for the procurement of electricity. As a result of the expiration of the PPA with ComEd and the results of the auctions, beginning in 2007, Generation sells more power through bilateral agreements with other new and existing counterparties.

## PECO ENERGY COMPANY

PECO's principal executive offices are located at 2301 Market Street, Philadelphia, PA 19101-8699, and its telephone number is (215) 841-4000.

PECO is subject to extensive regulation by the Pennsylvania Public Utility Commission (PAPUC) as to electric and gas rates and service, the issuances of certain 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 PECO's business.

PECO's retail service territory has an area of approximately 2,100 square miles and an estimated population of approximately 3.8 million. PECO provides electric delivery service in an area of approximately 2,000 square miles, with a population of approximately 3.7 million, including 1.5 million in the City of Philadelphia. Natural gas service is supplied in an area of approximately 1,900 square miles in southeastern Pennsylvania adjacent to the City of Philadelphia, with a population of approximately 2.3 million. PECO delivers electricity to approximately 1.6 million customers and natural gas to approximately 480,000 customers.

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

## EXELON CAPITAL TRUST I, EXELON CAPITAL TRUST H AND EXELON CAPITAL TRUST III

Each of Exelon Capital Trust I, Exelon Capital Trust II and Exelon Capital Trust III is a Delaware statutory trust that was formed on August 25, 2003. Each of the Exelon Trust's businesses is defined in a declaration of trust, dated as of August 25, 2003, executed by Exelon, as sponsor, and certain of the trustees specified below. The declaration of trust for an Exelon Trust will be amended and restated in its entirety as of the date trust preferred securities are initially issued by the applicable Exelon Trust. Each declaration, as amended and restated, is referred to in this prospectus individually as the "Exelon Trust Agreement," and collectively as the "Exelon Trust Agreements." The Exelon Trust Agreements were qualified under the Trust Indenture Act of 1939, as amended.

The Exelon Trusts exist for the exclusive purposes of:

- issuing and selling their trust preferred securities and trust common securities;
- using the proceeds from the sale of the trust common securities and trust preferred securities to acquire the subordinated debt securities from Exelon; and
- engaging in only those other activities necessary or incidental to these purposes.

The Exelon Trusts will have no assets other than the subordinated debt securities. The Exelon Trusts will have no revenue other than payments under the subordinated debt securities. Each Exelon Trust has a term of 30 years, but may dissolve earlier as provided in the Exelon Trust Agreements.

Exelon will, directly or indirectly, acquire all of the trust common securities of each Exelon Trust, which will have an aggregate liquidation amount equal to at least 3% of the total capital of the issuing trust.

Each Exelon Trust's business and affairs will be conducted by its trustees, as provided in the Exelon Trust Agreements. At the time of the issuance of the trust preferred securities, the trustees for the issuing Exelon Trust will be U.S. Bank Trust National Association, as the property trustee and the Delaware trustee, and a group of our employees as administrative trustees. Exelon, as holder of the trust common securities, or, if an event of default under the applicable trust agreement has occurred, is continuing the holders of not less than a majority in liquidation amount of the trust preferred securities, will be entitled to appoint, remove or replace the property trustee and the Delaware trustee. In no event will the holders of the trust preferred securities have the right to vote to appoint, remove or replace the administrative trustees. Only the holder of the trust common securities will be entitled to do that.

For so long as the trust preferred securities remain outstanding Exelon will:

- maintain directly or indirectly 100% ownership of the trust common securities;
- use its reasonable efforts to cause the issuing Exelon Trust to remain a statutory trust and not to voluntarily dissolve, wind-up, liquidate or be terminated, except as permitted by the applicable Exelon Trust Agreement; and
- use its reasonable efforts to cause the issuing Exelon Trust to continue to be treated as a grantor trust and not an association taxable as a corporation for United States federal income tax purposes.

Exelon will pay all of the issuing Exelon Trust's fees and expenses, including those related to the offering of the trust preferred securities. In addition, Exelon will guarantee payments on the trust preferred securities to the extent that the issuing Exelon Trust has funds to make payments on the trust preferred securities.

The rights of the holders of the trust preferred securities are set forth in the Exelon Trust Agreements and the Delaware Statutory Trust Act.

The location of each Exelon Trust's principal executive office is 10 South Dearborn Street, 52nd Floor, P.O. Box 805379, Chicago, Illinois 60680-5379, and the telephone number is 312-394-7700.

#### PECO ENERGY CAPITAL TRUST V AND PECO ENERGY CAPITAL TRUST VI

Each of PECO Energy Capital Trust V and PECO Energy Capital Trust VI is a Delaware statutory trust that was formed on May 9, 2003. Each of the PECO Trust's businesses is defined in a declaration of trust dated as of May 9, 2003, executed by PECO, as sponsor, and the trustees specified below. The declaration of trust for a PECO Trust will be amended and restated in its entirety as of the date trust preferred securities are initially issued by the applicable PECO Trust. Each declaration, as amended and restated, is referred to in this prospectus as individually as the "PECO Trust Agreement," and collectively as the "PECO Trust Agreements." The PECO Trust Agreements were qualified under the Trust Indenture Act of 1939, as amended.

The PECO Trusts exist for the exclusive purposes of:

- issuing and selling their trust preferred securities and trust common securities;
- using the proceeds from the sale of the trust common securities and trust preferred securities to acquire the subordinated debt securities from PECO; and
- engaging in only those other activities necessary or incidental to these purposes.

The PECO Trusts will have no assets other than the subordinated debt securities. The PECO Trusts will have no revenue other than payments under the subordinated debt securities. Each PECO Trust has a term of 30 years, but may dissolve earlier as provided in the PECO Trust Agreements.

PECO will, directly or indirectly, acquire all of the trust common securities of each PECO Trust, which will have an aggregate liquidation amount equal to at least 3% of the total capital of the issuing PECO Trust.

Each PECO Trust's business and affairs will be conducted by its trustees, as provided in the PECO Trust Agreements. At the time of the issuance of the trust preferred securities, the trustees for the issuing PECO Trust will be U.S. Bank Trust Company National Association, as the property trustee and the Delaware trustee, and three of our employees as administrative trustees. PECO, as holder of the trust common securities, or, if an event of default under the applicable trust agreement has occurred and is continuing the holders of not less than a majority in liquidation amount of the trust preferred securities, will be entitled to appoint, remove or replace the property trustee and the Delaware trustee. In no event will the holders of the trust preferred securities have the right to vote to appoint, remove or replace the administrative trustees. Only the holder of the trust common securities will be entitled to do that.

For so long as the trust preferred securities remain outstanding, PECO will:

- maintain directly or indirectly 100% ownership of the trust common securities;
- use its reasonable efforts to cause the issuing PECO Trust to remain a statutory trust and not to voluntarily dissolve, wind-up, liquidate or be terminated, except as permitted by the applicable PECO Trust Agreement; and
- use its reasonable efforts to cause the issuing PECO Trust to continue to be treated as a grantor trust and not an association taxable as a corporation for United States federal income tax purposes.

PECO will pay all of the issuing PECO Trust's fees and expenses, including those related to the offering of the trust preferred securities. In addition, PECO will guarantee payments on the trust preferred securities to the extent that the issuing PECO Trust has funds to make payments on the trust preferred securities.

The rights of the holders of the trust preferred securities are set forth in the trust agreements and the Delaware Statutory Trust Act.

The location of each PECO Trust's principal executive office is 2301 Market Street, P.O. Box 8699, Philadelphia, PA 19101-8699, and the telephone number is (215) 841-4000.

## FORWARD-LOOKING STATEMENTS

This prospectus and the documents we have filed with the SEC, which we have referenced under "Where You Can Find More Information" and "Documents Incorporated by Reference" contain forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this prospectus that address activities, events or developments that we expect or anticipate will or may occur in the future, including such matters as our projections, future capital expenditures, business strategy, competitive strengths, goals, expansion, market and industry developments and the growth of our businesses and operations, are forward-looking statements. These statements are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are **appropriate under the circumstances. These statements involve a number of risks and uncertainties, many of which are beyond our control.** The factors that could cause actual results to differ materially from the forward-looking statements include (a) those factors discussed in the following sections of Exelon, Generation and PECO's 2006 Annual Report on Form 10-K: ITEM IA. Risk Factors, ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and ITEM 8. Financial Statements and Supplementary Data; Note 18 and Part II, Item 1A of our quarterly reports on Form 10-Q for the quarters ended March 31, 2007, June 30, 2007 and September 30, 2007; and (b) other factors discussed herein and in other filings with the SEC by Exelon, Generation and PECO, as applicable.

Consequently, all of the forward-looking statements made in this prospectus are qualified by these cautionary statements and we cannot assure you that the results or developments anticipated by us will be realized or, even if realized, will have the expected consequences to or effects on us or our business prospects, financial condition or results of operations. You should not place undue reliance on these forward-looking statements in making your investment decision. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to these forward-looking statements to reflect events or circumstances that occur or arise or are anticipated to occur or arise after the date hereof. In making an investment decision regarding the shares of common stock described in this prospectus, we are not making, and you should not infer, any representation about the likely existence of any particular future set of facts or circumstances.

## USE OF PROCEEDS

Unless we indicate otherwise in the applicable prospectus supplement, we intend to use the net proceeds from the sale of the Securities for general corporate purposes, including to discharge or refund (by redemption, by purchase on the open market, by purchase in private transactions, by tender offer or otherwise) outstanding long-term debt, to invest in our operating subsidiaries, to finance capital improvements and to supplement working capital. Any proceeds of Securities issued by the Exelon Trusts will be used by the Exelon Trusts to purchase subordinated debt securities from Exelon. Any proceeds of Securities issued by the PECO Trusts will be used by the PECO Trusts to purchase subordinated debt securities from PECO. We will describe in the applicable prospectus supplement any specific allocation of the proceeds to a particular purpose that we have made at the date of that prospectus supplement. Please refer to our annual and quarterly reports incorporated by reference into this prospectus and any prospectus supplement for information concerning our outstanding long-term debt. See "Where You Can Find More Information."

**RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS**

The following are Exelon's consolidated ratios of earnings to fixed charges for each of the periods indicated:

	Year Ended December 31,					Nine Months Ended
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>September 30, 2007</u>
Ratio of earnings to fixed charges .....	3.1	2.1	3.5	2.8	3.4	4.7

The following are Generation's consolidated ratios of earnings to fixed charges for each of the periods indicated:

	Year Ended December 31,					Nine Months Ended
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>September 30, 2007</u>
Ratio of earnings to fixed charges .....	3.0	NIA(1)	4.1	5.5	6.3	9.5

- (1) For purposes of the ratio calculation, the deficiency in Generation's earnings to achieve a 1:1 ratio of earnings to fixed charges for 2003 was approximately \$480 million. Generation's earnings for 2003 were negatively impacted by a \$945 impairment charge related to the long-lived assets of Boston Generating, LLC. For purposes of calculating Generation's ratio of earnings to fixed charges for the twelve months ended December 31, 2003, fixed charges were approximately \$298 million.

The following are PECO's consolidated ratios of earnings to fixed charges for each of the periods indicated:

	Years Ended December 31,					Nine Months Ended
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>September 30, 2007</u>
Ratio of earnings to fixed charges .....	3.0	3.2	3.4	3.8	3.3	4.1

The ratio of earnings to fixed charges represents, on a pre-tax basis, the number of times earnings cover fixed charges. Earnings consist of pre-tax net income from continuing operations after adjustment for income from equity investees and capitalized interest or allowance for funds used during construction, to which has been added fixed charges. Fixed charges consist of interest costs and amortization of debt discount and premium on all indebtedness and the interest portion of all rental expense.

Exelon and Generation had no preferred securities outstanding during the periods indicated; therefore, the ratio of earnings to combined fixed charges and preferred stock dividends is the same as the ratio of earnings to fixed charges for Exelon and Generation.

The following are PECO's consolidated ratios of earnings to combined fixed charges and preferred stock dividends for each of the periods indicated:

	Years Ended December 31,					Nine Months Ended
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>September 30, 2007</u>
Ratio of earnings to combined fixed charges and preferred stock dividends .....	2.9	3.1	3.3	3.7	3.3	4.0

## BOOK-ENTRY SYSTEM

Unless otherwise indicated in the applicable prospectus supplement, Securities will initially be issued in the form of one or more global securities, in registered form, without coupons (as applicable). The global security will be deposited with, or on behalf of, a depository, firm registered in the name of that depository or a nominee of that depository. Unless otherwise indicated in the applicable prospectus supplement, the depository for any global securities will be The Depository Trust Corporation (DTC).

The global securities will be issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One fully registered global security certificate will be issued for each issue of the global securities, each in the aggregate principal amount of that issue and will be deposited with DTC. So long as the depository, or its nominee, is the registered owner of a global security, that depository or such nominee, as the case may be, will be considered the owner of that global security for all purposes under the indenture, the subordinated debt indenture or the trust agreement, as applicable, including for any notices and voting. Except as otherwise provided below, the owners of beneficial interests in a global security will not be entitled to have securities registered in their names, will not receive or be entitled to receive physical delivery of any such securities and will not be considered the registered holder thereof under the indenture, subordinated debt indenture or the trust agreement, as applicable. Accordingly, each person holding a beneficial interest in a global security must rely on the procedures of the depository and, if that person is not a direct participant, on procedures of the direct participant through which that person holds its interest, to exercise any of the rights of a registered owner of such security.

A global security may not be transferred as a whole except by DTC to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the global securities shall be transferred and exchanged through the facilities of DTC. Beneficial interests in the global securities may not be exchanged for securities in certificated form except in the circumstances described in the following paragraph.

We will be obligated to exchange global securities in whole for certificated securities only if:

the depository notifies us that it is unwilling or unable to continue as depository for the global securities or the depository has ceased to be a clearing agency registered under applicable law and, in either case, we thereupon fail to appoint a successor depository within 90 days;

we, at our option, notify the applicable trustee in writing that we elect to cause the issuance of certificated securities; or

there shall have occurred and be continuing an event of default with respect to the applicable securities of any series.

In all cases, certificated securities delivered in exchange for any global security or beneficial interest therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depository (in accordance with customary procedures).

The descriptions of operations and procedures of DTC that follow are provided solely as a matter of convenience. These operations and procedures are solely within DTC's control and are subject to changes by DTC from time to time. We take no responsibility for these operations and procedures and urge you to contact DTC or its participants directly to discuss these matters. DTC has advised us as follows:

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing corporation" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934.

DTC holds securities that its direct participants deposit with DTC. DTC also facilitates the settlement among direct participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in direct participants' accounts, thereby eliminating the need for physical movement of securities certificates.

Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc.

Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly, which are referred to as indirect participants and, together with the direct participants, the participants.

The rules applicable to DTC and its participants are on file with the SEC.

Purchases of global securities under the DTC system must be made by or through direct participants, who will receive a credit for such purchases of global securities on DTC's records. The ownership interest of each actual purchaser of each global security, or beneficial owner, is in turn to be recorded on the direct and indirect participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the global securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the global securities, except in the event that use of the book-entry system for the global securities is discontinued.

To facilitate subsequent transfers, all global securities deposited by participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of global securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the global securities; DTC's records reflect only the identity of the direct participants to whose accounts such global securities are credited which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. If the global securities are redeemable, redemption notices shall be sent to Cede & Co. If less than all of the global securities are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the global securities. Under its usual procedures, DTC mails an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants whose accounts the global securities are credited on the record date, identified in a listing attached to the omnibus proxy.

Payments of distributions, dividends, principal, interest, premiums and liquidation amounts, if any, on the global securities will be made to DTC in immediately available funds. DTC's practice is to credit direct participants' accounts on the date on which interest is payable in accordance with the respective holdings shown on DTC's records, unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the

responsibility of that participant and not of DTC, the trustee for those securities, or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of distributions, dividends, principal, interest, premiums and liquidation amounts, if any, on any of the aforementioned securities represented by global securities to DTC is the responsibility of the appropriate trustee and us. Disbursement of those payments to direct participants shall be the responsibility of DTC, and disbursement of those payments to the beneficial owners shall be the responsibility of the participants.

DTC may discontinue providing its services as securities depository with respect to the global securities at any time by giving us reasonable notice. Although DTC has agreed to the foregoing procedures in order to **facilitate transfers of beneficial ownership interests in the global securities among participants, it is under no obligation to perform or continue to perform those procedure, and those procedures may be discontinued at any**

The underwriters, dealers or agents of any of the securities may be direct participants of DTC.

None of the trustees, us or any agent for payment on or registration of transfer or exchange of any global security will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial interests in that global security or for maintaining, supervising or reviewing any records relating to those beneficial interests.

#### **LEGAL MATTERS**

Ballard Spahr Andrews & Ingersoll, LLP, Philadelphia, Pennsylvania, will render an opinion as to the validity of the Securities for us, and Winston & Strawn LLP, Chicago, Illinois, will render an opinion as to the validity of the securities for any underwriters, dealers, purchasers or agents. Winston & Strawn LLP provides legal services to Exelon and its subsidiaries from time to time.

#### **EXPERTS**

The financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) of Exelon Corporation and the financial statements of Exelon Generation Company, LLC and PECO Energy Company incorporated in this Prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2006 have been so incorporated in reliance on the reports of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

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**\$500,000,000**

**PECO Energy Company**

**First and Refunding Mortgage Bonds,  
5.35% Series due 2018**



PROSPECTUS SUPPLEMENT

February 25, 2008

*Joint Book-Running Managers*

**Goldman, Sachs & Co.  
Lehman Brothers  
BNY Capital Markets, Inc.**

Mizuho Securities USA Inc.  
RBS Greenwich Capital  
The Williams Capital Group, L.P.  
Toussaint Capital Partners, LLC

PROSPECTUS SUPPLEMENT  
(To Prospectus dated December 12, 2007)



**\$500,000,000**

## **PECO Energy Company**

### **First and Refunding Mortgage Bonds, 5~35% Series due 2018**

The bonds will bear interest at the annual rate of 5.35% per year. We will pay interest on the bonds on March 1 and September 1 of each year, beginning on September 1, 2008. The bonds will mature on March 1, 2018. We may redeem some or all of the bonds at any time at the redemption prices described in this prospectus supplement.

The bonds will be sectorized equally with all other bonds outstanding or hereafter issued under our First and Refunding Mortgage. There is no sinking fund for the bonds.

**Please see "Risk Factors" on page S-4 of this prospectus supplement for a discussion of factors you should consider in connection with a purchase of the bonds.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the bonds or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	<u>Per bond</u>	Total
Public Offering Price (1) .....	99.832%	\$499,160,000
Underwriting Discount .....	0.650%	<b>\$ 3,250,000</b>
Proceeds, before expenses, to PECO Energy Company .....	99.182%	\$495,910,000

(1) Plus accrued interest from March 3, 2008, if settlement occurs after that date.

The underwriters expect to deliver the bonds in book-entry form only through The Depository Trust Company on or about March 3, 2008.

*Joint Book-Running Managers*

**Goldman, Sachs & Co. Lehman Brothers BNY Capital Markets, Inc.**

**Mizuho Securities USA Inc.**

**RBS Greenwich Capital**

**The Williams Capital Group, L.P.**

**Toussaint Capital Partners, LLC**

February 25, 2008



You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus, as well as information we previously filed with the Securities and Exchange Commission and incorporated by reference, is accurate as of the date on the front cover of this prospectus supplement only. Our business, financial condition, results of operations and prospects may have changed since that date.

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## ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus contain information about our company and about the bonds. They also refer to information contained in other documents that we file with the Securities and Exchange Commission (SEC). If this prospectus supplement is inconsistent with the accompanying prospectus or the documents that are incorporated by reference in this prospectus supplement and the accompanying prospectus, rely on this prospectus supplement.

Unless the context otherwise indicates, when we refer to "PECO," "the Company," "we," "our" or "us" in this prospectus supplement, we mean PECO Energy Company together with our subsidiaries.

## FORWARD-LOOKING STATEMENTS

Except for the historical information contained in this prospectus supplement and in the accompanying prospectus, several of the matters discussed in this prospectus supplement and the accompanying prospectus are forward-looking statements that are subject to risks and uncertainties. Words such as "believes," "anticipates," "expects," "intends," "plans," "predicts" and "estimates" and similar expressions are intended to identify forward-looking statements but are not the only means to identify those statements. So-called "Forward-Looking Statements" in the accompanying prospectus for more information.

You are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this prospectus supplement. We expressly disclaim any obligation or undertaking to publicly release any revision to our forward-looking statements to reflect events or circumstances after the date of this prospectus supplement.

## PECO ENERGY COMPANY

We are a subsidiary of Exelon Corporation (Exelon), and are engaged principally in the purchase and regulated retail sale of electricity and the provision of distribution and transmission services to residential, commercial and industrial customers in southeastern Pennsylvania, including the City of Philadelphia, as well as the purchase and regulated retail sale of natural gas and the provision of distribution services to residential, commercial and industrial customers in the Pennsylvania counties surrounding the City of Philadelphia. Our combined electric and natural gas retail service territory has an area of approximately 2,100 square miles and an estimated population of 3.8 million. We provide electric delivery service in an area of approximately 2,000 square miles, with a population of approximately 3.7 million, including 1.5 million in the City of Philadelphia. Natural gas service is supplied in an area of approximately 1,900 square miles in southeastern Pennsylvania adjacent to the City of Philadelphia, with a population of approximately 2.3 million. We deliver electricity to approximately 1.6 million customers and natural gas to approximately 480,000 customers.

We are subject to extensive regulation by the Pennsylvania Public Utility Commission (PAPUC) as to electric and gas rates and service, the issuances of certain securities and certain other aspects of our operations. We are also subject to regulation by the Federal Energy Regulatory Commission as to transmission rates and certain other aspects of our business.

Our principal executive offices are located at 2301 Market Street, Philadelphia, PA 19101-8699, and our telephone number is (215) 841-4000.

## SUMMARY FINANCIAL INFORMATION

We have provided the following summary financial information for your reference. We have derived the summary information presented here from the financial statements we have incorporated by reference into this prospectus supplement and the accompanying prospectus. You should read it together with our historical consolidated financial statements and the related notes incorporated by reference in this prospectus supplement and the accompanying prospectus. See "Where You Can Find More Information" in this prospectus supplement.

	Year Ended December 31,		
	2007	2006	2005
	<b>(In millions)</b>		
<b>Income Statement Data</b>			
Operating revenues .....	\$5,613	\$5,168	\$4,910
Operating income .....	947	866	1,119
Net income on common stock .....	503	437	513

### Cash Flow Data

	Year Ended December 31,		
	2007	2006	2005
<b>Cash Flow Data</b>			
Cash in excess of amount			
capitalized (a) (b) .....	\$194	\$261	\$281
Capital expenditures (e) .....	339	345	298
Net cash flows provided by operating			
activities (d) .....	980	1,017	704
Net cash flows used in investing			
activities .....	(337)	(332)	(241)
Net cash flows used in financing			
activities .....	(638)	(693)	(500)

	Year Ended December 31,		
	2007	2006	2005
	<b>(In millions)</b>		
<b>Balance Sheet Data</b>			
Property, plant and equipment, net .....	\$4,842	\$4,651	\$4,471
Regulatory assets .....	3,273	3,896	4,454
Total assets .....	9,810	9,773	10,086
Long-term debt (a) .....	1,626	1,469	1,183
Long-term debt to affiliates (a) (e) .....	1,690	2,315	2,960
Total liabilities .....	7,700	7,964	8,382
Preferred stock .....	87	87	87
Common shareholders equity .....	2,023	1,722	1,617

- (a) Amounts owed to PECO Energy Capital Trust IV, PECO Energy Capital Trust [II and PECO Energy Transition Trust (PETT) are recorded as debt to financing trusts within PECO's consolidated balance sheet.
- (b) Includes cash interest paid of \$139 million, \$180 million and \$212 million in connection with long-term debt to PETT for the years ended December 31, 2007, 2006 and 2005, respectively.
- (c) These amounts include investment in plant and plant removals, net.
- (d) We contributed \$32 million, \$33 million and \$189 million in 2007, 2006 and 2005 to Exelon-sponsored pension and post-retirement benefits plans in which we participate. Of our 2005 contributions, \$109 million was funded by a capital contribution from Exelon.
- (e) Excludes current maturities of \$227 million, \$273 million and \$199 million as of December 31, 2007, 2006 and 2005, respectively.

## RATIO OF EARNINGS TO FIXED CHARGES

The following table provides our consolidated ratio of earnings to fixed charges:

		Years Ended December 31,			
		7.00s	2004	2003	
Ratio of earnings to fixed charges .....	3.88	3.32	3.78	3.38	3.20

The ratio of earnings to fixed charges represents, on a pre-tax basis, the number of times earnings cover fixed charges. Earnings consist of pre-tax net income from continuing operations after adjustment for income from equity investments and capitalized interest or allowance for amortization used during construction, to which amounts added fixed charges. Fixed charges consist of interest costs and amortization of debt discount and premium on all indebtedness and the estimated interest portion of all rental expense.

## RISK FACTORS

Your investment in the bonds will involve certain risks. Before investing in the bonds, you should carefully consider the following discussion as well as the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the information under "Risk Factors" on page 5 of the accompanying prospectus, which has been updated by ITEM 1A, Risk Factors, of our annual report on Form 10-K for the year ended December 31, 2007.

### **There is no public market for the bonds**

We can give no assurances concerning the liquidity of any market that may develop for the bonds offered hereby, the ability of any investor to sell any of the bonds, or the price at which investors would be able to sell them. If a market for the bonds does not develop, investors may be unable to resell the bonds for an extended period of time, if at all. If a market for the bond does develop, it may not continue or it may not be sufficiently liquid to allow holders to resell any of the bonds. Consequently, investors may not be able to liquidate their investment readily, and lenders may not readily accept the bonds as collateral for loans.

## USE OF PROCEEDS

We intend to use the net proceeds from the sale of the bonds, after deducting underwriting compensation and estimated fees and expenses, to refinance commercial paper having an approximate weighted average interest rate of 4.26% per annum as of February 22, 2008, and for other general corporate purposes.

## CAPITALIZATION

The following table sets forth our consolidated capitalization and short-term debt as of December 31, 2007, and as adjusted to give effect to the issuance and sale of the bonds and the use of the net proceeds from this offering as set forth under "Use of Proceeds" above. This table should be read in conjunction with our consolidated financial statements and related notes for the year ended December 31, 2007, incorporated by reference in this prospectus supplement and the accompanying prospectus. See "Where You Can Find More Information" in this prospectus supplement.

	December 31, 2007	
	Actual	As Adjusted
	(\$ in millions)	
Commercial paper(a) .....	\$ 246	\$ "
Borrowings from Exelon intercompany money pool .....	-	-
Long-term debt: (b)		
First mortgage bonds .....	1,626	2,126
Long-term debt to PETF .....	1,733	1,733
Long-term debt to other financing trusts .....	184	184
Other long-term debt .....	-	-
Total shareholders' equity .....	<u>2.110</u>	<u>2.110</u>
Total capitalization, including short-term borrowings and current maturities .....	<u>\$ 2.899</u>	<u>\$6.153</u>

- (a) The Company expects commercial paper borrowings to range between approximately \$80 million and \$150 million as of March 3, 2008.
- (b) Includes unamortized debt discounts. Includes current maturities of long-term debt of \$227 million due to PETF.

## DESCRIPTION OF THE BONDS AND FIRST AND REFUNDING MORTGAGE

The following description of the particular terms of the offered bonds is qualified in its entirety by the more detailed information appearing elsewhere in this prospectus supplement and the accompanying prospectus. References in this description of the bonds and our First and Refunding Mortgage (Mortgage) to "we," "our," "us" or the "Company" are to PECO Energy Company and not its subsidiaries.

### Securities Offered

The bonds will be issued under our Mortgage as contemplated to be further supplemented by a supplemental mortgage indemure relating to the bonds. The bonds will initially be limited in aggregate principal amount to \$500,000,000. We may issue additional bonds under our Mortgage with the same priority as the bonds offered by this prospectus supplement, including bonds having the same series designation and terms (except for the public offering price and the issue date) as the bonds offered by this prospectus supplement, without the approval of the holders of the outstanding bonds issued under our Mortgage, including the bonds offered by this prospectus supplement. The bonds will be secured equally with all other bonds outstanding or hereafter issued under our Mortgage. The bonds will be issued in book-entry form only in denominations of \$1,000 and authorized multiples thereof.

### Principal, Maturity and Interest

Interest on the bonds will be payable on March 1 and September 1 of each year, beginning on September 1, 2008, until the principal is paid or made available for payment. Interest on the bonds will accrue from the most recent date to which interest has been paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. The bonds will mature on March 1, 2018.

The Company may fix a date, not more than four calendar days prior to any interest payment date for the bonds, as a record date for determining the registered holders of the bonds entitled to interest payments. Only the registered holder on such record date will be entitled to receive an payment, notwithstanding any transfer of the bond subsequent to such record date.

### Redemption at our Option

We may, at our option, redeem the bonds in whole or in part at any time at a redemption price equal to the greater of:

100% of the principal amount of the bonds to be redeemed, plus accrued interest to the redemption date, or

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 at the Adjusted Treasury Rate plus 25 basis points, plus accrued interest to the redemption date.

The redemption price will be calculated assuming a 360-day year consisting of twelve 30-day months.

We will mail notice of any redemption at least 30 days, but not more than 45 days before the redemption date to each registered holder of the bonds to be redeemed.

Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the bonds or portions of the bonds 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 that would be used, at the time of selection and in accordance with customary financial practice, in pricing any issues of corporate debt securities of comparable maturity to the remaining term of the bonds.

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

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

if the Agent 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 us.

"Reference Treasury Dealer" means (1) each of Goldman, Sachs & Co., Lehman Brothers Inc. and BNY Capital Markets, 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 we shall substitute another Primary Treasury Dealer, and (2) any other Primary Treasury Dealer selected by us.

"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.

Form

The bonds will be registered in the name of Cede & Co., as registered owner and as nominee for Depository Trust Company, New York, New York. The official name of the bonds will show on the face of the bonds, "11 bonds owned by C (with respect to the interests) and its participants. Except as otherwise specified or as otherwise provided, the bonds will not be issued in certificate form and will be in Depository Same-Day Funds Settlement form and will be available to the bondholders for the bonds will be available to the bondholders.

## Security

The bonds will be secured equally with all other mortgage bonds outstanding or hereafter issued under our Mortgage by the lien of our Mortgage, subject to (1) minor exceptions and certain excepted encumbrances that are defined in the mortgage and (2) the mortgage trustee's prior lien for compensation and expenses, constitutes a first lien on substantially all of our properties. Our Mortgage does not constitute a lien on any property owned by our subsidiaries or affiliates. Our properties consist principally of electric transmission and distribution lines and substations, gas distribution facilities and general office and service buildings.

We may not issue securities which will rank ahead of the mortgage bonds as to security. We may acquire property subject to prior liens. If such property is made the basis for the issuance of additional bonds after we acquire it, all additional bonds issued under the prior lien must be pledged with the mortgage trustee as additional security under our Mortgage.

## Authentication and Delivery of Additional Bonds

Our Mortgage permits the issuance from time to time of additional mortgage bonds, without limit as to aggregate amount. Additional mortgage bonds may be in principal amount equal to:

- (1) the principal amount of underlying bonds secured by a prior lien upon property acquired by us after March 1, 1937 and deposited with the mortgage trustee under the Mortgage;  
  
the principal amount of any such underlying bonds redonead or retired, or for the payment, redemption or retirement of which funds have been deposited in trust;
- (3) the principal amount of bonds previously authenticated under the Mortgage on or March 1, 1937, which have been delivered to the mortgage trustee;
- (4) the principal amount of bonds previously issued under the Mortgage on or after March 1, 1937, which are being refunded or redeemed, if funds for the refunding or redemption have been deposited with the mortgage trustee;
- (5) an amount not exceeding 60% of the actual cost or the fair value, whichever is less, of the net amount of permanent *additions* to the property subject to the lien of the mortgage, made or acquired after November 30, 1941, and of additional plants or property acquired by us after November 30, 1941, and to be used in connection with its electric or gas business as part of one connected system and located in Pennsylvania or within 150 miles of Philadelphia; and
- (6) the amount of cash deposited with the mortgage trustee, which cash shall not at any time exceed \$3,000,000 or 10% of the aggregate principal amount of bonds then outstanding under the mortgage, whichever is greater, and which cash may subsequently be withdrawn to the extent of 60% of capital expenditures, as described in clause (5) above.

No additional bonds may be issued under our Mortgage as outlined in clauses (5) and (6) and, in certain cases, clause (3) above, unless the net earnings test of the Mortgage is satisfied. The net earnings test of the mortgage, which relates only to the issuance of additional mortgage bonds, requires for 12 consecutive calendar months, within the 15 calendar months immediately preceding the application for such bonds, that our net earnings, after deductions for amounts set aside for renewal and replacement or depreciations reserves and before provision for income taxes, must have been equal to at least twice the annual interest charges on all bonds outstanding under the Mortgage (including those then applied for) and any other bonds secured by a lien on our property.

## Release and Substitution of Property

While no event of default exists, we may obtain the release of the lien of the Mortgage on mortgaged property which is sold or exchanged if (1) we deposit or pledge cash or purchase money obligations with the mortgage trustee, or (2) in certain instances, if we substitute other property of equivalent value. The Mortgage also contains certain requirements relating to our withdrawal or application of proceeds of released property and other funds held by the mortgage trustee.

## Corporate Existence

We may consolidate or merge with or into or convey, transfer or lease all, or substantially all, of the Mortgage property to any corporation lawfully entitled to acquire or lease and operate the property, provided that such consolidation, merger, conveyance, transfer or lease in no respect impairs the lien of the Mortgage or any rights or powers of the mortgage trustee or the holders of the outstanding mortgage bonds; and such successor corporation executes and causes to be recorded an indenture which assumes all of the terms, covenants and conditions of the Mortgage and any indenture supplement thereto.

The Mortgage does not contain any covenant or other provision that specifically is intended to afford holders of our mortgage bonds special protection in the event of a highly leveraged transaction. The issuance of long-term debt securities requires the approval of the PAPUC.

## **Defaults**

Events of default are defined in the Mortgage as (1) default for 60 days in the payment of interest on mortgage bonds or sinking funds deposits under the Mortgage, (2) default in the payment of principal of bonds under the mortgage at maturity or upon redemption, (3) default in the performance of any other covenant in the Mortgage continuing for a period of 60 days after written notice from the trustee, and (4) certain events of bankruptcy or insolvency of our company.

Upon the authentication and delivery of additional mortgage bonds or the release of cash or proceeds, we are required to file documents and reports with the mortgage trustee with respect to the absence of default.

## **Rights of Bondholders upon Default**

Upon the occurrence of an event of default, the holders of a majority in principal amount of all the outstanding mortgage bonds may require the mortgage trustee to accelerate the maturity of the mortgage bonds and to enforce the lien of the Mortgage. Prior to any sale under the Mortgage, and upon the remedying of all defaults, any such acceleration of the maturity of the mortgage bonds may be annulled by the holders of at least a majority in principal amount of all the outstanding mortgage bonds. The Mortgage permits the mortgage trustee to require indemnity before proceeding to enforce the lien of the Mortgage.

## **Amendments**

We and the mortgage trustee may amend the Mortgage without the consent of the holders of the mortgage bonds: (1) to subject additional property to the lien to the Mortgage; (2) to define the covenants and provisions permitted under or not inconsistent with the Mortgage; (3) to add to the limitations of the authorized amounts, date of maturity, method, conditions and purposes of issue of any bonds issued under the Mortgage; (4) to evidence the succession of another corporation to us and the assumption by a successor corporation of our covenants and obligations under the Mortgage; (5) to make such provision in regard to matters or questions arising under the mortgage as may be necessary or desirable and not inconsistent with the Mortgage.

We and the mortgage trustee may amend the Mortgage or modify the rights of the holders of the mortgage bonds with the written consent of at least 66 2/3% of the principal amount of the mortgage bonds then outstanding; provided, that no such amendment shall, without the written consent of the holder of each outstanding mortgage bond affected thereby: (1) change the date of maturity of the principal of, or any installment hereof on, any mortgage bond, or reduce the principal amount of any mortgage bond or the interest thereon or any premium payable on the redemption thereof, or change any place of payment when, or currency in which, any mortgage bond or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the date of maturity thereon; or (2) reduce the percentage in principal amount of the outstanding mortgage bonds, the consent of whose holders is required for any amendment, waiver of compliance with the provisions of the mortgage or certain defaults and their consequences; or (3) modify any of the amendment provisions or Section 22 of Article VIII (relating to waiver of default), except to increase any such percentage or to provide that certain other provisions of the Mortgage cannot be modified or waived without the consent of the holder of each mortgage bond affected thereby.

## **Governing Law**

The Mortgage is governed by the laws of the Commonwealth of Pennsylvania.

## **Mortgage Trustee**

U.S. Bank National Association, the trustee under the Mortgage, is the registrar and disbursing agent for our mortgage bonds. U.S. Bank National Association is also our depository, from time to time makes loans to us and is trustee for three series of senior unsecured notes of our affiliate, Exelon Generation Company, LLC.

## CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

### General

The following is a summary of certain federal income tax consequences material to the purchase, ownership and disposition of the bonds. This summary is based upon current provisions of the Internal Revenue Code (Code), proposed, temporary and final Treasury regulations thereunder, and published rulings and court decisions currently in effect. The current tax laws and the current regulations, administrative rulings and court decisions may be changed, possibly retroactively, and may be subject to differing interpretation. The statements set forth in the following discussion, to the extent they constitute matters of United States federal income tax law or legal conclusions with respect thereto, represent the opinion of Ballard Spahr Andrews & Ingersoll, LLP.

The following summary does not furnish information in the level of detail or with the attention to an investor's specific tax circumstances that would be provided by an investor's own tax advisor. For example, it does not discuss the tax consequences of the purchase, ownership and disposition of the bonds by investors that are subject to special treatment under the federal income tax laws, including banks and thrifts, insurance companies, regulated investment companies, dealers in securities, holders that will hold the bonds as a position in a "straddle" or as a part of "synthetic security" or "conversion transaction" or other integrated investment comprised of the bonds and one or more other investments, trusts and estates, and pass-through entities, the equity holders of which are any of these specified investors. In addition, the discussion regarding the bonds is limited to the federal income tax consequences of the initial investors (and not a purchaser in the secondary market) that have purchased bonds and hold those bonds as capital assets within the meaning of Section 1221 of the Code. This discussion does not address the tax consequences for a beneficial owner of a bond who or which is not a United States person for United States federal income tax purposes. Finally, the following summary assumes, as is expected, that the bonds will be issued without original issue discount.

### Interest

Interest on a bond will be taxed to a beneficial owner of a bond as ordinary interest income at the time it accrues or is received, in accordance with the beneficial owner's regular method of accounting for federal income tax purposes.

### Disposition of a Bond

Upon the sale, exchange, redemption or other disposition of a bond, a beneficial owner of a bond generally will recognize taxable gain or loss equal to the difference, if any, between the amount realized on the sale, exchange, redemption or other disposition (not including any amount attributable to accrued but unpaid interest) and the beneficial owner's adjusted tax basis in the bond. Any amount attributable to accrued but unpaid interest will be treated as a payment of interest and taxed in the manner described above under "Interest." In general, the beneficial owner's adjusted tax basis in a bond will be equal to the initial purchase price of the bond paid by the beneficial owner, reduced by the amount of principal payments on the bond received before such date of sale, exchange, redemption or other disposition.

Gain or loss recognized on the sale, exchange, redemption or retirement of a bond generally will be capital gain or loss, and will be long-term capital gain or loss if at the time of sale, exchange, redemption or retirement the bond has been held by the investor for more than one year. For individuals, the excess of net long-term capital gains over net short-term capital losses generally is taxed at a lower rate than ordinary income. Capital losses are, with very limited exception, deductible only to the extent of capital gains recognized during the taxable year. Any excess capital losses may be carried over to and deducted in other taxable years subject to certain limitations.

### Information Reporting and Backup Withholding

Information reporting requirements apply to interest and principal payments made to, and to the proceeds of sales or other dispositions before maturity by, certain noncorporate owners of bonds. Generally, we must report annually to the Internal Revenue Service (IRS), the amount of interest that we paid to an owner of a bond and the amount of tax that we withheld on that interest. In addition, backup withholding applies to a noncorporate owner if

the owner fails to furnish his or her taxpayer identification number, which for an individual would be his or her Social Security Number, to the payor in the manner required,

the owner furnishes an incorrect taxpayer identification number and the payor is so notified by the IRS,

the payor is notified by the IRS that the owner has failed to properly report payments of interest and dividends, or

in certain circumstances, the owner fails to certify, under penalties of perjury, that he or she has furnished a correct taxpayer identification number and has not been notified by the IRS that he or she is subject to backup withholding for failure to properly report interest and dividend payments.

The current rate of backup withholding is 28% of the amount paid prior to December 31, 2008. Any amounts withheld under backup withholding rules will be allowed as a refund or credit against an owner's federal income tax liability, provided the required information is timely furnished to the IRS.

The United States federal income tax discussion set forth above is included for general information only and **may not** be applicable depending upon an owner's particular situation. Prospective purchasers of the bonds should consult their own tax advisors with respect to the tax consequences to **them** of the ownership and disposition of bonds, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in United States or other tax laws.

## UNDERWRITING

We intend to offer the bonds through the underwriters. Goldman, Sachs & Co., Lehman Brothers Inc. and BNY Capital Markets, Inc. are acting as representatives of the underwriters named below. Subject to the terms and conditions contained in an underwriting agreement between us and the underwriters, we have agreed to sell to the underwriters and the underwriters have severally agreed to purchase from us, the principal amount of the bonds listed opposite their names below.

Underwriter	Principal Amount
Goldman, Sachs & Co .....	\$ 20,000,000
Lehman Brothers Inc .....	
BNY Capital Markets, Inc .....	
Mizuho Securities USA Inc .....	45,000,000
Greenwich Capital Markets, Inc .....	45,000,000
The Williams Capital Group, L.P. ....	25,000,000
Toussaint Capital Partners, LLC .....	25,000,000
<b>Total</b>	<b>\$</b>

The underwriters have agreed to purchase all of the bonds sold pursuant to the underwriting agreement if any of the bonds are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be renegotiated.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended (Securities Act), or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the bonds, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the bonds, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

**It is expected that delivery of the bonds will be made on or about the date specified on the cover page of this prospectus supplement, which will be the fifth business day following the date of this prospectus supplement (T + 5). Under Rule 15c6-1 under the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade bonds on the date of this prospectus supplement or the next succeeding business day will be required, by virtue of the fact that the bonds initially will settle in T + 5, to specify an alternate settlement cycle at the time of any such trade to prevent failed settlement and should consult their own advisors.**

### Commissions and Discounts

The underwriters have advised us that they propose initially to offer the bonds to the public at the public offering price on the cover page of this prospectus supplement, and to dealers at that price less a concession not in excess of 0.40% of the principal amount of the bonds. The underwriters may allow, and the dealers may reallow, a discount not in excess of 0.20% of the principal amount of the bonds to other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

The expenses of the offering, not including the underwriting discount, are estimated to be \$485,535 and are payable by us.

### New Issue of Bonds

The bonds are a new issue of securities with no established trading market. We do not intend to apply for listing of the bonds on any national securities exchange or for quotation of the bonds on any automated dealer quotation system. We have been advised by the underwriters that they presently intend to make a market in the bonds after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot assure the liquidity of the trading market for the bonds or that an

active public market for the bonds will develop. If an active public trading market for the bonds does not develop, the market price and liquidity of the bonds may be adversely

### **Price Stabilization and Short Positions**

**In connection with the offering, the underwriters are permitted to engage in transactions that stabilize the market price of the bonds. Such transactions consist of bids or purchases to peg, fix or maintain the price of the bonds. If the underwriters create a short position in the bonds in connection with the offering, i.e., if they sell more bonds than are on the cover page of this prospectus supplement, the underwriters may reduce that short position by purchasing bonds in the open market. Purchases of a security to stabilize the price or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases.**

The underwriters may impose a penalty bid. This occurs when a particular underwriter repays to underwriters a portion of the underwriting discount received by it because the representatives have repurchased bonds sold for the account of such underwriter in stabilizing or short covering transactions.

Neither we nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the bonds. In addition, neither we nor any of the underwriters makes any representation that the underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

### **Other Relationships**

Some of the underwriters and their affiliates have engaged in, and some or all of the underwriters may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us and our affiliates. They have received and may continue to receive customary fees and commissions for these transactions. Each of Goldman, Sachs & Co., Lehman Brothers Inc., BNY Capital Markets, Inc., Mizuho Securities USA Inc. and Greenwich Capital Markets, Inc. has banking affiliates who are lending parties in our revolving credit facilities.

### **LEGAL MATTERS**

Ballard Spahr Andrews & Ingersoll, LLP, Philadelphia, Pennsylvania, will render an opinion as to the validity of the bonds for us, and certain legal matters will be passed on for the underwriters by Winston & Strawn LLP, Chicago, Illinois. Winston & Strawn LLP provides legal services to Exelon and its subsidiaries, including us, from time to time.

### **EXPERTS**

The financial statements incorporated in this prospectus supplement by reference to the annual report on Form 10-K of PECO Energy Company for the year ended December 31, 2007 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

## WHERE YOU CAN FIND MORE INFORMATION

In connection with this offering, we have filed with the SEC a registration statement under the Securities Act. As permitted by SEC rules, this prospectus supplement and the accompanying prospectus omit information included in the registration statement. For a more complete understanding of this offer, you should refer to the registration statement, including its exhibits.

We file annual, quarterly and current reports, information statements and other information with the SEC. You may read and copy any document that we file with the SEC at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. Our SEC filings are also available to the public over the Internet on the SEC's web site at <http://www.sec.gov>. You can also inspect reports and other information we file at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

The SEC allows us to "incorporate by reference" the information we file with it, which means that we can disclose important information to you by referring you to previously filed documents. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the following document we filed with the SEC (file number 000-16844):

PECO's Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

Any future filings that we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus supplement and the filing of the registration statement shall be deemed to be incorporated by reference to this prospectus supplement from the date of such filing.

In addition to the resources maintained by the SEC, you may also obtain those filings at no cost by writing us at PECO Energy Company, 10 South Dearborn Street, 52nd Floor, P.O. Box 805398, Chicago, Illinois 60680-5398; Attention: Director, Investor Relations or by calling us at (312) 394-2345.

Information about us is also available on Exelon's web site at <http://www.exeloncorp.com>. This web site and the SEC's web site above are intended to be inactive textual references only. Information on Exelon's or the SEC's web site (other than the documents incorporated by reference) is not a part of this prospectus supplement.

**Q. II-A-5** Supply projected capital requirements and sources of Company, Parent and System (consolidated) for each of future three years.

**A. II-A-5** Refer to Attachment II-A-5 for the Company's projected capital requirements and sources. Capital requirements for 2009 and **beyond are CONFIDENTIAL AND ARE SUBMITTED ONLY IN THE NON-PUBLIC VERSION FILED WITH THE COMMISSION.** Forward-looking data for Parent and System consolidated is not applicable,

PUBLIC  
ATTACHMENT  
II-A-5

**PECO Gas**  
**REQUIREMENTS AND SOURCES OF FUNDS**  
(Millions of Dollars)

	Year 2008	Year 2009	Year 2010	Year 2011
<u>CASH FLOW DETAIL</u>				
<b>CAPITAL REQUIREMENTS</b>				
1		\$ 69		
2		<u>\$ 69</u>		
<b>SOURCES</b>				
<b>OPERATING ACTIVITIES</b>				
3		\$ 30		
4		33		
5		0		
6		/15		
7		<u>49</u>		
<b>FINANCING ACTIVITIES</b>				
8		\$ 73		
9		(29)		
10		(247)		
14		<u>20</u>		
15		<u>\$ 69</u>		

**CONFIDENTIAL**

**PECO Energy**  
**REQUIREMENTS AND SOURCES OF FUNDS**  
(Millions of Dollars)

<u>CASH FLOW DETAIL</u>				
<b>CAPITAL REQUIREMENTS</b>				
1		\$ 394		
2		<u>\$ 394</u>		
<b>SOURCES</b>				
<b>OPERATING ACTIVITIES</b>				
3		\$ 381		
4		853		
5		(221)		
6				
7		<u>\$ 921</u>		
<b>FINANCING ACTIVITIES</b>				
8		\$ 300		
9		\$ (575)		
10		(53)		
11		286		
12		1485/		
13		<u>(527)</u>		
14		<u>\$ 394</u>		

**CONFIDENTIAL**

(1) 2008-20102 Budget assumes no change in deferred income taxes for gas

- II - A - 6 Provide a schedule of debt and preferred stock of Company, Parent and System (consolidated) as of test year-end and latest date, detailing for each issue (if applicable):
- a. Date of issue
  - b. Date of maturity
  - c. Amount issued
  - d. Amount outstanding
  - e. Amount retired
  - f. Amount reacquired
  - g. Gain on reacquisition
  - h. Coupon rate
  - i. Discount or premium at issuance
  - j. Issuance expenses
  - k. Net proceeds
  - l. Sinking Fund requirements
  - m. Effective interest rate
  - n. Dividend rate
  - o. Effective cost rate
  - p. Total average weighted effective Cost Rate

A. II - A - 6. Refer to Attachment II - A - 6.

ATTACHMENT  
II-A-6

Exelon Corporation & Subsidiaries  
 Long-Term Debt  
 12/31/07  
 (In 080's)

Series	Interest Rate	Issue Date	Maturity Date	Amount Issued	Discount or Premium at Issuance	Issuance Expenditures	Net Proceeds	Sinking Fund Requirements	Effective Interest Rate	Average Weighted Cost Rate
<b>PECO</b>										
<b>Debt issuances Backed by PECO's Mortgage-Backed Securities</b>										
FMB	5.90%	04/23/04	05/01/13	75,000	773	656	74,227		5.97%	0.30%
FMB	3.50%	05/01/03	05/01/08	450,000	2,700	2,700	447,300		3.63%	1.11%
FMS	5.95%	10/30/01	11/01/11	250,000	2,018	1,625	247,982		6.06%	1.03%
FMB	4.75%	10/11/02	10/11/12	225,000	3,294	1,594	221,706		4.94%	0.75%
FMB	5.95%	9/25/06	10/11/36	300,000	3,861	2,940	296,139		6.04%	1.23%
FMB	5.70%	3/15/07	3/15/37	175,000	2,729	1,808	172,271		5.81%	0.69%
Total First Mortgage Securities				1,475,000	15,375	11,323	1,459,625			5.11%
<b>Mortgage-Backed Pollution Control Notes</b>										
Delaware Co. 1988 Set. A	var. rate	04/01/93	12/01/12	50,000		1,231	48,769		3.68%	1.19%
Delaware Co. 1988 Set. B	var. rate	04/01/93	12/01/12	50,000		1,231	48,769		3.68%	1.19%
Delaware Co. 1988 Set. C	var. rate	04/01/93	12/01/12	50,000		1,231	48,769		3.68%	1.19%
Salem Co. 1988 Set. A	var. rate	04/01/93	12/01/12	4,200		106	4,094		3.70%	0.10%
Total Mortgage-Backed Pollution Control Notes				154,200	0	3,799	150,401			3.68%
1999 A-7	6.13%	03/26/99	09/01/08	896,653		718	895,935		6.14%	2.09%
2000 A-3	7.625%	05/02/00	03/01/09	398,838		579	398,259		7.65%	1.16%
2000 A-4	7.65%	05/02/00	09/01/09	351,162		485	350,677		7.67%	1.02%
2001 A-1	6.52%	03/01/01	09/01/10	805,460		3,398	802,062		6.58%	2.01%
PECO Energy Capital Trust III Series	7.38%	04/06/98	04/06/128	80,521		760	79,761		7.46%	0.23%
PECO Energy Capital Trust 15	var. rate	04/06/98	04/06/128	805		805	805			
PECO Energy Capital Trust IV	5.75%	06/12/03	06/15/133			1,328	101,765		5.84%	0.23%
Total Long-Term Debt To Affiliate				2,635,311		7,268	2,629,263			6.73%
Total PECO Energy Long-term Debt				4,265,731						
Total Exelon Corporation Long-term Debt				2,200,000						
Total Exelon Ventures Long-term Debt				20,631						
Total Commercial Long-term Debt				4,809,511						
<b>Exelon Generation Company</b>										
Total Exelon Generation Long-Term Debt				2,485,922						
Total Exelon Consolidated Long Term Debt				13,781,796						

**Exelon Corporation & Subsidiaries**  
**Long-Term Debt**  
**03/10/2008**  
**(In 000's)**

II - A - 6 Attachment  
Page 2 of 3

Series	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding	Amount Retired	Amount reacquired	Gain on Resequation	Discount or Premium at Issuance	Issuance Expenses	Net Proceeds	Sinking Fund Requirements	Effective Interest Rate	Average Weighted Cost Rate
<b>PECO</b>														
<b>Debt Issuance Backed by PECO's Mortgage</b>														
<b>First And Second Mortgage Bonds (FNB's)</b>														
FNB	5.90%	04/23/04	05/01/24	75,000	75,000	-	-	-	773	656	74,227	-	5.97%	0.23%
FNB	3.50%	05/01/03	05/01/08	450,000	450,000	-	-	-	2,700	2,700	447,300	-	3.63%	0.83%
FNB	5.95%	10/30/01	11/01/11	250,000	250,000	-	-	-	2,018	1,625	247,982	-	6.06%	0.77%
FNB	4.75%	10/1/02	10/1/12	225,000	225,000	-	-	-	3,294	1,594	221,706	-	4.94%	0.59%
FNB	5.95%	9/25/06	10/1/36	300,000	300,000	-	-	-	3,861	2,941	296,139	-	6.04%	0.92%
FNB	5.70%	3/19/07	3/15/37	175,000	175,000	-	-	-	2,729	1,826	172,271	-	5.81%	0.51%
FNB	5.35%	3/3/08	3/1/18	500,000	500,000	-	-	-	4,440	516	495,580	-	5.47%	1.38%
Total First Mortgage Bonds				<b>1,975,000</b>	<b>1,975,000</b>			<b>0</b>	<b>19,815</b>	<b>11,858</b>	<b>1,955,185</b>	<b>0</b>		<b>5.20%</b>
<b>Mortgage-Backed Pollution Control Notes</b>														
Delaware Co. 2006 Ser. A	4.00%	03/01/08	12/01/12	150,000	150,000	-	-	-	-	737	146,306	-	4.23%	4.11%
Salem Co. 1988 Ser. A	var. rate	09/18/95	12/01/12	4,200	4,200	-	-	-	-	106	4,094	-	3.70%	0.10%
Total Mortgage-Backed Pollution Control Notes				<b>154,200</b>	<b>154,200</b>			<b>0</b>	<b>0</b>	<b>843</b>	<b>150,400</b>	<b>0</b>		<b>4.32%</b>
<b>Long-Term Debt To Affiliate</b>														
1999 A-7	6.13%	03/26/99	09/01/08	896,653	206,929	689,724	-	-	-	718	895,935	-	6.14%	2.09%
2000 A-3	7.625%	05/02/00	03/01/09	398,838	398,178	29,660	-	-	-	579	398,259	-	7.65%	1.16%
2000 A-4	7.65%	05/02/00	09/01/09	351,162	351,162	-	-	-	-	465	350,677	-	7.67%	1.02%
2001 A-1	6.52%	03/01/01	09/01/10	805,480	805,480	-	-	-	-	3,396	802,082	-	6.58%	2.01%
PECO Energy Capital Trust III Series D	7.38%	04/06/98	04/06/28	80,521	80,521	-	-	-	-	760	79,761	-	7.46%	0.23%
PECO Energy Capital Trust III	var. rate	04/06/98	04/06/28	805	805	-	-	-	-	-	805	-	-	-
PECO Energy Capital Trust IV	5.75%	06/24/03	06/15/33	103,093	103,093	-	-	-	-	1,328	101,765	-	5.84%	0.23%
Total Long-Term Debt To Affiliate				<b>2,636,531</b>	<b>1,917,147</b>	<b>719,384</b>			<b>0</b>	<b>7,268</b>	<b>2,629,283</b>	<b>0</b>		<b>6.73%</b>
Total PECO Energy Long-term Debt				<b>4,785,731</b>	<b>4,646,347</b>									
<b>EXELON</b>														
Total Exelon Corporation Long-term Debt				<b>2,200,000</b>	<b>2,200,000</b>									
Total Exelon Ventures Long-term Debt				<b>29,631</b>	<b>29,631</b>									
<b>COMED</b>														
Total ComEd Long-Term Debt				<b>4,609,511</b>	<b>4,609,511</b>									
<b>Exelon Generation Company</b>														
Total Exelon Generation Long-Term Debt				<b>2,485,922</b>	<b>2,485,922</b>									
Total Exelon Consolidated Long Term Deb				<b>14,281,796</b>	<b>13,562,412</b>									

\* Estimate

**PECO Energy Company  
Preferred Stock  
12/31/07**

II - A - 6 Attachment  
Page 3 of 3

Sedes	Issue Date	Maturity Date	Amount Issued	Amount Outstandin~l
\$4.68 (Series D)	05/01/53	N/A	150,000	150,000
\$4.40 (Sedes C)	02/01/42	N/A	274,720	274,720
\$4.30 (Sedes B)	02/01/48	N/A	150,000	150,000
\$3.80 (Sedes A)	11/01/46	N/A	300,000	300,000
			<b>874,720</b>	<b><u>874,720</u></b>

- Q. II-A-7            Supply financial data of Company and/or Parent for last five years:
- a. Earnings-price ratio (average)
  - b. Earnings-book value ratio (per share basis) (avg. book value)
  - c. Dividend yield (average)
  - d. Earnings per share (dollars)
  - e. Dividends per share (dollars)
  - f. Average book value per share yearly
  - g. Average yearly market price per share (monthly high-low basis)
  - h. Pre-tax funded debt interest coverage
  - i. Post-tax funded debt interest coverage
  - j. Market price-book value ratio
- A. II-A-7            Refer to Attachment II - A - 7A for PECO Energy Company and Attachment II - A - 7B for Exelon Corporation.

**ATTACHMENT  
II-A-7A**

PECO Energy Company

No.	Description	Year Ended December 31,							
		2007	2006	2005		2004		2003	
<b>Financial Data</b>									
a.	Earnings-price ratio (average)	(x)	(x)	<b>(x)</b>				(x)	
b.	Earnings-book value ratio (per share basis) (avg book value)	0.25	0.26	0.32	0.35			0.51	
c.	Dividend yield (average)	(x)	(x)	<b>(x)</b>		<b>(x)</b>			
d.	Earnings per share (dollars)	\$ 2.97	\$ 2.58	\$ 3.03	\$ 2.67	\$	\$	2.78	
e.	Dividends per share (dollars)	\$ 3.30	\$ 2.94	\$ 2.75	\$ 2.29	\$	\$	<b>1.89</b>	
f.	Average book value per share yearly	\$ 11.86	\$ 10.10	\$ 9.49	\$ 7.69	\$	\$	5.45	
g.	Average yearly market price per share (monthly high/low basis)	(x)	(x)	<b>(x)</b>		<b>(x)</b>		(x)	
h.	Pre-tax funded debt interest coverage	(y)	(y)	<b>(Y)</b>		<b>(Y)</b>		(Y)	
i.	Post-tax funded debt interest coverage	(y)	(y)	<b>(y)</b>		<b>(y)</b>		(Y)	
j.	Market price-book value ratio	(x)	(x)	<b>(x)</b>		<b>(x)</b>		(x)	

(x) - The stock price information is not available as PECO's outstanding common stock is 100% owned by Exelon Corporation.

(y) - Refer to the response to SDR-ROR-23a.

**ATTACHMENT  
II- A- 7B**

**Exelon Corporation**

Lille	Description	Year Ended December 31,				
		2007	2006	2005	2004	2003
	<b>Financial Data</b>					
a.	Earnings-price ratio (average)	17.97	24.41	36.48	13.64	20.42
b.	Earnings-book value ratio (per share basis) (avg book value)	0.27	0.16	0.10	0.19	0.10
c.	Dividend yield (average)	2.42%	2.79%	3.22%	3.32%	3.41%
d.	Earnings per diluted share (dollars)	\$ 4.05	\$ 2.35	\$ 1.36	\$ 2.78	1.38
e.	Dividends per share (dollars)	\$ 1.76	\$ 1.60	\$ 1.60	\$ 1.26	0.96
t.	Average book value per share yearly	\$ 15.26	\$ 15.07	\$ 13.77	\$ 14.55	<b>13.20</b>
g.	Average yearly market price per share (monthly high-low basis)	\$ 72.79	\$ 57.38	\$ 49.62	\$ 37.91	28.18
h.	Pre-tax funded debt interest coverage	(y)	(y)	(y)	(y)	(y)
i.	Post-tax funded debt interest coverage	(y)	(Y)	(Y)	(Y)	(y)
j.	Market price-book value ratio	4.77	3.81	3.60	2.61	2.14

(y) - Refer to the response to SDR-ROR-23a.

- Q. II-A-8** State amount of debt interest utilized for income tax calculations, and details of debt interest computations, under each of the following rate case bases:
- a. Actual test year
  - b. Annualized test year-end
  - c. Proposed test year-end
- A. II-A-8** Refer to Exhibit RLO-1, Schedule D-18, and Exhibit RLO-2, Schedule D-20.

- °° II - A - 9 State amount of debt interest utilized for income tax calculations which has been allocated from the debt interest of an affiliate, and details of the allocation, under each of the following rate case bases:
- a. Actual test year
  - b. Annualized test year-end
  - c. Proposed test year-end
- II - A - 9 a, b, c. PECO's income tax calculation does not utilize allocated debt interest of any affiliate under any of the scenarios described.

- II-A- 10 Under Section 1552 of the Internal Revenue Code and Regulations 1.1552-1 thereunder, if applicable, Parent Company, in filing a consolidated income tax return for the group, must choose one of four options by which it must allocate total income tax liability of the group to the participating members to determine each member's tax liability to the federal government. (If this interrogatory is not applicable, so state.)
- a. State what option has been chosen by the group.
  - b. Provide, in summary form, the amount of tax liability that has been allocated to each of the participating members in the consolidated income tax return.
  - c. Provide a schedule, in summary form, of contributions, which were determined on the basis of separate tax return calculations, made by each of the participating members to the tax liability indicated in the consolidated group tax return. Provide total amounts of actual payments to the tax depository for the tax year, as computed on the basis of separate returns of members.
  - d. Provide annual income tax return for group, and if income tax return shows net operating loss, provide details of amount of net operating loss allocated to the income tax returns of each of the members of the consolidated group.

**II - A - 10**

PECO Energy Company is owned by Exelon Corporation (Exelon). Internal Revenue Code Section 1552 provides for an allocation of consolidated income tax for "earnings and profits" purposes only. Exelon has elected option (a)(2), which in general, allocates consolidated tax (other than alternative minimum tax) among subsidiaries in accordance with Separate Return Tax. Generally, as set forth in the Exelon Tax Sharing Agreement, subsidiaries having positive allocations pay the amount of such allocations and subsidiaries having negative allocations receive payment for their allocation.

Attachment II-A-10A details the tax liability allocated to each of the participating members in the consolidated federal income tax return for 2006.

Exelon Corporation is the parent company of the Exelon consolidated group that includes PECO Energy Company and makes all necessary income tax payments to the Internal Revenue Service for the net tax liability that is due for the consolidated group. Exelon Corporation charges member companies that have positive federal income tax allocation and pays member companies that have a negative federal income tax allocation. The amounts Exelon Corporation receives from, or pays to, each member company are the same amounts as detailed in Attachment II - A -10B.

- do The most recent Federal income tax return filed by the consolidated group is tax year 2006. The complete tax return contains over 1,000 pages. Attachment II - A -10B contains pages 1-4 of the Federal Form 1120 and a summary of taxable income by member company. Access to the complete Federal Income Tax returns shall be provided upon request.

**ATTACHMENT  
II- A- 10A**

EXELON CORPORATION AND SUBSIDIARIES  
TAX SHARING ALLOCATION  
2006 Tax Return

Reviewed by Denis Eischen  
Date 9/25/07  
Initial DME

Prepared by Patrick Ryan  
Date 9/25/07  
Initial PR

9/17/2007  
5:19 PM

Q:\taxteam\corporate tax\2006\Federal>Returns\Exelon Corporation and Subs\Tax Sharing\2006 RTA Tax Sharing.xls\Entry Summary

Member of the Affiliated Group	BU	Dept	2006		Allocation of Cap Loss Benefit	Credits	(Dr)/Cr to 236006 Income Tax Per TR	Dr/(Cr) to 236006 Tax Sharing Previously Settled See 4th Tax Shring	Fuel Tax Credits	Payments/(Re)vents, Dr/(Cr) to 236006 Remaining Settlements
			TI with only Cap Losses Limited	From CTX Export						
Exelon Corporation	10004	05999	EXELON CONSL	(203,116,193)			(203,116,193)	(71,090,668)		(29,581,246)
Exelon Energy Delivery Company LLC	10600	00087	EED							
Total Exelon Corporation	N/A	N/A		(203,116,193)			(203,116,193)	(71,090,668)		(41,508,422)
Exelon Investment Holdings	10008	00109	EXINVHOLD	723,018			723,018	253,056		(83,406)
Exelon Business Services Company	10003	09305	BSC	(194,842,677)			(194,842,677)	(68,194,937)		43,569,249
EDSS			EDSS							
Commonwealth Edison Company	10601	00611	CWE	762,794,585	(968)		762,793,617	298,557,791	(260,874)	(31,847,182)
ComEd Financing II	N/A	N/A	CEF2							
ComEd Financing III	N/A	N/A	CEF3							
ComEd Transitional Funding Trust	N/A	N/A	MONIE							
Total Commonwealth Edison Company	N/A	N/A		762,794,585	(968)		762,793,617	298,557,791		29,371
Commonwealth Edison Company of Indiana, Inc.	10602	09820	IND	657,000			657,000	201,579		
Edson Development Canada Inc	10607	09900	EDCAN							
Edson Development Company	10610	00019	EDC							
Total ComEd	N/A	N/A		763,451,585	(968)		763,450,617	298,759,370		(31,818,811)
PECO Energy Company	10200	21011	PECO	1,125,693,372			1,125,693,372	145,694,709		248,279,312
PECO Wireless, LP	10302	40500	PEW1	(668,350,732)			(668,350,732)	(233,922,756)		(233,922,756)
PEC Financial Services, LLC	10602	90630	PECFS	22,828,165			22,828,165	7,989,858		7,989,858
ExTel	N/A	N/A	EKTEL							
PECO Energy Transition Trust	10201		PETT	(9,372,271)			(9,372,271)	(3,280,295)		(3,280,295)
Total PECO Energy Company	N/A	N/A		470,798,534			470,798,534	164,779,487		19,068,119
PECO Energy Capital Corp.	10206	69915	PECC	190,895			190,895	66,813		66,813
ATNP Finance Company	10001	90640	ATNP	647,935,987			647,935,987	226,777,595		650,750
Adwin Realty Company	10401	91010	ARCO	564,819	(1,253,389)		(688,570)	(241,003)		(410,767)
Total PECO	N/A	N/A		1,119,490,235	(1,253,389)		1,118,236,836	391,382,893		19,372,916
				(56,301,895)				(19,706,593)		7,878,981
				(32,669,244)				(11,431,085)		(14,932,153)
				10,417,632				3,646,171		3,646,171
				10,417,632				3,646,171		3,646,171
				104,178				36,462		36,462
				10,313,456				3,609,710		3,609,710
				(10,417,632)				(3,646,171)		(3,646,171)
				2,411,230		2.4-1,230		843,931		33,586
				1,229,727				430,404		17,126
				2,709,941				948,478	910,734	37,745
				1,382,071				483,725		19,251
				4,982,011				1,432,204		56,996
				(56,301,895)				(19,706,593)		403,876
Exelon Ventures LLC	10016	05998	EXVNLCC	(22,129,388)			(22,129,388)	(7,745,286)		1,824,730
Exelon SynFuel I, LLC	10351	06986	EXSYNF1				(71,588,791)	(109,262,746)		(28,866,777)
Exelon SynFuel II, LLC	10352	05997	EXSYNF2	(58,773,411)				(60,636,085)		(28,797,204)
Exelon SynFuel III, LLC	10353	05995	EXSYNF					(34,112,179)		(14,898,479)
Exelon Generation Company, LLC	10100	50180	GENCO				464,254,951	464,138,835		(32,435,434)
BRAID1A	10100	BRD1A	BRAID1A	724,337					(175,437)	428,965
BRAID2A	10100	BRD2A	BRAID2A						(180,519)	532,764
BYRON1A	10100	BYR1A	BYRON1A						(258,974)	536,858
BYRON2A	10100	BRY2A	BYRON2A						(172,913)	442,578
DRSDN1A	10100	DRE1A	DRSDN1A						3,278,585	(1,594,740)
DRSDN2A	10100	DRE2A	DRSDN2A						(223,385)	756,166
DRSDN3A	10100	DRE3A	DRSDN3A						556,355	827,313
EXPWRUNR	10100		EXPWRUNR							
LIMERICK1A	10100	LIM1A	LIMERICK1A						6,329,987	(6,121,506)
LIMERICK2A	10100	LIM2A	LIMERICK2A						212,614	61,502
LASALLE1A	10100	LAS1A	LASALLE1A						(208,791)	216,080
LASALLE2A	10100	LAS2A	LASALLE2A						(241,786)	623,336
PBREG1A	10100	PBT1A	PBREG1A						(2,675,676)	2,848,410
PBREG2A	10100	PBR2A	PBREG2A						573,147	(494,913)
PBUREG2A	10100	PBL2A	PBUREG2A						(43,030)	40,161
PBUREG3A	10100	PBR3A	PBUREG3A						646,362	(1,148,392)
PBUREG3A	10100	PBL3A	PBUREG3A						(38,745)	615,785
QUADC1A	10100	OCS1A	QUADC1A						(181,235)	521,405
QUADC2A	10100	OCS2A	QUADC2A						(42,120)	571,072
SALEM1A	10100	SAL1A	SALEM1A						820,796	(447,257)
SALEM2A	10100	SAL2A	SALEM2A						440,327	(245,080)
ZION1A	10100	ZIO1A	ZION1A						(1,779,373)	(5,115,940)
ZION2A	10100	ZIO2A	ZION2A						(1,788,346)	(6,297,761)
Exelon Allowance DRE			EXALLOWDRE							6,637,793
Exelon Power			EXELONPOWER							
Exelon Genco Consolidated			EXGENCONSOL							
Exelon Genco Corporation Eim			GEN CORP EIM							

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Document II - A - 10A Page 1 of 3

**EXELON CORPORATION AND SUBSIDIARIES**  
**TAX SHARING ALLOCATION**  
2006 Tax Return

Q:\taxteam\corporate\tax\2006\Federal>Returns\Exelon Corporation and Subsidiaries\2006 RTA Tax Sharing.xls\Entry Summary

Member of the Affiliated Group	BU	Dept	2006		Credits	(Dr)/Cr to 236006 Income Tax Per TR	Dr/(Cr) to 236006 Tax Sharing Previously Settled	Fuel Tax Credits	Payments/(Receipts)
			TI with only Cap Losses Limited	Allocation of Cap Loss Benefit					Dr/(Cr) to 236006 Remaining Settlement
			(2,795,867)	(978,553)			(5,992)	(972,561)	
			126,729,510	45,055,329			52,007,285	(6,951,957)	
			(588,626)	(206,019)			(208,305)	2,266	
			(273,520)	(85,732)			(89,136)	(6,596)	
			(23)	(8)			(5)	(3)	
			3,616,837	1,266,823			1,728,529	(462,706)	
			52,699	18,445			(6,366)	24,810	
			11,335,868	3,987,483			4,722,959	(755,476)	
			2,003,169	711,609			(331,851)	1,043,460	
			(16,342)	(5,720)			135	(5,955)	
			105,052	36,768			124,605	(87,836)	
			876,652	307,528			(183,572)	491,100	
			1,467,637,857	513,873,250	(116,116)			(45,721,284)	
			1,058,986	370,645			456,523	(85,878)	
			17,732,848	6,206,497			6,624,563	(418,066)	
			(648,824)	(227,089)			(131,890)	(95,109)	
			(29,034)	(10,168)			(7,675)	(2,487)	
			(2,891,034)	(1,011,862)			(469,060)	(542,802)	
							0	(0)	
			1,518,335	531,417			971,368	(439,950)	
			537,228	186,030			729,970	(541,940)	
			(696,839)	(243,894)			(316,310)	72,416	
			202,861	71,001		70.-4	140,344	(69,343)	
			201,382	70,484			139,324	(68,840)	
							(38,619)	38,619	
							(37,666)	37,666	
							(2,951,473)	2,951,473	
							(1,471,723)	1,471,723	
							144,158	(144,158)	
							303,076	(303,076)	
			6,764,358	2,364,025			3,156,111	(792,065)	
			32,421	11,347			171,257	(159,910)	
			(1,145,567)	(400,948)			(372,772)	(28,177)	
			(113,510,139)	(39,728,549)			(38,583,163)	(1,145,385)	
			16,728	5,855			11,225	(5,370)	
			(8,506)	(2,977)			(2,887)	(90)	
			12,120	4,242		4,242	8,155	(3,913)	
			(8,498)	(2,974)		(2,914)	(2,882)	(91)	
			8,636	3,023		3,023	5,909	(2,886)	
			(8,506)	(2,977)		(2,977)	(2,887)	(90)	
			25,531	8,936			16,458	(7,522)	
			(8,506)	(2,977)			(2,887)	(90)	
			56,665	19,833			216,455	(196,622)	
			(8,506)	(2,977)			(2,887)	(90)	
			209,145	73,201			180,571	(107,370)	
			(8,506)	(2,977)			(2,887)	(90)	
			219,862	76,948			170,885	(93,937)	
			(8,506)	(2,977)			(2,887)	(90)	
			47,241	16,534			28,353	(11,819)	
			(8,506)	(2,977)			(2,887)	(90)	
			25,180	8,813			14,329	(5,516)	
			(8,506)	(2,977)			(2,887)	(90)	
			80,695	21,243			15,869	5,374	
			(7,756)	(2,715)			(2,712)	(3)	
			94,515	33,080			27,874	5,206	
			(7,900)	(2,765)			(2,762)	(3)	
			319,512	111,829			99,738	12,091	
			(7,708)	(2,697)			(2,688)	(9)	
			(7,835)	(2,672)			(2,670)	(2)	
			402,563	140,897			139,317	1,825	
			95,161	33,306			31,481	(2)	
			(7,835)	(2,672)			(2,670)	(2)	
			510,437	178,853			171,896	6,757	
			96,042	33,615			32,201	1,413	
			95,645	33,826			103,790	(69,965)	
			(8,512)	(2,679)			(2,690)	(89)	
			106,457	37,260			110,126	(72,866)	
			(8,508)	(2,977)			(2,887)	(90)	
			392,922	137,523			117,706	19,817	
			(7,756)	(2,715)			(2,712)	(3)	
			258,553	90,494			78,020	12,473	
			(7,756)	(2,715)			(2,712)	(3)	
			72,197	25,269			74,898	(49,629)	

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**EXELON CORPORATION AND SUBSIDIARIES**  
**TAX SHARING ALLOCATION**  
2006 Tax Return

Q:\taxteam\corporate\tax\2006\Federal>Returns\Exelon Corporation and Subsidiary\Tax Sharing\2006 RTA Tax Sharing.xls\Entry Summary

Member of the Affiliated Group	BU	Dept	2006		Allocation of Cap Loss Benefit	Consolidated Taxable Income	Income Tax Expense/Benefit	Additional Taxes	(Dr)/Cr to 236006 Income Tax Credits	Dr/(Cr) to 236006 Tax Sharing Previously Settled	Fuel Tax Credits	Payments/(Receipts) Dr/(Cr) to 236006 Remaining Settlement
			TI with only Cap Losses Limited	From CTX Exon								
Zion 1 (A)	10161	Z1AC	ZION81A	(8,506)		(8,506)	(2,977)		(2,977)			(90)
Zion 2 NOF, LLC	10162	Z1O2C	ZION82	178,220	(97,298)	80,924	28,323		28,323	80,708		(52,384)
Zion 2 (A)	10162	Z1AC	ZION82A	(8,506)		(8,506)	(2,977)		(2,977)			(90)
Exelon AOG Holdings #1 Inc.	10119	68100	AOG#1	19,871		19,871	6,955		6,955			6,686
Exelon AOG Holdings #2 Inc.	10120	68200	AOG#2	1,528,275		1,528,275	534,896		534,896	26,840		508,056
Exelon SHC, Inc.	10167	69903	EX SHC	(4,267,811)	(39,024,309)	(43,291,980)	(15,152,172)		(15,152,172)	(570,301)		(14,581,871)
Nuclear, LP	10174	68909	NUCLEAR LP	28,152,412		28,152,412	9,853,344		9,853,344	23,085,572		(13,242,228)
Texas Ohio Gas, Inc.	10355	09091	TXOHGASGEN	1,811		1,811	634		634			634
Exelon Energy (EnerGen)	10170	06289	ENERGEN	14,243,812		14,243,812	4,985,334		4,985,334	(1,829,925)		6,815,259
All Energy Gas & Electric Marketing Company, I	10354	09066	ALLENRGGEN	64,427		64,427	22,549		22,549	20,094		2,455
EXGEN CONSOL ADMINB			EXGEN CONSOL ADMINB	(15,557)		(15,557)	(5,445)		(5,445)	(3,694)		(1,751)
Exelon Generation Finance Company, LLC	10108	58000	EXGENFIN	76,068,458		76,068,458	26,823,960		26,823,960	26,193,003		430,957
Total Genco				1,456,592,665	(40,023,224)	1,456,569,431	508,799,001	(116,116)	509,660,185	576,348,044		(66,884,859)
Exelon Enterprises Company, LLC	10300	09049	EXENTCO	(9,227,929)		(9,227,929)	(3,229,775)		(3,229,775)	(3,200,708)		(29,067)
F&M Holdings	10322	09098	FMHOLD	481,427		481,427	168,499		168,499	365,191		(196,692)
Uncom Power Holdings, LLC	10300	09049	UPHLLC									
Total Exelon Enterprises Company						(8,746,502)	(3,061,276)		(3,061,276)	(2,835,517)		(225,759)
Advin Equipment Company	10303	306000	AECO									
Uncom Power Marketing, Inc.	10308		UPMI									
EEl Telecom Holdings, LLC	10321	30490	EEITEL									
Exelon Communications Holdings, LLC	10322	09098	EXCOHO									
Total EEl Telecom Holdings												
Exelon Communications Company, LLC	10300	9049	EXCOMCO									
Exelon Enterprises Investments, Inc.	10320	30480	EEl					204,413		168,676		35,736
PHT Holdings, LLC	10300	9049	PHT									
Exelon Thermal Holdings, Inc.	10309	00016	ETH#						12,811	93,509		(80,697)
Exelon Thermal Development			ETD									
ETT Boston			ETTBOSTON									
ETT North America			ETTNA						(6,927)			(6,927)
Northwind Thermal Technologies Canada			NTTC						(8,396)	(56,443)		48,047
ETT Canada			ETT Canada							2		(2)
Exelon Services, Inc.	10306	09600	EXSRV				296,458		296,458	214,186		(4,261)
Exelon Enterprises Management, Inc.	10304	30400	EXENTMGMT				(664,229)		(664,229)	(922,943)		258,714
ECPM, LLC	10323	30449	ECPMLLC				(57,048)		(57,048)	40,072		(97,120)
Exelon Capital Partners	10318	30450										
ECP Telecommunications Holdings, LLC	10319	30470	ECPTL				176,652		176,652	235,536		(58,884)
Exelon Energy Trading	10306	30600										
Okco, VSI, Inc. (f/w VSI Group, Inc.)	10328	09121	VSICRP			759,752			265,913	197,437		
II Services, Inc. (f/w Intrasource Integrated Ser	10324	09117	ISERVICES			143,536			90,238	35,980		
EIS Engineering, Inc.	10326	09119	EISENG			217,707			76,197			
Intrasource Field Services	N/A	N/A	PACFEIS									
Total EIS Engineering	N/A	N/A				217,707			76,197			
NEWCOTRA, Inc.			NEWCOTRA									
Fischbach & Moore, Incorporated	10329	09122	FMINC	(85,511)						341,103		
NEWCOSSY, Inc. (f/w Syracuse Mgmt Electric, I	10325	09118	SYRAMERIT	222,400					(29,929)	(19,321)		
Rand-Singh Corporation	10327	09120	RANDBRGRT						77,840			
TH Green	N/A	N/A										
Fischbach & Moore Electric, Inc.	10330	09123	FMELECT	(3,977,114)		(3,977,114)			(1,391,990)	(1,823,212)		431,222
Total Enterprises BU	N/A	N/A		(11,233,068)	(364,852)	(11,597,920)			(4,069,272)	(4,327,073)		267,801
Uncom Resources, Inc.	10405	01000	URILLC	23,589,096		23,589,096			8,256,183	8,431,110		(174,927)
Grand Total				2,760,949,072	(41,642,443)	2,719,306,629	951,757,300					(195,447,127)
						Amount per CTX Report	2,719,306,629					

- Ties to Total Credits on the 06 Return
- Ties to Total Tax on the 06 Return
- Ties to Total Payments on the 06 Return

106-3

ATTACHMENT  
**III- A- 10B**

Farm 8453-C

U.S. Corporation Income Tax Declaration for an IRS e-file Return

2006

Department of the Treasury

Fill electronically wire the corporation's tax return. Do not file paper. For calendar year 2006 or tax year beginning 2006 ending 2006

Employer Identification number 23-2990190

Exclusion Corporation

Tax Return Information (Whole dollars only)

Table with 3 columns: Description, Line Number, Amount. Includes Total income (10,703,562.39), Taxable income (2,719,106.629), Total tax (801,998.984), Amount owed, and Overpayment (\$135,712.7).

Part II

- 6a I consent that the corporation's refund be directly deposited as designated on the Form 8071, Direct Deposit of Corporate Tax Refund...
b I do not want direct deposit of the corporation's refund or the corporation is not receiving a refund.

I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) from the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return...

If the corporation is filing a balance due return, I understand that if the IRS does not receive full and timely payment of its tax liability, the corporation will remain liable for the tax liability and all applicable interest and penalties.

Under penalties of perjury, I declare that I am an officer of the above corporation and that the information I have given my electronic return originator (ERO), transmitter,

corporation's return, tax-exempt return, and accompanying schedules and statements to the IRS. I also consent to the IRS sending my ERO, transmittal, and/or I-P return

to the reason(s) for the return, if the processing of the corporation's return or return is delayed. I authorize the IRS to disclose to my ERO, transmitter, and/or I-P return preparer the reason(s) for the delay, or when the refund was sent.

Here is the signature of officer Thomas O. Terry, Jr.

Thomas O. Terry, Jr. Oats Title

I declare that I have reviewed the above corporation's return and that it is correct and complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The Corporate Officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in Part 3 of the IRS e-file Application and the Public 417. Modernized PF (MeF) Information for Authorized IRS e-file Preparer. If I am a Paid Preparer, under penalties of perjury I declare that I have examined the above corporation's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on information of which I have no knowledge.

Preparer's name (or yours if self-employed), address and ZIP code

Phone no. ( )

Preparer's Signature

Preparer's name (or yours if self-employed)

Preparer's name (or yours if self-employed)

For Privacy Act and Paperwork Reduction Act Notice, see

Form with fields: Check if self-employed, Preparer's SSN or PTIN, EIN, Phone no. ( )

Form 8453-C (2006)

1120

U.S. Corporation Income Tax Return

Attachment II-A-10B Page 2 of 26-0123

Form Department of the Treasury Internal Revenue Service

For calendar year 2006 or tax year beginning 2006, ending 2006

2006

See separate instructions.

Check if:

- 1 Consolidated return (attach Form 990)
2 Personal holding co. (attach Sch. PH)
3 Personal service corp. (see instructions)
4 Schedule M-3 required (attach Sch. M-3)

Use IRS label. Otherwise, print or type.

Name, Number, street, and room or suite no. If a P.O. box, see instructions. City or town, state, and ZIP code. Exelon Corporation, 10 S. Dearborn, 51st Floor, Chicago IL 60603

B Employer identification number 23-2990190
C Date incorporated 02 04 1999
D Total assets (see instructions) \$ 41,825,666,373

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

Table with 11 columns: Line number, Description, and Amount. Rows include Gross receipts or sales (17,788,765,968), Total income (10,703,546,239), Total deductions (7,975,084,002), and Total tax (801,969,984).

Income

See instructions on deductions

Tax and payments

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer Thomas D. Terry Jr.

VP & General Tax Officer

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Preparer's Use Only

Preparer's signature, Date, Check if self-employed, Preparer's SSN or PTIN, Firm's name (or yours if self-employed), address and ZIP code, EIN, Phone no.

**Part I Cost of Goods Sold (see instructions)**

<b>1</b>	Inventories at beginning of year .....	<b>1</b>	
<b>2</b>	Purchases .....	<b>2</b>	
<b>3</b>	Cost of labor .....	<b>3</b>	8,233,521
	Additional section 263A costs (attach schedule) .....	<b>4</b>	-15,734,815
<b>5</b>	Other costs (attach schedule) .....	<b>5</b>	-1,199,614
	<b>Total. Add lines 1 through 5 .....</b>	<b>6</b>	<b>8,625,877,809</b>
<b>7</b>	Inventory at end of year .....		558,916,087
	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2 .....	<b>8</b>	<b>8,066,961,722</b>

**9a** Check all methods used for valuing closing inventory:  
 (i) Lower of cost or market (ii) LIFO (iii) Other (method specified in instructions) .....

**b** Check if there was a write-down of subnormal goods .....

Check if the LIFO inventory method was adopted this tax year for any goods (if checked attach Form 970) .....

If the FIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO .....

**e** If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? .....

Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," .....

**Part II Dividend and Special Deductions (see instructions) (a)**

<b>1</b>	Dividends from less-than-20%-owned domestic corporations (other than dividend-paying stock) .....	1,887,710	70	8,572,100
<b>2</b>	Dividends from 20%-or-more-owned domestic corporations (other than dividend-paying stock) .....		-0	
<b>3</b>	Dividends on debt-financed stock of domestic and foreign corporations .....			
<b>4</b>	Dividends on certain preferred stock of less-than-20%-owned public utilities .....		42	
	Dividends on certain preferred stock of 20%-or-more-owned public utilities .....		<b>48</b>	
<b>7</b>	Dividends from less-than-20%-owned foreign corporations and certain FSCs .....		<b>70</b>	
	Dividends from 20%-or-more-owned foreign corporations and certain FSCs .....		<b>80</b>	
<b>8</b>	Dividends from wholly owned foreign subsidiaries .....		<b>100</b>	
<b>9</b>	<b>Total. Add lines 1 through 8. See instructions for limitation .....</b>			<b>8,721,100</b>
<b>10</b>	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958 .....		<b>100</b>	
<b>11</b>	Dividends from affiliated group members .....		<b>100</b>	
<b>12</b>	Dividends from certain FSCs .....		<b>100</b>	
<b>13</b>	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12 .....			
<b>14</b>	Income from controlled foreign corporations under subpart F (attach Form(s) 5471) .....			
<b>15</b>	Foreign dividend gross-up .....			
<b>16</b>	IC-DISC and former DISC dividends not included on lines 1, 2, or 3 .....			
<b>17</b>	Other dividends .....			
<b>18</b>	Deduction for dividends paid on certain preferred stock of public utilities .....			248,508
<b>19</b>	<b>Total dividend. Add lines 1 through 17. Enter here and on page 1, line 4 .....</b>	<b>7,697,832</b>		
<b>20</b>	<b>Total special deduction. Add line 18 and 19. Enter here and on page 1, line 5 .....</b>	<b>20,086,546</b>		<b>9,155,608</b>

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$100,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to	(d) Compensation on (S) Preferred	(f) Amount of compensation
			%	
			%	
			%	
			%	
			%	
			%	

<b>2</b>	Total compensation of officers .....	52,384,811
<b>3</b>	Compensation of officers claimed on Schedule A and elsewhere on return .....	
<b>4</b>	Subtract line 3 from line 2. Enter the result here and on page 1, line 12 .....	

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F6.00.03 US1120P2

Tax Computation (see instructions)

<b>2</b>	Income tax. Check if a qualified personal service corporation (see instructions) .....	<b>2</b>	951,757.20
	Alternative minimum tax (attach Form 4626) .....	<b>3</b>	
	Add lines 2 and 3	<b>4</b>	951,757.20
	Qualified electric vehicle credit (attach Form 8834) .....		
	General business credit. Check applicable box(es): <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 6478 <input type="checkbox"/> FTI Form 8835, Section B <input type="checkbox"/> Form 8844		
	Credit for prior year minimum tax (attach Form 8827) .....	<b>5d J</b>	35,530.0-6
<b>e</b>	Bond credits from: <input type="checkbox"/> Form 8860 <input type="checkbox"/> Form 8912 .....	<b>5e I</b>	
<b>6</b>	Total Credits. Add lines 5a through 5e	<b>6</b>	149,802,458
<b>7</b>	Subtract line 6 from line 4	<b>7</b>	801,954,862
<b>8</b>	Personal holding company tax (attach Schedule PH (Form 1120)) .....	<b>8</b>	
<b>9</b>	Form 8866 Form 8902 Other (attach schedule) .....	<b>9</b>	15,122
<b>10</b>	Total tax. Add lines 7 through 9. Enter here and on page 1, line 31 .....	<b>10</b>	801,969,984

**Schedule K** other information (see instructions)

**1** Check accounting method:  Cash  Accrual  other (specify) .....

**2** See the instructions and enter the:  
 Business activity code no. 551112  
 Business activity  HOLD IN6 COMPANY  
**Product or service - O-L' - -6- -V** .....

At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) .....

If "yes," attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.

Is the corporation a subsidiary in an affiliated group or a parent-subsidiary/controlled group? .....

If "Yes," enter name and EIN of the parent corporation .....

At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) .....

If "yes," attach a schedule showing name and identifying information (do not include any information already entered in 4 above.) Enter percentage owned .....

During this tax year, did the corporation pay dividends (other than stock dividends and distribution in lieu of stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) ....

If "Yes," file Form 990-2, Corporate Report of Nondividend Distributions.

If this is a consolidated return, answer here for the parent corporation and on Form 990, Affiliations Schedule, for each subsidiary.

Yes	No	7	Yes	No
		At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation? .....		X
		If "Yes," enter: (a) Percentage owned .....		
		and (b) Owner's count, / .....		
		o The corporation may have to file Form 547- International Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business Enter number of Forms 5472 attached .....		
		~ Check this box if the corporation issued publicly offered, debt instruments with original issue discount... <input type="checkbox"/> If checked, the corporation may have to file Form 62-1, Information Return for Publicly Offered Original Issue Discount Instruments.		
		<b>9</b> Enter the amount of tax-exempt interest received or during the tax year \$ .....		
		<b>10</b> Enter the number of shareholders at the end of the tax year (if 100 or fewer) .....		
		<b>11</b> If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here- If the corporation is filing a consolidated return, the statement required by Temporal/Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.		
		<b>12</b> Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) \$ .....		
		<b>13</b> Are the corporation's total receipts (line 4 plus lines 4 through 10 on page 1) for the tax year less than \$250,000? .....		X
		If "yes" the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. \$ .....		

Note: If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach Schedule N (Form 1120), Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

100-3

Balance Sheet per Books

Beginning of tax year

Assets	(a)	(b)	(c)	(d)
Less allowance for bad debts .....		74,492,98	2,958,15, %6	
6 Other current assets (attach schedule)			582,975,059	
b Less accumulated depreciation .....	5,028,954,858)	20,122,25~512	25,2~652, -5 07, 767,198)	21,101,885,287
b Less accumulated depletion				
b Less accumulated amortization .....	291,325,8~0)	~618,4~1,062	2, 8~3,771,692	
14 Other assets (attach schedule), .....		~711,299,180	~aa, 2~7, ;'7)	900,857,350
Total assets .....		~0,195,992,64~		

Liabilities and Shareholders' Equity				
16 Accounts payable		2,605,211,963		1,236,180,667
17 Mortgages, notes, bonds payable in less than 1 year		911,984,100		383,604,905
18 Other current liabilities (attach schedule)	STATEMENT 9	1,429,533,084	STATEMENT 16	2,331,721,517
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more		15,993,576,903		12,200,431,304
21 Other liabilities (attach schedule)	STATEMENT 10	11,146,230,681	STATEMENT 17	16,715,248,019
22 Capital stock: a Preferred stock	87,472,000		87,472,000	
b Common stock	7,985,962,294	8,073,434,294	8,312,468,531	8,399,9~0,531
23 Additional paid-in capital		-395,299,848		-455,374,669
24 Retained earnings - Appropriated (attach schedule)	STATEMENT 11		STATEMENT 18	
25 Retained earnings - Unappropriated		2,954,651,643		3,174,584,059
26 Adjustments to shareholders' equity (attach schedule)	STATEMENT 12	-2,079,036,647	STATEMENT 19	-2,030,924,104
27 Less cost of treasury stock		( 444,293,528 )		( 629,745,856 )
28 Total liabilities and shareholders' equity		40,195,992,645		41,825,566,373

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return** (see instructions)  
 Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1		7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books .....		Tax-exempt interest \$ .....	
3	Excess of capital losses over capital gains			
4	Income subject to tax not recorded on books			
	Expenses recorded on books [this year not deducted on this return (itemize):	8	Deductions on this return not charged against book income this year (itemize):	
	Depreciation \$ .....		Depreciation \$ .....	
	Charitable contributions \$ .....		Charitable contributions \$ .....	
	Travel & entertainment \$ .....			
	Add lines 1 through 5		Add lines 7 and 8	
	Balance at beginning of year .....		e(p-e ~ line 28) - lines 8 less line 9	
	Net income (loss) per books .....		Distributions: a Cash-	1,372, ~70,133
3	Other increases (itemize):		b Stock	
	STATEMENT 20		c Property .....	-54,266
	-270,219		Add lines 5 and 6	1,372,315,867
4	Add lines 1, 2, and 3 .....	4,5~,,~926	Balance at end of year - line 4 less line	3,174,584,059

100-4



	Total	EXEMPLEM	Subtotal		
				i32L065432e	
		-5,572.5f~,~31)	2~361277699		
COST GF GCCDS /OLD (SCHEDULE A) .....	2 81666196~1722	-5,572,51f,7~i)	23]~1277699	0	~06, q48,4~6
4 DZ' /IDENDS ~SC~.EDULE C) .....	4 20,Gq6.546				
5 I: '%TEREST .....	5 50,~65,7~8	162,619,123)			
			0	0	o
	52,384,381	0			
	1,301,2~2,%61	0	1,301,252.~61	2.898,6S7	306.0~4,~64
	7~,741.4~0	,)			
18 ~i~ K2T .....	L8 .		937,402,641	(22,921,666)	~6,749.53~
			923,604,533	L41,1/8,609	1.953,923
					o
	319,138,628	0			
	2,452,455.L~\$	~23.733.449)	52,292.697	9	0
27 TCTAL --EEUCT-ONS iLI.-S 12 THROUGH 25).	, ,27				
c. TOTALS .....	297				

2-06

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TOTAL -S ST 3

2	COST OF GOODS SOLD (SCH-DU-f A) . . . . .	2		6,660,532,034	2,1~8,159
3	GROSS PROFIT (LINE 14) LESS LINE 2) . . . . .	3	0	4,451,069,099	0
4	DIVIDENDS (SCHEDULE C) . . . . .	4	0	5,274,130	0
5	INTEREST . . . . .	5			i,520,175
6	GROSS RENTS . . . . .	6			66,212
7	GROSS ROYALTIES . . . . .	7	0	0	0
8	CAPITAL GAIN NET INCOME (SCHEDULE D) . . . . .	8			0
9	NET GAIN (LOSS) FROM FORM 4797 . . . . .	9		(15,063,549)	/10,226
10	OTHER INCOME (ATTACH SCHEDULE) . . . . .	10			
11	TOTAL INCOME (LINES 3 THROUGH 10) . . . . .	11			
	DEDUCTIONS				
12	COMPENSATION OF OFFICERS (SCHEDULE E) . . . . .	12	0	12,20A,09~	0
13	SALARIES AND WAGES . . . . .	13			iL413,0]0
14	REPAIRS . . . . .	14	0	0	264,414,540
15	BAD DEBTS . . . . .	15			164,658
16	RENTS . . . . .	16	0	2i,7~5,538	0
17	TAXES . . . . .	17			32,544,703
18	INTEREST . . . . .	18	0	I~4,04] ,~32	0
19	CONTRIBUTIONS (SEE INSTRUCTIONS) . . . . .	19			
20	DEPRECIATION FROM FORM 4562 . . . . .	20			486,592,229
21	DEPLETION . . . . .	21	0	~	423,115
22	ADVERTISING . . . . .	22			15,211,15~
23	PENSION, PROFIT SHARING, ETC. PLANS . . . . .	23			0
24	EMPLOYEE BENEFIT PROGRAMS . . . . .	24			
25	DOMESTIC PRODUCTION ACTIVITIES DEDUCTION . . . . .	25			0
26	OTHER DEDUCTIONS . . . . .	26		~82,315,325	=58.9~5
27	TOTAL DEDUCTIONS (LINES 12 THROUGH 26) . . . . .	27			
29	LESS: A. 2-T 2PEFU<TING LCS~ DE~UCTZCN 29A . . . . .	29	0	0	0

CGNSOLEDATBD 2005 TAX FILING



TOTAL ASSETS			<u>£0,92,226</u>	0	<u>7,383,255</u>
RECEIPTS OR		0		0	0
		<u>0</u>			
CGZT OF GOODS SOLD	BAL. ~NUE tSCHEDULE A} ..... 2	0	<u>3,524</u>	0	0
4 DTVIDEN~\$	(SC~EDb%E ~) .....	0	(2,324)	0	0
6 G~OSS R~TS	.....	0	0	0	0
		i+479	2,789,701	0	294,706
		0	0	0	0
		0	0	0	0
		0	212,210	0	0
		1,479	2,998,417	0	-94,706
12 COHP~tZATI~N CF OFF~C~:~S	~SCHEDL~E E} 1,2	0	0	0	0
		0	0	0	0
		0	0	0	0
		0	-35,414	0	0
		4,564	0	0	0
		0	0	0	0
		0	0	0	0
		0	0	0	0
		0	0	0	0
		0	0	0	0
		0	275,592	0	0
		0	3	0	0
		8,146	<u>1,~i0,459</u>	<u>0</u>	<u>~0,000</u>
27	T~T.%L DEDUCTIONS (LINES 12 TKROU~4 26).	<u>1,~99,174</u>	<u>2,~51,393</u>	<u>0</u>	<u>25~,i02</u>
28	TAXABLE INCOME BEFORE NOL & SPECIAL DEDUCT. . . . .	0	0	9	~
29	LESS: A. NET OPERATING LOSS DEDUCTION . . . . . 29A	0	3	1	~
	B. SPECIAL DEDUCTIONS (SCHEDULE C) . . . . . 29B	0	0	0	0
	29C	0	0	0	0
	30	(i,897,797)	847,02~	0	36,~04



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TOTAL ASSETS

1A GROSS RECEIPTS OR SALES . . . . .	1A	0	0	.)	0	0
B LESS RETURNS AND ALLOWANCES . . . . .	1B	0	0	0	0	0
COST OF GOODS SOLD {SCHEDULE A} . . . . .	2	0	0	0	0	,')
3 GROSS PROFIT (LINE 1(C) LESS LINE 2) . . . . .	3	0	0	.)	0	.)
4 DIVIDENDS (SCHEDULE C) . . . . .	4	504,719	0	.)	0	.)
5 INTEREST . . . . .	5	0	0	0	0	0
6 GROSS RENTS . . . . .	6	0	0	0	0	0
7 GROSS ROYALTIES . . . . .	7	0	0	0	0	0
8 CAPITAL GAIN NET INCOME (SCHEDULE D) . . . . .	8	0	0	0	0	0
9 NET GAIN (LOSS) FROM FORM 4797 . . . . .	9	0	0	0	0	0
10 OTHER INCOME (ATTACH SCHEDULE) . . . . .	10	0	0	0	0	0
			0	0	0	0
			33,320	5,000	0	0
			0	3	0	0
			0	0	0	0
			5,975	2,783	0	0
			3,262	510	0	0
			0	0	0	0
			694	3	0	0
			2,292	0	0	0
			0	0	0	0
27 TOTAL DEDUCTIONS (LINES 12 THROUGH 26) . . . . .	27				0	0
28 TAXABLE INCOME BEFORE NOL & SPECIAL DEDUCT. . . . .	28	504,719	504,036	201,859	217,707	0
29 LESS: A. NET OPERATING LOSS DEDUCTION . . . . .	29A	0	0	0	0	0
B. SPECIAL DEDUCTIONS (SCHEDULE C) . . . . .	29B	0	0	0	0	0
29C	29C	0	0	0	0	0
TAXABLE INCOME (LINE 28 LESS 29C) . . . . .	30	504,713	384,036	201,859	217,707	0



2006 CONS. FEDERAL 1120 TAX RETURN  
2006 RETURN

\*Year : 2006

GROSS RECEIPTS OR SALES .....	IA			<u>2</u>	
LESS RETL-N\$					
		0		9	
	0	0	0	0	0
126,005	,)	0	44,318	9	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1-6.G05			487,349		
0	0	0	0	0	0
0	0	0	0	0	0
DEBTS .....					
0	0	0	0	0	0
(3,908)	0	0	(~,507)	0	0
0	0	0	0	0	0
'IO-BUTIONS ~ INS-UCTZONS) ....19.					
DEPKC:ATIGN ;FOM FOFM 4562					
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
-97,006)	0	0	0	0	0
0	0	0	0	0	0
27 TOTAL ZEDUCTIONS {L~I-ES 12 T~RDUGR 26), .>27					
		0		9	0
		0		3	0
		0			0
222,400					0

CONEOI11-AgED 2.GG5 TA-

PEPCO 8PCO 8PCO 8PCO 8PCO  
21-0278740 21-1139830 21-6502520 28-0250225 23-1099-61

.....  
1120 - U.S. CORPORATION INCOME TAX RETURN  
.....

TOTAL ~ESETS

IA GBOZS 2ECEI2TS 'R SALEE ..... IA

CO3T OF C~DODS 5OLD (2~E~u&E A) ..... 2	1,148,078	30,~39.218	39,780,465	-5,600	
GRCE3 PPOFIT ~LI~ I,C) LEES LLNE					
: NTE~EST .....	5	0	-16,156	0	7~, 330,120
6~OS3 ~TS .....	6	392,~03	0	-20.6~9	0
		0	0	0	0
NET ~IN ~LOSS) ~CM FORM 4797 ..... 9...		0	(181.455)	0	7,191,~0

11 TOTAL INCOME (LINES 3 THROUGH 10) ..... >11

12 COMPENSATION OF OFFICERS (SCHEDULE E) . . . . . 12	0	0	J	0	0
13 SALARIES AND WAGES . . . . . 13					
14 FEPAIPS . . . . . 14	0	0	0	0	0
15 BAD DEBTS . . . . . 15	0	0	,]	0	0
16 RENTS . . . . . 16	0	0	9	26.~88	825
17 TAXES . . . . . 17	37~, 291	~, 045. 340	392, 591	19, 118	431, 727
18 INTEREST . . . . . 18	0	0	0	0	0
19 CONTRIBUTIONS (SEE INSTRUCTIONS) . . . . . 19	0	200, 000	~, 308	0	0
20 DEPRECIATION FROM FORM 4562 . . . . . 20					
21 DEPLETION . . . . . 21	0	0	0	0	0
22 ADVERTISING . . . . . 22	0	0	36	1% 333	3
23 PENSION, PROFIT SHARING, ETC. PLANS . . . . . 23					
24 EMPLOYEE BENEFIT PROGRAMS . . . . . 24					
25 DOMESTIC PRODUCTION ACTIVITIES DEDUCTION . . . . . 25		0	0	0	0
26 OTHER DEDUCTIONS . . . . . 26	-, +..	,,2~6-	3&~ ~.14,239	51,152	

28 TAXABLE INCOME BEFORE NOL & SPECIAL DEDUCT. . . 28	~,058,986	17.732,848	{84~,a241	~6.~68.458	6.7E4.35~
29 LESS: A. NET OPERATING LOSS DEDUCTION . . . . . 29A	0	0	0	0	0
B. SPECIAL DEDUCTIONS (SCHEDULE C) . . . . . 29B	0	0	3	0	0
	29c	0	0	0	0
30	i. 058,986	17. 732, 8~8	{ 649, 92.)	76,068,458	6, ~56,358

09/24/2007 - 12:18:41 PM  
 CONSOLIDATED 2005 TAX FILING  
 Year: 2006

AOG1 ACG2 ~t'~ LABS



	AOG1	ACG2	~t'~ LABS		
1A 3RGS3 RECEIPTS OR SALES .....					
2 COST OFGOODS SOLD (SCHED~%E A) .....	0	0	12.~56,8!2	0	0
	0	0	9,371.440	9	0
	0	0	0	83,351	119.2~3
~ GFOSS ~KNITS .....	0	0	7~,09~	LSO	176
- "zGROSS EOYALTYES .....	0	0	0	0	0
	9,959	585,965	0	12.5~2	10,332
	0	0	0	0	0
	!~,06~	<u>1,491.~12</u>	3	<u>12,~43i</u>	~1,042~
11 TOTAL INCOME (LINES 3 THROUGH 10).....	25.025	2,~77.~77	9.4~5,552	93,6~0	155.339
12 COMPENSATION OF OFFICERS (SCHEDULE E) .....	0	0	0	0	0
13 SALARIES AND WAGES .....	0	0	0	0	0
14 REPAIRS .....	0	0	0	0	0
15 BAD DEBTS .....	0	0	1i.983	0	0
16 RENTS .....	0	0	0	0	0
17 TAXES .....	0	0	0	0	0
18 INTEREST .....	0	0	0	0	0
19 CONTRIBUTIONS (SEE INSTRUCTIONS) .....	0	0	0	0	0
20 DEPRECIATION FROM FORM 4562 .....	0	0	0	0	0
21 DEPLETION .....	0	0	0	0	0
22 ADVERTISING .....	0	0	0	0	0
23 PENSION, PROFIT SHARING, STC. PLANS .....	0	0	0	0	0
24 EMPLOYEE BENEFIT PROGRAMS .....	0	0	0	0	0
25 DOMESTIC PRODUCTION ACTIVITIES DEDUCTION .....	0	0	0	0	0
26 OTHER DEDUCTIONS .....	0	0	0	0	0
27 TOTAL DEDUCTION, S & LIABILITIES 12 THROUGH	0	0	0	0	0
f C. TOTAL .....	19.871	1,528,2~5	32.421	32,~55	61,323
				52,939	86.815



20-6 ,:CNS. FKDK-'-- LI20 .T.x~ pL"TLq-N

Year: 1006

" 1'20 - U.S. CORFOKATIQS INC.:NE TAX P;"TUP.N "

TCTAL;,,5": h-- S	32,-20,01~	<u>4~2'32,a~3</u>	<u>57,025,-27</u>		
				0	0
				0	0
COST OF GOODS SOLD (SCHEDULE A)	BALANCE >1C			0	0
5 II-EST .....	5	0	0	0	9
		0	0	0	0
		24,622	32,379	37,982	0
		0	0	0	~
11 TOTAL INCCME (LINES 3 THROUGH i0) ....	>11	0	0	0	0
		0	0	0	1,516
15 B~ D~TS .....	25	0	0	0	1,616
~7Tgi~ES .....		0	0	0	2,366
		0	0	0	~06
		0	0	0	0
		0	0	0	0
		0	0	0	0
		0	0	0	0
27 TCTAL DEDUCTI:'NS (LINES 12 T){ROUGH 263. .>27				0	3,559
28 TAXABLE INCOME BEFORE NOL & SPECIAL DEDUCT. . . 28				0	0
29 LESS: A. NET OPERATING LOSS DEDUCTION . . . 29A				0	0
B. SPECIAL DEDUCTIONS (SCHEDULE C) . . . 29B				0	0
29C				0	0
JO	~iI.-06	490,089	598,845	293,930	683.42E
				119,174	~01, ~08

CONCL=I2ATV!- /-5 TAX

DFSDNS0 LASALLE51 LASALLE52  
 13-1073125 13-1073126 13-1073128

TOTAL ASSETS

	0	0	9	0
COST OF C-30DS SOLD (2SCHEDULE A) . . . . .				0
3 GROSS PROFIT (LINE 1(C) LESS LINE 2) . . . . .		0	0	0
4 DIVIDENDS (SCHEDULE C) . . . . .	304,489		109,313	113,7~ L
5 INTEREST . . . . .			~7. 240	
6 GROSS RENTS . . . . .		0	0	0
7 GROSS ROYALTIES . . . . .		0	0	0
8 CAPITAL GAIN NET INCOME (SCHEDULE D) . . . . .		0	0	0
9 NET GAIN (LOSS) FROM FORM 4797 . . . . .		0	0	0
10 OTHER INCOME (ATTACH SCHEDULE) . . . . .		0	0	0
11 TOTAL INCOME (LINES 3 THROUGH 10) . . . . .				
DEDUCTIONS				
12 COMPENSATION OF OFFICERS (SCHEDULE E) . . . . .	0	0		
13 SALARIES AND WAGES . . . . .				
14 REPAIRS . . . . .	0			
15 BAD DEBTS . . . . .				
16 RENTS . . . . .			2,766	2,2~6
17 TAXES . . . . .				
18 INTEREST . . . . .	0	0		0
19 CONTRIBUTIONS (SEE INSTRUCTIONS) . . . . .	0	0		
20 DEPRECIATION FROM FORM 4562 . . . . .			~	0
21 DEPLETION . . . . .	0	0	g	
22 ADVERTISING . . . . .			0	g
23 PENSION, PROFIT SHARING, ETC. PLANS . . . . .	0	0		
24 EMPLOYEE BENEFIT PROGRAMS . . . . .	0	0		
25 DOMESTIC PRODUCTION ACTIVITIES DEDUCTION . . . . .	0	0		0
26 OTHER DEDUCTIONS . . . . .	3,~58	3,558	3,558	3~ 558,,
27 TOTAL DEDUCTIONS (LINES 12 THROUGH 26) . . . . .			5~5	3~ 536
28 TAXABLE INCOME BEFORE NOL & SPECIAL DEDUCT. . . . .	I,-92,98-	195,-97	74-	£B. 696
29 LESS: A. NET OPERATING LOSS DEDUCTION . . . . .				-05. 259
B. SPECIAL DEDUCTIONS (SCHEDULE C) . . . . .				
C. TOTAL . . . . .				
TAXABLE INCOME (LINE 28 LESS 29C) . . . . .		74,999	094	6, ~92

-C-6 CONg. -EP~ ~20 -r-x ~ET:JI-H

TOTAL ASSETS

	0	0	3	0	
2 COST OF GOODS SOLD (ZCHEDI-E A) BALANCE >1C	0		0	0	
	0	0		0	0
5 I-ST	553	396	5,219	714,289	628,566
5 G-OSS f-S	0	0	0	5,36	90
	0	0	0	0	-7,929
11 TOTAL INCOME (LINES 3 THROUGH 10) . . . >11				650,736	627,989
12 COMPENSATION OF OFFICERS (SCHEDULE E) . . . . . 12	0	0	0	0	0
13 SALARIES AND WAGES . . . . . 13	0	0	0	0	0
14 REPAIRS . . . . . 14	0	0	0	0	0
15 BAD DEBTS . . . . . 15	0	0	0	0	0
16 RENTS . . . . . 16	2,866	2,966	2,766	2,866	0
17 TAXES . . . . . 17	0	0	0	0	0
18 INTEREST . . . . . 18	0	0	0	0	0
19 CONTRIBUTIONS (SEE INSTRUCTIONS) . . . . . 19	0	0	0	0	0
20 DEPRECIATION FROM FORM 4562 . . . . . 20	0	0	0	0	0
21 DEPLETION . . . . . 21	0	0	0	0	0
22 ADVERTISING . . . . . 22	0	0	0	0	0
23 PENSION, PROFIT SHARING, ETC. PLANS . . . . . 23	0	0	0	0	0
24 EMPLOYEE BENEFIT PROGRAMS . . . . . 24	0	0	0	0	0
25 DOMESTIC PRODUCTION ACTIVITIES DEDUCTION . . . . . 25	0	0	0	0	0
26 OTHER DEDUCTIONS . . . . . 26	3,558	J-!	3,564	3,55-	0
27 (AL DEDUCTIONS) (LINES 12 THROUGH 26) . . . . . -27					
28 TAXABLE INCOME BEFORE NOL & SPECIAL DEDUCT. . . . . 28	0	0	0	0	0
29 LESS: A. NET OPERATING LOSS DEDUCTION . . . . . 29A					
B. SPECIAL DEDUCTIONS (SCHEDULE C) . . . . . 29B					
29C	10,928	12,82-	204,422	220,392	
30					



	1120 U.S.-	'C~.E~CF.~.T~GN	INCC;--E	TAX F.ET'ZPN
TOTAL ASSETS	551,064,313	144,022,164	(1,757,906)	361255,-36
IA GBOSS ~ECEIPTS C~ SALES . . . . . iA	0	20,483,302	0	0
	0	0	0	0
~ALANC~ >1C	0	-20,483,902	0	0
COST OF C~CDS SOLD (ZCM~--UL~ A) . . . . . 2	9	758,301,139	3	0
	0	32,182,663	0	0
5,114,338	0	0	0	0
1,986,266	753,500	0	0	0
0	0	0	0	0
4,204,959	0	0	0	0
27 331,050	0	0	0	0
	0	0	0	0
	0	4,427,560	0	1,918
	0	0	0	0
	0	0	0	2,793
3,359,516	2,634,620	0	0	3,655
	0	279,840	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	20,670
27 TOTAL DEDUCTIONS (LINES 12 THROUGH 26) . . . . . 27				19,034
28 TAXABLE INCOME BEFORE NOL & SPECIAL DEDUCT. . . . . 28				(29,034)
29 LESS: A. NET OPERATING LOSS DEDUCTION . . . . . 29A	0	0	0	0
B. SPECIAL DEDUCTIONS (SCHEDULE C) . . . . . 29B	~735,~8	0	0	0
29C				0
TAXABLE INCOME (LINE 28 LESS 29C) . . . . . 30				29,034

Year : -606

1A GROSS RECEIPTS OR SALES . . . . . 1A	[97,-78					
B LESS RETURNS AND ALLOWANCES . . . . . 1B						
2 COST OF GOODS SOLD (SCSEDL#-E A) . . . . .	187478					
	-2.959					
~ [inz~fzT . . . . . 5	69,224	252	-2,869	71~.759		0
6 GROS~ P~S . . . . . 6	9	0	0	8.305,594		0
11 TOTAL INCOME (LINES 3 THROUGH 10) . . . . . 11						0
DEDUCTIONS						
12 COMPENSATION OF OFFICERS (SCHEDULE E) . . . . . 12		0	0	0		0
13 SALARIES AND WAGES . . . . . 13	73,929	0	2,468	0		0
14 REPAIRS . . . . . 14	0	~	0	3		0
15 BAD DEBTS . . . . . 15						
16 RENTS . . . . . 16	6,500	0	2,~3	0		
17 TAXES . . . . . 17	11,505	(2,649)	3,~10	t290,zi5		
18 INTEREST . . . . . 18	0	0	0	15,392,526		
19 CONTRIBUTIONS (SEE INSTRUCTIONS) . . . . . 19	0	?	64]	0		0
20 DEPRECIATION FROM FORM 4562 . . . . . 20	0	0	0	39,807.304		0
21 DEPLETION . . . . . 21						0
22 ADVERTISING . . . . . 22	0	0	0	0		0
23 PENSION, PROFIT SHARING, ETC. PLANS . . . . . 23	9,251	0	0	0		0
24 EMPLOYEE BENEFIT PROGRAMS . . . . . 24	44,947	0	0	0		0
25 DOMESTIC PRODUCTION ACTIVITIES DEDUCTION . . . . . 25	0	0	0	0		0
26 OTHER DEDUCTIONS . . . . . 26	L~63,645	0~		415.922		0
TOTAL DEDUCTIONS (LINES 12 THROUGH 26) . . . . . 27	2.966,777	12,-42]	28.999			
28 TAXABLE INCOME BEFORE NOL & SPECIAL DEDUCT. . . . . 28	(2,391,034)	~I,145,567)	(113,510,159)	(56,301.595)		0
29 LESS: A. NET OPERATING LOSS DEDUCTION . . . . . 29A	0	0	0	0		0
B. SPECIAL DEDUCTIONS (SCHEDULE C) . . . . . 29B						0
C. TOTAL . . . . . 29C						
TAXABLE INCOME (LINE 28 LESS 29C) . . . . . 30	12,891,034)	(i, 145,567)	(113, 510,139)	156,301.695)		

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 CONSOLIDATED 2006 TAX FILING  
 Year: 2006

2-C-RETURN

AT:~;P      9ECO      EBCC      9-CO

GROSS ~.ECKI~TS OK SALES ..... ~A					501,914
		<u>9</u>			
RI~LANCE	5,152,649,866		0	95.030	501,914
	61,042		0		-01,914
G~.OSS ~S .....	6	22,910,958	0	45.3,178 <sup>0</sup>	0
		2,233,~7	0		0
GAIN ~LOSS) FR~ FOPM 4797 ..... 9...		12~,097,394	0		']
		<u>13,140,220</u>	<u>128.~00</u>	<u>12,295<sup>0</sup></u>	<u>0</u>
				603,943	-01.914
	0	2,099,343	0		
i&9.730	1~,257.822	4,223			
0	14,597,624	0			
0	56,(195.676	9		0	0
18.97~	31L494,2~5	370		8.504	(44,479)
0	6.863,~15	0			
				' ]	
10,312	51,337,803	9		0	
				0	0
27 TOTAL ~EDUCTZ,SNS (LINES 12 TMPOUGH 26).. >27					
28 TAXABLE INCOME BEFORE NOL & SPECIAL DEDUCT. . . 29				564.319	(696,339)
29 LESS: A. NET OPERATING LOSS DEDUCTION . . . 39A	0		0	0	
B. SPECIAL DEDUCTIONS (SCHEDULE C) . . . 23B					
C. TOTAL . . . . . 19C		526.137	0	0	0
TAXABLE INCOME (LINE 28 LESS 29C) . . . . . 30	647,915,987 <sup>0</sup>	470,798,534	190.895 <sup>0</sup>	564,819 <sup>0</sup>	(696,839)



II-A-11 Provide AFUDC charged by company at test year-end and latest date, and explain method by which rate was calculated.

II-A-11 For the actual year 2007, \$234,432 of AFUDC was charged to the gas product class.

For the test year 2008, the AFUDC forecast is a charge of \$240,992 to the gas product class.

The method by which the rate was calculated was in conformity with the FERC guidelines contained in the Code of Federal Regulations as follows:

The formula and elements for the computation of the allowance for funds used during construction shall be:

$$A_i = s(S/W) + d(D/D+P+C)(1 - S/W)$$
$$A_e = [1 - S/W][p(P/D+P+C) + c(C/D+ P+C)]$$

$A_i$ =Gross allowance for borrowed funds used during construction rate.

$A_e$ =Allowance for other funds used during construction rate.

$S$ =Average short-term debt.

$s$ =Short-term debt interest rate.

$D$ =Long-term debt.

$d$ =Long-term debt interest rate.

$P$ =Preferred stock.

$p$ =Preferred stock cost rate.

$C$ =Common equity.

$c$ =Common equity cost rate.

$W$ = Average balance in construction work in progress plus nuclear fuel in process of refinement, conversion, enrichment and fabrication, less asset retirement costs related to plant under construction.

eo II -A -12 Set forth provisions of Company's and Parent's charter and indentures (if applicable) which describe coverage requirements, limits on proportions of types of capital outstanding, and restrictions on dividend payouts.

ao II-A- 12 The Parent's charter and indentures do not include coverage requirements, limits on proportions of types of capital outstanding, or restrictions on dividend payouts. The Company'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 the Company 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.

The Company has outstanding preferred stock with a liquidating value of approximately \$87 million. Under the Indentures under which deferrable interest subordinated debentures were issued by the Company in connection with the issuance of securities by PECO Energy Capital Trust III and PECO Energy Capital Trust IV, the Company may not declare dividends on any shares of its capital stock in the event that:

- (1) the Company exercises its right to extend the interest payment periods on those subordinated debentures, or
- (2) the Company defaults on its guarantee of the payment of distributions on the Series D Preferred Securities of PECO Energy Capital L.P. or the preferred trust securities of PECO Energy Capital Trust III or PECO Energy Capital Trust IV, or
- (3) an event of default occurs under the Indenture under which the subordinated debentures are issued.

No other indenture of the Company includes coverage requirements, limits on proportions of types of capital outstanding, or restrictions on dividend payments.

Q. II - A - 13      Attach copies of the summaries of the projected 2 year's Company's budgets (revenue, expense and capital).

A. II - A - 13      Below are the gas related portions of the Company's budget for projected years 2008 and 2009. The budget for 2009 is **CONFIDENTIAL AND IS SUBMITTED ONLY IN THE NON-PUBLIC VERSION FILED WITH THE COMMISSION,**

	Year 2008	NON-PUBLIC Year 2009
Operating Revenues		
Gas Operations	\$ 850,928	
Total Operating Revenues	850,928	
Operating Expenses		
Cost of Natural Gas	627,921	
O&M Expense	110,564	
Depreciation	32,731	
Taxes Other Than Income	6,630	
Total Operating Expenses	777,845	
Income from Operations	73,082	
Other Income and (Deductions)		
Interest Expense		
Long Term Debt	22,392	
Preferred Securities		
Short Term Debt and Other	4,176	
Intercompany Interest	2,517	
AFUDC & Capitalized Interest	<b>(760)</b>	
Total Interest Expense	28,326	
Income Before Income Taxes	44,756	
Total Income Taxes	14,551	
Minority Interest		
Income Before Extraordinary Item	30,206	
Extraordinary Item, net of income taxes		
Net Income	30,206	
Preferred Stock Dividend Requirements	785	
Earnings Available for Common Stock	<b>\$ 29,421</b>	
Capital Expenditures	<b>\$ 68,877</b>	

eo II-A-14 Describe long-term debt reacquisitions by Company and Parent as follows:

- a. Reacquisitions by issue by year.
- b. Total gain on reacquisitions by issue by year.
- c. Accounting of gain for income tax and book purposes.

II -A-14 Refer to Attachment II - A -14 for data related to the past five (5) years.

**ATTACHMENT  
II - A -14**

**PECO Energy Company  
Long Term Debt Recquisitions**

**II - A - 14**  
Phillip Barnett  
Page 1 of 1

200.\_-3

Issue Description	Principal Amount	Issue Date	Interest Rate	Due Date	Date Redeemed	Unamortized Debt Expense
Indiana County Pollution Control	17,240,000	6/1/1997	Variable	06/01/27	June-03	\$ 137,165

Issue Description	Principal Amount	Issue Date	Interest Rate	Due Date	Date Redeemed	Unamortized Debt Expense
First and Refunding Mortgage Bonds, 5.90% Series	75,000,000	08/15/93	6.375%	08/15/05	April-04	\$
Delaware County 1999A	50,765,000	09/01/99	5.200%	04/01/21	October-04	\$ 370,010
Montgomery County 1999A	91,775,000	09/01/99	5.200%	10/01/30	October-04	\$ 339,282
Montgomery County 1999B	13,880,000	09/01/99	5.300%	10/01/134	October-04	\$ 52,011

200.\_-5  
No reacquisitions

200-6  
No reacquisitions

200.\_-7  
No reacquisitions

**Note:** None of the debt that was reacquired was refinanced. At the time of the reacquisitions, all unamortized debt expense was immediately expensed. For tax purposes, the debt expense was taken as a current deduction in the year incurred.

- II-A-15 Set forth amount of compensating bank balances required under each of the following rate base bases:
- a. Annualized test year operations.
  - b. Operations under proposed rates.
- II-A-15 PECO Energy has no compensating bank balance requirements.
- a. Not Applicable.
  - b. Not Applicable.

- II - A - 16** Provide the following information concerning compensating bank balance requirements for actual test year:
- a. Name of each bank.
  - b. Address of each bank.
  - c. Types of accounts with each bank (checking, savings, escrow, other services, etc.).
  - d. Average Daily Balance in each account.
  - e. Amount and percentage requirements for compensating bank balance at each bank.
  - f. Average daily compensating bank balance at each bank.
  - g. Documents *from* each bank explaining compensating bank balance requirements.
  - h. Interest earned on each type of account.
- II - A - 16** PECO Energy has no compensating bank balance requirements for gas for the future test year.
- (a - h) Not applicable.

- eo II-A-17 Provide the following information concerning bank notes payable for actual test year:
- a. Line of Credit at each bank.
  - b. Average daily balances of notes payable to each bank, by name of bank.
  - c. Interest rate charged on each bank note (Prime rate, formula rate or other).
  - d. Purpose of each bank note (e.g., construction, fuel storage, working capital, debt retirement).
  - e. Prospective future need for this type of financing
- A° II-A-17 am PECO Energy Company (PECO) has access to unsecured credit facilities with aggregate bank commitments of \$600 million and \$40 million which terminate on October 26, 2012 and October 24, 2008, respectively.
- As of December 31,2007, PECO had no outstanding borrowings under the \$600 million credit facility that can be used for general corporate purposes, including meeting short-term funding requirements and the issuance of letters of credit. The \$600 million credit facility was used primarily to provide back-up credit support for PECO's commercial paper program and to issue a \$1.8 million letter of credit.
- During 2007, PECO issued commercial paper to meet its short-term liquidity requirements, including the funding of working capital deficits. As of December 31,2007, PECO had \$247 million of outstanding commercial paper issuances.
- The \$40 million credit facility with Community/Minority Banks is used primarily to issue letters of credit to provide credit support for PECO's workmen's compensation and certain benefit claim obligations. PECO had \$29 million of outstanding letters of credit as of December 31,2007.

b-c PECO's average daily balance of outstanding commercial paper and the average interest rates for PECO's commercial paper issuances in 2007 are as follows:

Average daily commercial paper borrowing	\$ 76M
Maximum daily commercial paper borrowings outstanding	\$374M
Average commercial paper interest rates, - computed on a daily basis	5.09%
Average commercial paper interest rates, - computed at December 31	5.41%

d-e PECO is expected to continue to meet its short-term liquidity requirements through the issuance of commercial paper. PECO may also use its credit facilities for general corporate purposes, including the funding of short-term liquidity requirements and the issuance of letters of credit.

**II - A -18** Set forth amount of total cash (all cash accounts) on hand from balance sheets for last 24-calendar months preceding test year-end.

**II - A - 18**

Total PECO Energy Company - Cash Balance  
(Thousands of Dollars)

Jan 2006	\$27,369
Feb	32,505
Mar	12,208
Apr	20,850
May	21,894
Jun	13,067
Jul	23,119
Aug	15,781
Sep	14,823
Oct	18,869
Nov	8,325
Dec	21,139
Jan 2007	18,798
Feb	79,201
Mar	10,700
Apr	22,460
May	8,695
Jun	18,649
Jul	28,609
Aug	17,814
Sep	18,313
Oct	16,046
Nov	10,177
Dec	24,038

Q. II - A -19            Submit details on Company or Parent common stock offerings (past 5 years to present) as follows:

- a. Date of Prospectus
- b. Date of offering
- c. Record date
- d. Offering period~ates and number of days
- e. Amount and number of shares of offering
- f. Offering ratio (if rights offering)
- g. Per cent subscribed
- h. Offering price
- i. Gross proceeds per share
- j. Expenses per share
- k. Net proceeds per share (i-j)
- l. Market price per share
  - 1. At record date
  - 2. At offering date
  - 3. One month after close of offering
- m. Average market price during offering
  - 1. Price per share
  - 2. Rights per share--average value of rights
- n. Latest reported earnings per share at time of offering
- o. Latest reported dividends at time of offering

A. II - A -19            There have been no common stock offerings in the past 5 years for either PECO Energy Company or Exelon Corporation (parent).

(a - o) Not applicable.

Q. II-A-20 Provide latest available balance sheet and income statement for Company, Parent and System (consolidated).

A. II-A-20

**Company**

12/31/07 Balance Sheet- Refer to the response to SDR-ROR-2.

12/31/07 Income Statement- Refer to the response to SDR-RR-I.

**Parent**

12/31/07 Balance Sheet- Refer to Attachment II-A-20A.

12/31/07 Income Statement- Refer to Attachment II-A-20B.

**System (consolidated)**

12/31/07 Balance Sheet- Refer to Attachment II-A-20C for excerpted pages from Exelon Corporation's 2007 10-K filing with the SEC.

12/31/07 Income Statement- Refer to Attachment I I-A-20D for excerpted pages from Exelon Corporation's 2007 filing with the SEC.

ATTACHMENT  
**II- A- 20A**

**12/31107 Balance Sheet****10004 - Exelon Corporation****Assets**

Current Assets	
Cash and Cash Equivalents	40,889.50
Accounts Receivable, net	
Other - A/R	2,380.90
Intercompany - A/R	3,655.10
Deferred Income Taxes - CA	
Notes Receivable - CA	
Intercompany - CANR	<b>9,000.00</b>
Other Current Assets	
Other - OCA	
<b>Total Current Assets</b>	<b>55,925.50</b>

**Property, Plant and Equip, net**

<b>Deferred Debits and Other</b>	
Regulatory Assets	1,356,330.80
investments	
Other - Invest.	1,451.40
Consolidated Subsidiaries	14,073,990.30
Goodwill, net	
Notes Receivable - DD	
Intercompany - DDNR	
Pension Asset	
Deferred Income Taxes - DD	6,312.50
MTM Derivative Deferred Asset	4,266.10
Other - Def. Debits	36,,128.,20,
<b>Total Deferred Debits and Other</b>	<b>15,478,479.30</b>

**Total Assets** ,                     ,15 534~404.90

**12/31107 Balance Sheet****10004 - Exelon Corporation**

## Liabilities and Equity

## Current Liabilities~

Notes Payable

Other - NP

Intercompany - NP

LT Debt &amp; Cap Lses Due in 1 Yr

~J:counts Payable

Other - A/P

Intercompany - A/P

Accrued Expenses

Deferred Income Taxes - CL

Other - Curr. Liab.

Total Current Liabilities

467.40

5,334.80

(95,929.70)

401 ~737.00

311,609.60

**Long-Term Debt & Capital Lses**

2,201,788.00

Def Credits and Other Liab

Regulatory Liabilities

Deferred Income Taxes - DC

Pension Obligations

Non-Pension Postretire Bene Ob

MTM Derivative Defrd Liability

Other- LT Liab.

Total Def Credit~ and Other Liab

46,360.50

(1,013,950.00)

2,953,081.70

688,572.20

108,756.80

2,782,821.30

## Equity

Common Stock

Other Paid-in Capital

Deferred Compensation

Retained/Undist Earnings

Treasury Stock, at cost

Accumulated OCI

Total Equity

8,579,183.20

4,929,831.40

**(1,837,945.0)**

10,238,186.00

Total Liabilities and Equity

15,534,404.90

ATTACHMENT  
**II- A- 20B**

**12/31/07 Income Statement**

10004 - Exelon Corporation

**Operating Revenues**

Retail	-
Wholesale	-
Other	-
intercompany	-
Nonconsolidated Aff] - Revenue	-
<b>Total Operating Revenues</b>	-

**Operating Expenses**

Purchased Power	
Intercompany Purchased Power	
Purchased Power Nonconsol Affl	
Fuel	
Intercompany Fuel	
Operating and Maintenance	51,644.20
Business Svcs Contracted Svcs	30,675.10
EDSS Contracted Services	2.70
Interco Operating and Maint	
Oper&Maint NonConsol Affiliate	
Goodwill Impairment	
Intangible Asset Impairment	
Depreciation and Amortization	(106.70)
Taxes Other Than Income	238.90
<b>Total Operating Expenses</b>	<b>82,454.20</b>

**Total Operating Income** (82,454.20)**Other Income and Deductions**

Interest Exp, Net of Amts Cap	(144,386.40)
Intercompany Interest Expense	
Interest Expense Non Con Affi	
Distributions on Pfd Sec Subs	
Equity in Earnings of Uncons	
Earnings of Consolidated Cos	2,805,884.30
Intercompany Interest Income	1,575.80
Other, Net	26,994.90
<b>Total Other Income and Deductions</b>	<b>2,690,068.60</b>

**I-tc Before Inc Tax & Oth Items** 2,607,614.40  
Income Taxes (128,212.90)**Inc Before Other Items** 2,735,827.30  
Minority Interest Net of Tax  
Discontinued Ops Net of Tx  
Extraordinary Items Net of Tx  
Cure Efft Acctg Chge Net of Tx**Net Income** 2,735,827.30Preferred Stock Dividends  
**Net Income On Common Stock** 2,735,827.30

ATTACHMENT  
**II- A- 20C**

**Exelon Corporation and Subsidiary Companies**  
**Consolidated Balance Sheets**

(in millions)	December 31,	
	2007	2006
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents .....	\$ 311	\$ 224
Restricted cash and investments .....	118	58
Accounts receivable, net		
Customer .....	2,041	1,747
Other .....	611	462
Mark-to-market derivative assets .....	445	1,418
Inventories, net, at average cost		
Fossil fuel .....	252	300
Materials and supplies .....	471	431
Other .....	802	352
Total current assets .....	5,051	4,992
<b>Property, plant and equipment, net .....</b>	<b>24,153</b>	<b>22,775</b>
<b>Deferred debits and other assets</b>		
Regulatory assets .....	5,133	5,808
Nuclear decommissioning trust funds .....	6,823	6,415
Investments .....	668	725
Investments in affiliates .....	63	85
Goodwill .....	2,625	2,694
Mark-to-market derivative assets .....	117	171
Other .....	1,261	654
Total deferred debits and other assets .....	16,690	16,552
<b>Total assets .....</b>	<b>\$ 45,894</b>	<b>\$ 44,319</b>
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>

See Combined Notes to Consolidated Financial Statements

Exelon Corporation and Subsidiary Companies  
Consolidated Balance Sheets

<u>(in millions~</u>	December 31,	
	2007	2006
Liabilities and shareholders' equity		
Current liabilities		
Short-term borrowings .....	616	\$ 305
Long-term debt due within one year .....	605	248
Long-term debt to CornEd Transitional Funding Trust and PECO Energy Transition Trust due within one year .....	501	581
Accounts payable .....	1,450	1,382
Mark-to-market derivative liabilities .....	599	1,015
Accrued expenses .....	1,240	1,180
Other .....	984	1,084
Total current liabilities .....	5,995	5,795
Long-term debt .....	9,915	8,896
Long-term debt due to CornEd Transitional Funding Trust and PECO Energy Transition Trust .....	1,505	2,470
Long-term debt to other financing trusts .....	545	545
Deferred credits and other liabilities		
Deferred income taxes and unamortized tax credits .....	5,081	5,340
Asset retirement obligations .....	3,812	3,780
Pension obligations .....	777	747
Non-pension postretirement benefits obligations .....	1,717	1,817
Spent nuclear fuel obligation .....	997	950
Regulatory liabilities .....	3,301	3,025
Mark-to-market derivative liabilities .....	465	78
Other .....	1,560	782
Total deferred credits and other liabilities .....	17,710	16,519
Total liabilities .....	35,670	34,225
Commitments and contingencies		
Preferred securities of subsidiary .....	87	87

**Shareholders' equity**

Common stock (No par value, 2,000 shares authorized, 661 and 670 shares outstanding at December 31, 2007 and 2006, respectively) .....	8,579	8,314
Treasury stock, at cost (28 and 13 shares held at December 31, 2007 and 2006, respectively) .....	(1,838)	(630)
Retained earnings .....	4,930	3,426
Accumulated other comprehensive loss, net .....	(1,534)	(1,103)
Total shareholders' equity .....	10,137	10,007
Total liabilities and shareholders' equity .....	45,894	\$ 44,319

See Combined Notes to Consolidated Financial Statements

ATTACHMENT  
**II- A- 20D**

**Exelon Corporation and Subsidiary Companies**  
**Consolidated Statements of Operations**

(in millions- except per share data)	For the Years Ended December 31,		
	2007	<u>2006</u>	2005
<b>Operating revenues</b> .....	\$ 18,916	\$ 15,655	\$ 15,357
<b>Operating expenses</b>			
Purchased power .....	5,282	2,683	3,162
Fuel .....	2,360	2,549	2,508
Operating and maintenance .....	4,289	3,868	3,694
Impairment of goodwill .....	--	776	1,207
Depreciation and amortization .....	1,520	1A87	1,334
Taxes other than income .....	797	771	728
Total operating expenses .....	14248	12,134	12,633
<b>Operating income</b> .....	4,668	3,521	2,724
<b>Other income and deductions</b>			
Interest expense .....	(647)	(616)	(513)
Interest expense to affiliates, net .....	(203)	(264)	(316)
Equity in losses of unconsolidated affiliates .....	(106)	(111)	(134)
Other, net .....	460	266	134
Total other income and deductions .....	(496)	(725)	(829)
<b>Income from continuing operations before income taxes</b> .....	4,172	2,796	1,895
<b>Income taxes</b> .....	1,446	1-06	944
<b>Income from continuing operations</b> .....	2,726	1,590	951
<b>Discontinued operations</b>			
Income (loss) from discontinued operations (net of taxes of \$3, \$0 and \$(3), respectively) .....	6	(2)	(4)
Gain on disposal of discontinued operations (net of taxes of \$2, \$2 and \$6, respectively) .....	4	4	18
<b>Income from discontinued operations</b> .....	10	2	14
<b>Income before a cumulative effect of change in accounting principle</b> .....	2,736	1,592	965
<b>Cumulative effect of a change in accounting principle (net of income taxes of \$0, \$0, and \$(27), respectively)..</b>	--	--	(42)
<b>Net income</b> .....	\$ 2,736	\$ 1,592	\$ 923
<b>Average shares of common stock outstanding</b>			
Basic .....	670	670	669
Diluted .....	676	676	676
<b>Earnings per average common share-basic:</b>			

Income from continuing operations .....	4.06	\$	2.37	\$	<b>1.42</b>
Income from discontinued <i>operations</i> .....	0.02		--		0.02
Cumulative effect of a change in accounting principle .....					(0.06)
<b>Net income</b> .....	\$ 4.08	\$	2.37	\$	1.38
<b>Earnings per average common share-diluted:</b>					
Income from continuing operations .....	\$ 4.03	\$	2.35	\$	1.40
Income from discontinued operations .....	0.02		--		0.02
Cumulative effect of a change in accounting principle .....	--		--		(0.06)
<b>Net income</b> .....	\$ 4.05	\$	<b>2.35</b>	\$	1.36
<b>Dividends per common share</b> .....	\$ <b>1.76</b>	\$	<b>1.60</b>	\$	<b>1.60</b>

**See Combined Notes to Consolidated Financial Statements**

**Q. II-A-21      Provide Original Cost, Trended Original Cost and Fair Value rate base claims.**

**A. II-A-21      The Company's claim is based on the original cost method. Refer to Exhibit RLO-1, Schedule A-1 for the future test year.**

**Q. II-A-22**

Provide Operating Income claims under:

- (i) Present rates
- (ii) Pro forma present rates (annualized & normalized)
- (iii) Proposed rates (annualized & normalized)

b. Provide Rate of Return on Original Cost and Fair Value claims under:

- (i) Present rates
- (ii) Pro forma present rates
- (iii) Proposed rates

**A. II-A-22**

Refer to Exhibit RLO-1, Schedule A-I, for the future test year and Exhibit RLO-2, Schedule A-I, for the historic test year.

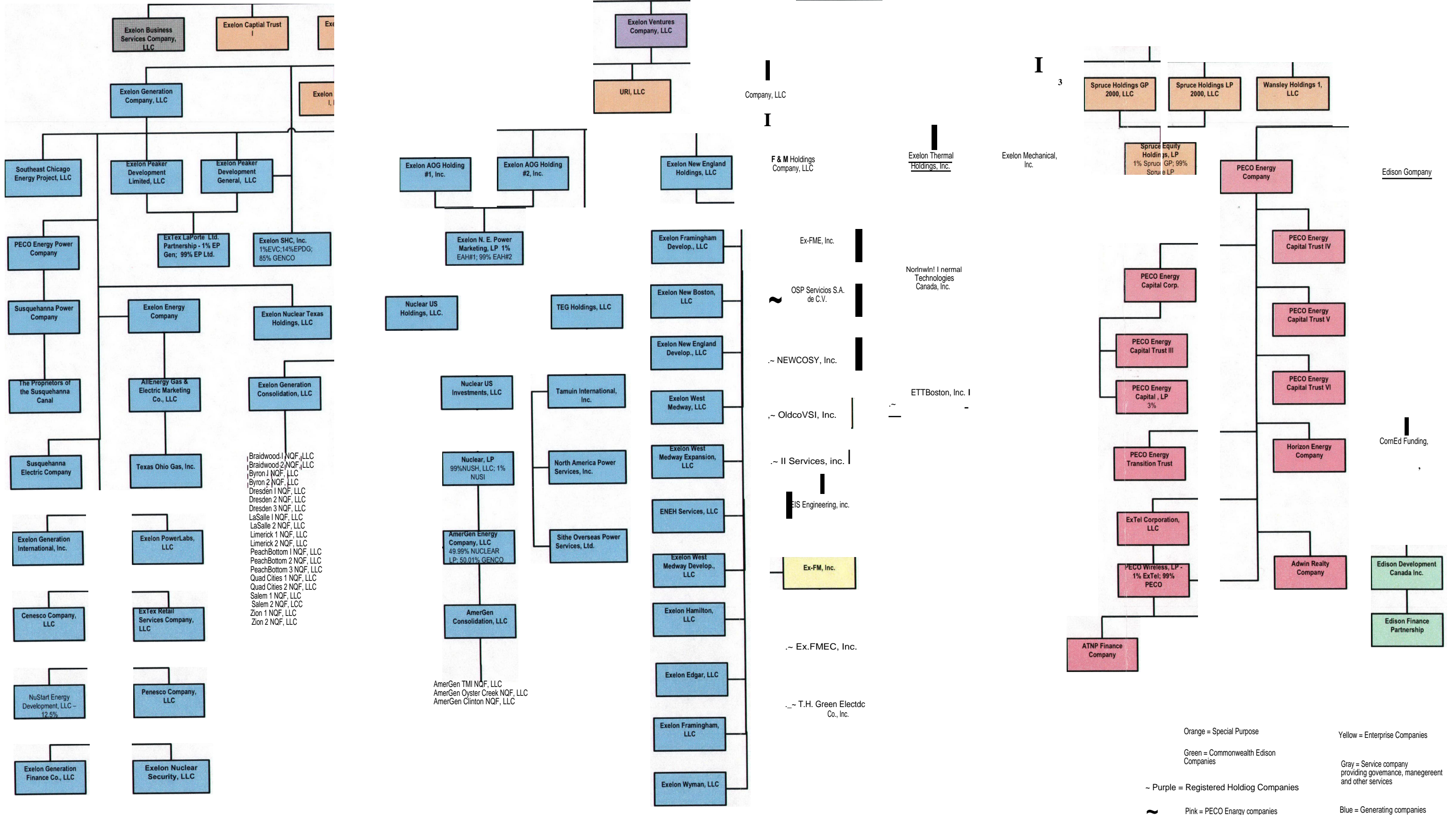
- II -A - 23** List details and sources of "Other Property and Investment," "Temporary Cash Investments" and "Working Funds" on test year-end balance sheet.
- II - A - 23** Refer to Exhibit RLO-1, Schedule B-I, for the items requested for the future test year.

Q. II-A-24      **Attach chart explaining Company's corporate relationship to its affiliates (System Structure).**

A. II - A - 24      **Refer to Attachment II - A - 24.**

**ATTACHMENT  
II- A- 24**

**Exelon Corporation**  
**All Entities 100% Owned Unless Otherwise Indicated**  
**Last Edit Date: January 1, 2008**  
**Information is correct as of edit date, but is subject to change**



Orange = Special Purpose  
 Green = Commonwealth Edison Companies  
 Purple = Registered Holding Companies  
 Pink = PECO Energy companies  
 Yellow = Enterprise Companies  
 Gray = Service company providing governance, manegereent and other services  
 Blue = Generating companies

- Q. II-A-25            If the utility plans to make a formal claim for a specific allowable rate of return, provide the following data in statement or exhibit form:
- a. Claimed capitalization and capitalization ratios with supporting data.
  - b. Claimed cost of long-term debt with supporting data.
  - c. Claimed cost of short-term debt with supporting data.
  - d. Claimed cost of total debt with supporting data.
  - e. Claimed cost of preferred stock with supporting data.
  - f. Claimed cost of common equity with supporting data.
- A. II-A-25            Refer to Exhibit RLO-1 Schedules B-6 through B-8, and to PECO Statement No. 5, the Direct Testimony of Paul R. Moul.

Q. II-A-26 Provide the following income tax data:

- a. Consolidated income tax adjustments, if applicable.
- b. Interest for tax purposes (basis).

A. II-A-26

- ao Refer to Exhibit RLO-1, Schedule D-20 and Exhibit RLO-2 Schedule D-20, and Attachment II-A-26.
- bo Refer to Exhibit RLO-1, Schedule D-20 and Exhibit RLO-Schedule D-20.

ATTACHMENT  
**II - A- 26**

**PECO Energy Company  
Consolidated Tax Adjustment**

Attachment II-A-26

	2005	2006	2007
Consolidated Income Companies	2,258,220,258	2,935,257,955	4,226,850,881
PECO Income Percentage	<b>42.66%</b>	<b>38.10%</b>	<b>29.49%</b>
Consolidated Loss Companies	(32,356,455)	(61,743,559)	(106,678,884)
PECO Allocation of Loss	(13,802,861)	(23,522,267)	(31,457,132)
Gas Percentage	2.64%	5.77%	3.38%
PECO Loss Allocable to Gas	(365,011)	(1,356,323)	(1,062,172)
3 Year Average Loss Tax Rate		(927,835) 35%	
<b>Consolidated Tax Adjustment</b>		<b>(324,742)</b>	

**EXELON CORPORATION AND SUBSIDIARIES  
TAX LOSS ALLOCATION  
2007 Provision**

Attachment II-A-26  
2/22/2008  
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	<u>Member of the Affiliated Group</u>	<u>Companies w/ Loss</u>	<u>Companies w/ Income</u>	<u>Income Ratio</u>	<u>Loss Allocation</u>
C	Exelon Corporation		2,601,385,569	61.54%	(65,654,767)
	Total Exelton Corporation		2,601,385,569	81.54%	(85,654,787)
L	Pxelon investment Holdings		13,220	0.00%	(334)
	Commonwealth Edison Company		120,217,260	0.00%	
D	Total Commonwealth Edison Company		120,217,260	2.84%	(3,034,089)
	Commonwealth Edison Company of Indiana, Inc.		582,193	0.01%	(14,694)
C	Total CornEd		120,799,453	0.01%	(14,694)
C	PECO Energy Company		597,099,056	0.00%	
	PECO Energy Capital Corp.		195,820	14.13%	(15,069,815)
C	ATNP Finance Company		648,674,949	0.00%	(4,942)
C	Adwin Reaily Company		430,589	15.35%	(16,371,507)
	Total PECO		2,464,400,414	0.01%	(31,457,132)
C	PECO Energy Power Company		5,217,793	0.12%	(131,689)
C	Susquehanna Power Company		23,328,997	0.55%	(588,786)
C	Susquehanna Electric Company		216,026	0.01%	(5,452)
	TEG Holdings, LLC	(35,548)	-	0.00%	
C	Sithe International	(30,414,153)	-	0.00%	
	Exelon PowerLabs, LLC		453,060	0.01%	(11,435)
C	Exelon AOG Holdings #1 Inc.		7,496	0.00%	(189)
C	Exelon AOG Holdings #2 Inc.		766,836	0.02%	(19,858)
C	Exelon SHC, Inc.	(63,749,014)	-	0.00%	
	Nuclear, LP		89,909,423	2.13%	(2,269.16g)
C	Texas Ohio Gas, inc.	(950)	-	0.00%	
C	Exelon Energy (EnerGen)		31,211,153	0.74%	(787,719)
	Exelon Generation Finance Company, LLC		78,314,466	1.85%	(1,976,531)
	Total Genco	(94,199.665)	229,445,250	5.43%	(5,790,827)
D	Exelon Enterprises Company, LLC	(6,935,-07)	-	0.00%	
	F&M Holdings		315,013	0.01%	
	Total Exelon Enterprises Company	(6,935,607)	315,013	0.01%	(7,950)
C	Exelon Enteq3dses investments, Inc.	(14,175)	-	0.00%	
C	Exelon Thermal Holdings Inc,		208,423	0.00%	(5,260)
C	ETr Boston	(735.956)	-	0.00%	
C			14,906,412	0.35%	(376,214)
	Grand Total	(106,678,884)	4,226,850,881	100.00%	1106,678,8841
		(106,678,884)			
C	C Corps		4,226,850,881		
D	m Partnerships, LLC's, and Grantor TrnJsts treated as disregard entities		4,120,171,997		
L	:ii LLC's and partnerships treated as C Corps				
F	- Foreign entities and partnerships				

EXELON CORPORATION AND SUBSIDIARIES  
TAX LOSS ALLOCATION  
2005 Tax Return

2/22/2008  
3:10 PM  
Attachment II-A-26

	<u>Member of the Affiliated Group</u>	<u>Companies w/ Loss</u>	<u>Companies w/ Income</u>	<u>Income Ratio</u>	<u>Loss Allocation</u>
C	Exelon Corporation	-	476,507,035	21.10%	(6,827,535)
L	Exelon Investment Holdings	-	1,346,455	0.06%	(19,292)
		-	-	0.00%	
C	Commonwealth Edison Comcoany	-	617,645,359	27.35%	(8,849,807)
		-	-	0.00%	
C	Commonwealth Edison Company of Indiana, Inc.	(16,406)	-	0.00%	
	Edison Development Canada Inc.	-	966,649	0.04%	113,850)
		-	-	0.00%	
	PECO Enerav Comoanv	-	332,494,514	14.72%	
C	PECO Energy Capital Corp.	-	179,904	0.01%	(2,578)
C	ATNP Financ, e CG, npany	-	629,132,130	27.86%	(9,014,393)
C	Adwin Realty Company	-	1,522,137	0.07%	(21,810)
		-	-	0.00%	
	<b>Total Uff Consolidated</b>	-	-	<b>0.00%</b>	-
C	PECO Energy Power Company	-	1,107,442	0.05%	(15,668)
C	Susquehanna Power Company	-	13,166,045	0.58%	(188,647)
C	Susquehanna Elecelc Company	(4,191,059)	-	0.00%	
	TEG Holdings, LLC	(33,923)	-	0.00%	
C	Sithe International	(2,241,606)	-	0.00%	
L	Exelon PowerLabs, LLC	(4,583,643)	-	0.00%	
D	Exelon Peaker Development General, LLC	-	-	0.00%	
D	Exelon Peaker Development Limited, LLC	-	-	0.00%	
C	Exeton AOG Holdings #1 Inc.	(51,609)	-	0.00%	
C	Exelon AOG Holdings #2 Inc.	(1,761,541)	-	0.00%	
C	Exelon SHC, Inc.	(12,005,091)	-	0.00%	
	Nuclear, LP	-	90,337,481	4.00%	(1,294,382)
C	Texas Ohio Gas, Inc.	(35,838)	-	0.00%	
C	Exelon Energy (EnerGen)	-	2,449,614	0.11%	(35,099)
L	Exelon Generation Finance Company, LLC	-	65,007,404	2.88%	(931,446)
		-	-	0.00%	
C	Exelon Enterpdso Investments, Inc.	(169,211)	-	0.00%	
C	Exelon Thermal Holdings Inc.	-	1,208,198	0.05%	(17,311)
C	Exelon Thermal Development	-	6,626	0.00%	(95)
C	ETr Boseln	(11,063)	-	0.00%	
C	ETT North Amedca	-	81,920	0.00%	(1,174)
C	Exelon Services, Inc.	(1,018,716)	-	0.00%	
	ECPH, LLC	(2,306)	-	0.00%	
C	Old(o, VSI, Inc. (f/k/a VSI Group, inc.)	(1,045,283)	-	0.00%	
c	Il Services, Inc.(f/lda Infrsource Integrated Serv	(113,074)	-	0.00%	
		-	-	0.00%	
C	Fischbach & Moore, Incorporated	(52,446)	-	0.00%	
C	NEWCOSY, Inc. (f/k/a Syracuse Merit Electric, Ir	(230,252)	-	0.00%	
C	Fischback & Moore Electric, Inc.	14,793,388)	-	0.00%	-
		-	-	0.00%	
L	Unicom Resources, Inc. (URI, LLC)	-	25,061,345	1.11%	(359,086)
		-	-	0.00%	
	Grand Total	(32,356,455)	2,258,220,258	100.00%	(32,356,455)
	C Corps	-	-	-	-
	mPartnerships, LLC's, and Grantor Trusts treated as disregard entries	2,225,863,803	-	-	-
	LLC's and partnerships treated as C Corps	-	-	-	-
	Foreign enter es and partnerships	-	-	-	-

**EXELON CORPORATION AND SUBSIDIARIES  
TAX LOSS ALLOCATION  
2006 Tax Return**

Attachment li-A-26

	<u>Member of the Affiliated Group</u>	<u>Companies w/ Loss</u>	<u>Companies w/ Income</u>	<u>Income Ratio</u>	<u>Loss Allocation</u>
C	Exelon Corporahon		886,374,002	30.20%	(18,645,000)
L	-/- Exelon Investment Holdings		723,018	0.02%	(15,209)
				0.00%	
				0.00%	
D	Commonwealth Edison Company		762,793,617	25.99%	116,045,470)
	Total Commonwealth Edison Company		762,793,617	25.99%	(16,045,470)
	Commonwealth Edison Company of Indiana, Inc.		967,000	0.02%	
C	Total CornEd		763,450,617	0.02%	(13,820)
C	PECO Enen-y Company		470,798,534	16.04%	9,903,313)
C	PECO Energy Capital Corp.		190,895	0.01%	(4,016)
C	ATNP Finance Company		647,935,987	22.07%	(13,629,424)
C	Adwin Realty Company	1668,580)		0.00%	
	Total PECO	(688,580)	1,118,925,416	38.12%	(23,536,752)
	Total Exolon Genera-on Company			0.00%	
C	PECO Energy power Company		1,058,986	0.04%	(22,276)
C	Susquehanna P--Ner Company		17,732,848	0.60%	(373,913)
C	Susquehanna Electric Company	(648,824)		0.00%	
L	TEG Holdings, LLC	(29,034)		0.00%	
C	Sithe International	(3,587,873)		0.00%	
L	Exolon PowerLabs, LLC		32,421	0.00%	(682)
C	Exolon Peaker Development General, LLC			0.00%	
D	Exolon Peaker Development Limited, LLC			0.00%	
C	Exolon AOG Holdings #1 Inc.		19,871	0.00%	(418)
C	Exolon AOG Holdings #2 Inc.		1,528,275	0.05%	(32,147)
C	Exolon SHC, Ir-c	(43,291,920)		0.00%	
L	Nuclear, LP		28,152,412	9.96%	(592,190)
C	Texas Ohio Gas, Inc.		1,811	0.00%	(38)
C	Exelon Energy (EnerGen)		14,3--8,239	0.49%	(300,976)
L	Exolon Generation Finance Company, LLC			2.59%	
	Total Genco	(47,557,651)		4.73%	
	Exelon Enterprises Company, LLC	(9,227,929)		0.00%	
	F&M Holdings		481,427	0.02%	110,127)
	Total Exelon Enterprises Company	(9,227,929)	481,427	0.02%	(10,127)
C	Exelon Enterprises investments, Inc.		584,036	0.02%	(12,285)
C	Exolon Thermal Holdings loc.		36,604	0.00%	(770)
C				0.00%	
C				0.00%	
L		(162,993)	847,024	0.03%	(17,817)
				0.00%	
	Oldco, VSI, Inc. (f/kJa VSI Group, Inc.)		759,752	0.03%	(15,961)
	II Services, Inc. (f/kJa InTTasource Integrated Sen/ices, Inc.)		143,536	0.00%	(3,019)
	EIS Engineering, Inc.		217,707	0.01%	14,79)
	Total EIS Engineering		217,707	0.01%	(4,579)
C	Fischbach & Moore, Incorporated	(85,511)		0.00%	-
C	NEWCOSY, Inc. (f/kJa Syracuse Merit Electric, Inc.)			0.00%	(4,678)
C	Fischbach & Moore Electric, Inc.	(3,977,-14~1	222,400	9.00%0 01%	
	Total Enterprises BU	(13,497,325)	3,292,486	0.12%	(73,837)
L	~ ~J- Uni-rn Res ..... Inc.		23,589,0-5	0.80%	(496,200)
	Grand Total	f61,743,559)	2,935,257,955	100.00%	f61,743,5591
		(61,743,559)			
	C Corps	2,935,257,955			
	Partnerships, LLC's, and Grantor TrJsts treated as disregard entJ0es	2,873,514,396			
	LLC's and partnerships treated as C Corps				
	Foreign entities and partnerships				