

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PECO ENERGY COMPANY - ELECTRIC DIVISION**

DOCKET NO. R-2010-2161575

VOLUME XII

**Supplemental Data Responses
O&M Expenses**

- Q. SDR-OM-1 Please provide a budget variance or similar report providing a comparison of actual vs. budget revenues and expenses for the preceding three calendar years and current year-to-date. Include explanations of the variances in excess of 10% or over \$1 million, whichever is less. Update as additional monthly reports become available.
- A. SDR-OM-1 Refer to Attachment SDR-OM-1A for 2007 for a comparison of actual vs. budget operating and maintenance expense.
- Refer to Attachment SDR-OM-1B for 2008 for a comparison of actual vs. budget operating and maintenance expenses.
- Refer to Attachment SDR-OM-1C for 2009 for a comparison of actual vs. budget operating and maintenance expenses.

**ATTACHMENT
SDR-OM-1A**

PECO Energy Company
Electric Business
2007 Operating and Maintenance Actual Vs Budget
(In Thousands)

	<u>2007</u> <u>Actuals</u>	<u>2007</u> <u>Planned</u>	<u>2007</u> <u>Variance</u>	<u>2007</u> <u>%</u>
Bad Debt	\$ 59,751	\$ 49,831	\$ (9,920)	-19.9%
Base Payroll	84,893	85,823	929	1.1%
Contracting	141,128	130,350	(10,778)	-8.3%
Functional Contracting	97,434	90,206	(7,228)	-8.0%
Incentive	13,190	7,742	(5,448)	-70.4%
Materials	16,360	17,434	1,074	6.2%
Travel, Meals & Entertainment	2,662	2,735	74	2.7%
Overtime	14,537	12,919	(1,618)	-12.5%
Pensions & Benefits	33,016	44,273	11,258	25.4%
Separation	495	0	(495)	0.0%
Transportation	11,036	10,303	(733)	-7.1%
Other, Net	45,368	51,404	6,036	11.7%
Total	\$ 519,868	\$ 503,019	\$ (16,849)	-3.3%

Bad Debt

The variance of \$9.9M is primarily driven by higher than expected reserve requirements due to deterioration in aged accounts receivable.

Contracting

The variance of \$10.8M is primarily driven by higher than expected spending on pole preparations for third party pole attachments and other operating expenses.

Functional Contracting

The variance of \$7.2M is primarily driven by higher than expected allocated expenses associated with Deloitte and Touche services, IT support for business activities and other various services.

Incentive

The variance of \$5.4M is due to a higher than budgeted payout on the Annual Incentive Plan resulting from operating performance that exceeded targeted metrics.

Materials

The variance of \$1.1M is primarily driven by lower than expected materials for operational support.

Overtime

The variance of \$1.6M is primarily driven by higher than expected spending on storm activities.

Pension and Benefits

The variance of \$11.3M is primarily driven by lower pension and OPEB costs based on actuarial study.

Other

The variance of \$6.0M is primarily driven by lower than expected required reserves for Injuries and Damages and other expenses.

**ATTACHMENT
SDR-OM-1B**

PECO Energy Company
Electric Business
2008 Operating and Maintenance Actual Vs Budget
(In Thousands)

	2008 (1)	2008	2008	2008
	<u>Actual</u>	<u>Planned</u>	<u>Variance</u>	<u>%</u>
Bad Debt	\$ 136,539	\$ 45,461	\$ (91,077)	-200.3%
Base Payroll	93,108	103,445	10,336	10.0%
Contracting	144,894	146,258	1,364	0.9%
Functional Contracting	77,302	73,894	(3,408)	-4.6%
Incentive	11,554	9,809	(1,745)	-17.8%
Materials	17,582	19,775	2,192	11.1%
Travel, Meals & Entertainment	3,681	3,513	(167)	-4.8%
Overtime	16,600	14,295	(2,304)	-16.1%
Pensions & Benefits	37,122	36,878	(244)	-0.7%
Separation	673	2,560	1,887	73.7%
Transportation	11,405	11,995	590	4.9%
Other, Net	56,974	71,503	14,529	20.3%
Total	\$ 607,434	\$ 539,386	\$ (68,048)	-12.6%

(1) 2008 Actual includes \$17.7M of non-utility expense.

Bad Debt

The variance of \$91.1M is primarily driven by higher than expected reserve requirements due to an increase in high risk accounts and a change in recovery rate.

Base Payroll

The variance of \$10.3M is primarily driven by the timing of filling open budgeted positions and existing positions vacated throughout the year due to transfers, retirements and resignations.

Contracting

The variance of \$1.4M is primarily driven by lower than expected spending on Post 2010 requirements, snow removal and Vegetation Programs offset by higher than expected spending on storm activities.

Functional Contracting

The variance of \$3.4M is primarily driven by higher than expected IT support for business activities.

Incentive

The variance of \$1.7M is due to a higher than budgeted payout on the Annual Incentive Plan resulting from operating performance in excess of targeted metrics.

Materials

The variance of \$2.2M is primarily driven by lower than expected materials for operational support.

Overtime

The variance of \$2.3M is primarily driven by higher than expected spending on storm activities.

Separation

The variance of \$1.9M is primarily driven by lower than expected separation expenses.

Other

The variance of \$14.5M is primarily driven by lower than expected required reserves for injuries and damages, emergent regulatory activity and operational issues and lower other miscellaneous expenses.

**ATTACHMENT
SDR-OM-1C**

PECO Energy Company
Electric Business
2009 Operating and Maintenance Actual Vs Budget
(In Thousands)

	2009 ⁽¹⁾ <u>Actual</u>	2009 <u>Planned</u>	2009 <u>Variance</u>	2009 <u>%</u>
Bad Debt	\$ 54,629	\$ 80,200	\$ 25,571	31.9%
Base Payroll	101,557	108,342	6,786	6.3%
Contracting	147,237	155,339	8,102	5.2%
Functional Contracting	78,551	88,559	10,008	11.3%
Incentive	10,401	9,626	(775)	-8.1%
Materials	15,427	18,876	3,448	18.3%
Travel, Meals & Entertainment	2,768	3,708	940	25.4%
Overtime	14,528	15,868	1,341	8.4%
Pensions & Benefits	43,882	37,797	(6,085)	-16.1%
Separation	675	-	(675)	0.0%
Transportation	9,861	11,149	1,288	11.5%
Other, Net	48,321	55,890	7,568	13.5%
Total	\$ 527,838	\$ 585,354	\$ 57,517	9.8%

(1) 2009 Actual includes \$.8M of non-utility expense

Bad Debt

The variance of \$25.6M is primarily due to lower than expected reserve requirements due to the improved health of accounts receivable.

Base Payroll

The variance of \$6.8M is primarily driven by the timing of filling open budgeted positions and existing positions vacated throughout the year due to transfers, retirements and resignations.

Contracting

The variance of \$8.1M is primarily driven by lower than expected spending on Post 2010 requirements and termination activities.

Functional Contracting

The variance of \$10.0M is primarily driven by lower than expected allocated labor and stock compensation due to cost reduction efforts, lower than expected legal fees, IT application maintenance and other.

Materials

Variance of \$3.4M is primarily driven by lower than expected materials for operational support.

Travel, Meals and Entertainment

The variance of \$0.9M is driven by lower than expected storm activity requiring meals for the workforce.

Overtime

The variance of \$1.3M is primarily due to lower than expected storm activity and resulting overtime.

Pension and Benefits

The variance of \$6.1M is primarily driven by higher pension and OPEB costs based on actuarial study.

Transportation

Variance of \$1.3M is driven by fuel prices that were lower than budget.

Other, Net

The variance of \$7.6M is primarily driven by lower than expected reserves for Injuries and Damages including a one-time adjustment for a change in reserve methodology.

- Q. SDR-OM-2 Please provide a detailed breakdown of unadjusted operation and maintenance expenses for the historic and future test years either by natural expense codes, FERC accounts, or both as available. Explain any variances in excess of 10 percent or over \$1 million, whichever is less.
- A. SDR-OM-2 Refer to Attachment SDR-OM-2 for a comparison of 2009 actual vs. 2010 budgeted for total Electric operation and maintenance expenses.

**ATTACHMENT
SDR-OM-2**

PECO Energy Company
Electric Business O&M Dollars
2009 Actual vs 2010 Budget
(In Thousands)

	2009 ⁽²⁾	2010		%
	<u>Actuals</u>	<u>Planned</u>	<u>Variance</u>	<u>Change</u>
Base Payroll	\$ 101,557	\$ 108,471	\$ 6,914	6.8%
Contracting	147,237	156,813	9,576	6.5%
BSC Contracting	78,740	80,146	1,406	1.8%
Incentive	10,401	3,919	(6,482)	-62.3%
Materials	15,427	20,171	4,744	30.7%
Travel, Meals & Entertainm	2,768	4,140	1,372	49.6%
Overtime	14,528	16,567	2,039	14.0%
Separation	675	-	(675)	-100.0%
Transportation	9,861	10,916	1,055	10.7%
Other, Net	48,133	65,870	17,737	36.8%
Sub Total	\$ 429,327	\$ 467,013	\$ 37,686	8.8%
Bad Debt ⁽¹⁾	\$ 54,629	\$ 74,681	\$ 20,052	36.7%
Pensions & Benefits ⁽¹⁾	43,882	53,282	9,400	21.4%
Energy Efficiency ⁽³⁾	-	80,429	80,429	N/A
Smart Meter ⁽³⁾	-	11,700	11,700	N/A
Total	\$ 527,838	\$ 687,105	\$ 159,267	30.2%

(1) PECO's revenue requirements for bad debt are based on historical charge-offs and revenue requirements for pension is based on cash contributions

(2) 2009 Actuals include \$0.8M of non-utility expense.

(3) Recovery via Act 129 1307 surcharge mechanism

Base Payroll

The variance of \$6.9M is primarily driven by the 3.5% general wage increase for hourly employees on 1/1/2010 and 3% merit increase for management employees (See SDR-OM-29) of \$3.6M, increase in average budgeted positions of \$4.3M in Customer Operations, Energy Procurement and Regulatory, partially offset by a decrease in payroll premiums \$1.0M, due to the ratification bonus paid to union employees in 2010, but accrued in 2009.

Contracting

The variance of \$9.6M is primarily driven by \$5.8M due to increased billing and customer operations system readiness requirements relating to implementation of energy efficiency and smart meter programs, transition to competitive energy markets and changing distribution rates, smart grid contracting (primarily compliance related cost of \$1.5M) and increased storm contracting resulting from a normal storm year.

BSC Contracting

The variance of \$1.4M is primarily driven by inflation and IT projects supporting business initiatives, partially offset by cost containment initiatives.

Incentive

The variance of \$6.5M is due to a one time reduction in expected payments under the Annual Incentive Plan initiated as a result of the recent economic downturn.

Materials

The variance of \$4.7M is primarily driven by increased preventative maintenance programs, including distribution line clearance and spare transformer programs, of \$2.5M, material used for storm maintenance (See RLO-1 schedule D-15 that shows storm costs) of \$0.5M, increased corrective maintenance, including aerial and underground defect repairs, of \$0.5M, increased training costs of \$0.4M, and other repairs, tools, and new business of \$0.8M

Travel, Meals and Entertainment

The variance of \$1.4M is primarily driven by more normal budgeted storm activity (See RLO-1 schedule D-15 that shows storm costs for the past five years) requiring meals for the workforce compared to low storm activity in prior year.

Overtime

The variance of \$2.0M is primarily driven by more normal budgeted overtime including storm compared to low storm activity in prior year.

Transportation

The variance of \$1.1M is primarily driven by higher budgeted expenses for fuel and depreciation.

Other, Net

The variance of \$17.7M is primarily driven by higher expected reserve requirements for Injuries and Damages due to favorable claims settlements of \$2.4M and a one-time change in reserve methodology of \$2.5M, customer reimbursements, primarily due to higher than normal reimbursable projects of \$3.3M and a one time Elroy capacitor credit \$1.1M, property and equipment leases, primarily due to negotiated contracted rate increases, inflation and other expenses \$8.4M

Bad Debt

The variance of \$20.0M is primarily driven by higher year-over-year reserve requirements \$29M, partially offset by lower charge offs \$9M.

Pension and Benefits

The variance of \$9.4M is primarily driven by higher pension and other post employment benefits costs resulting from the updated actuarial study (See actuarial study provided in SDR-OM-21).

Energy Efficiency / Smart Meter

Amortization of regulatory asset associated with the Energy Efficiency and Smart Meter programs beginning in 2010. These costs have been removed from the revenue requirements model.

- Q. SDR-OM-3 Provide the future test year budgeted claim for expenses related to the Low Income Usage Reduction Program (LIURP) with supporting calculations of the budgeted claim.
- A. SDR-OM-3 The future test year claim for expenses related to the Low Income Usage Reduction Program (LIURP) is based upon the Company's budgeted amount, which is \$5,600,000. Refer to Attachment SDR-OM-3 for supporting calculations.

**ATTACHMENT
SDR-OM-3**

LIURP 2010

LIURP Electric Audit Calculations

	Heating			Total Electric			Baseload		
	Qty	Avg Cost	Total	Qty	Avg Cost	Total	Qty	Avg Cost	Total
January	96	\$2,745.68	\$263,585.28	560	\$357.61	\$200,261.60			
February	100	\$2,745.68	\$274,568.00	545	\$357.61	\$194,897.45			
March	113	\$2,745.68	\$310,261.84	545	\$357.61	\$194,897.45			
April	86	\$2,745.68	\$236,128.48	630	\$357.61	\$225,294.30			
May	101	\$2,745.68	\$277,313.68	475	\$357.61	\$169,864.75			
June	88	\$2,745.68	\$241,619.84	560	\$357.61	\$200,261.60			
July	113	\$2,745.68	\$310,261.84	630	\$357.61	\$225,294.30			
August	81	\$2,745.68	\$222,400.08	550	\$357.61	\$196,685.50			
September	113	\$2,745.68	\$310,261.84	630	\$357.61	\$225,294.30			
October	84	\$2,745.68	\$230,637.12	600	\$357.61	\$214,566.00			
November	87	\$2,745.68	\$238,874.16	500	\$357.61	\$178,805.00			
December	109	\$2,745.68	\$299,279.12	435	\$357.61	\$155,560.35			
	1,171		\$3,215,191.28	6,660		\$2,381,682.60			
									\$5,596,873.88
									\$3,126.12 Pilot set aside
									\$5,600,000.00

LIURP Annual Cost

Anticipated Administrative:	\$629,251.26	11%
Anticipated Conservation:	\$1,507,787.10	27%
Anticipated Weatherization:	\$3,462,961.64	62%

\$5,600,000.00

LIURP Anticipated Total Job Cost

	Total	Percentage	Subtotal
Anticipated Administrative:	\$2,745.68	0.11	302.02
Anticipated Conservation:	\$2,745.68	0.27	741.33
Anticipated Weatherization:	\$2,745.68	0.62	1,702.32

- Q. SDR-OM-4 Supply the following information regarding all expense claims in base rates related to the Customer Assistance Programs.
- a. Supply a detailed listing of all expenses claimed. Supply all supporting calculations and indicate in which FERC account the expense is included.
 - b. Provide the supporting calculations for any foregone revenues or customers billing deficiency being claimed in this proceeding.

Supply a schedule reporting the following on a monthly basis for the most recent Customer Assistance Program (CAP):

- (1) Number of customers in the CAP.
- (2) Amount of billing deficiency.
- (3) Amount of arrearage forgiveness (if applicable).
- (4) Accumulated prior arrearages brought into the program.

- A. SDR-OM-4
- a. Refer to Attachment SDR-OM-4A
 - b. (1) Refer to Attachment SDR-OM-4B(1)
(2) Refer to Attachment SDR-OM-4B(2)
(3) Refer to Attachment SDR-OM-4B(3)
(4) Refer to Attachment SDR-OM-4B(3)

All data provided are budget data for the future test year.

**ATTACHMENT
SDR-OM-4A**

Attachment SDR-OM-4A

CAP Program Expense

Electric Expense Description	FERC Account	January	February	March	April	May	June	July	August	September	October	November	December	2010 Budget
Payroll	9030000	\$ 8,678	\$ 9,179	\$ 10,407	\$ 10,562	\$ 9,589	\$ 8,920	\$ 9,017	\$ 8,016	\$ 9,222	\$ 9,844	\$ 8,692	\$ 6,868	\$ 108,973
Pension / Benefits	9260000	3,135	3,316	3,769	3,815	3,457	3,222	3,257	2,895	3,331	3,556	3,140	2,481	35,384
Bonus / Incentive	9030000	861	910	1,032	1,048	949	885	894	795	915	976	862	681	10,808
CAP Supervision / Management	9030000 / 9260000	12,673	13,405	15,199	15,424	13,975	13,026	13,168	11,706	13,467	14,376	12,694	10,029	159,145
Payroll	9030000	3,506	3,708	4,204	4,267	3,866	3,603	3,643	3,238	3,725	3,977	3,511	2,774	44,021
Pension / Benefits	9260000	1,266	1,339	1,519	1,541	1,396	1,302	1,316	1,170	1,346	1,436	1,268	1,002	15,902
Bonus / Incentive	9030000	348	368	417	423	383	357	361	321	369	394	348	275	4,366
CAP Primary Staff	9030000 / 9260000	5,120	5,415	6,140	6,231	5,645	5,262	5,320	4,729	5,440	5,808	5,128	4,052	64,289
Postage (CAP letter and application mailing)	9030000	6,407	5,861	8,733	8,733	8,733	8,733	8,733	8,733	8,733	8,733	8,733	8,733	99,597
Acquire (CAP applications)	9030000	-	-	2,715	-	-	2,715	-	-	2,715	-	-	2,715	10,856
Language Line (CAP Call Center Interpretation)	9030000	1,035	951	1,129	1,166	1,162	1,220	1,278	1,293	1,258	1,293	1,173	926	13,882
NCO (CAP Call Center)	9030000	126,234	111,257	135,892	151,990	151,075	165,544	166,752	167,036	151,225	168,146	156,900	154,194	1,806,235
Outside Contractors	9030000	127,269	112,209	139,736	153,155	152,236	169,478	168,030	168,329	155,196	169,438	158,073	157,825	1,830,975
Electric 2010 CAP Program Costs (O&M)	9030000 / 9260000	\$ 151,469	\$ 136,891	\$ 169,808	\$ 183,544	\$ 180,590	\$ 196,500	\$ 195,250	\$ 193,497	\$ 182,837	\$ 198,365	\$ 184,627	\$ 180,639	\$ 2,154,006

**ATTACHMENT
SDR-OM-4B(1)**

PECO Energy Company

**Attachment
SDR-OM-4B(1)**

**Electric - Customer Assistance Program (CAP) Customers at
the End of Each Month for 2010**

Year	Month	Electric CAP Customers
2010	1	132,628
2010	2	132,322
2010	3	132,221
2010	4	134,412
2010	5	135,773
2010	6	138,656
2010	7	138,152
2010	8	138,617
2010	9	138,803
2010	10	138,242
2010	11	138,169
2010	12	136,907

**ATTACHMENT
SDR-OM-4B(2)**

Electric - Customer Assistance Program (CAP) Billing deficiency for
2010 (Budget data)

Year	Month	CAP electric deficiency (\$)
2010	1	6,610,000
2010	2	5,895,000
2010	3	4,919,000
2010	4	4,945,000
2010	5	4,502,000
2010	6	6,133,000
2010	7	7,481,000
2010	8	6,736,000
2010	9	6,909,000
2010	10	4,889,000
2010	11	5,362,000
2010	12	6,489,000
2010	Total	70,870,000

**ATTACHMENT
SDR-OM-4B(3)**

Attachment SDR-OM-4 B(3)

Schedule of Arrearage Forgiveness for SDR-OM-04 B(3) & B(4)

	Jan 2010	Feb 2010	Mar 2010	Apr 2010	May 2010	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Total
PPA Forgiveness	386,695	1,528,683	1,700,359	1,662,583	1,477,012	1,329,237	1,473,448	1,546,778	1,355,387	1,215,018	1,153,041	1,115,047	15,943,289
PPA Throughput (new Set Aside)	1,217,633	1,094,318	1,614,781	2,336,013	2,395,518	1,907,353	1,601,585	1,349,378	1,958,394	1,641,369	1,363,977	1,069,690	19,550,009

Q. SDR-OM-5

Provide the following information regarding customer assistance participants.

- a. The average annual usage of CAP customers
- b. The average annual usage of budget-plus customers not selected as CAP customers.
- c. The average annual usage of non-payment troubled customers, both heating and non-heating customers.
- d. The projected revenue to be billed to CAP participants.

A. SDR-OM-5

- a. Refer to Attachment SDR-OM-5A for the average annual usage of CAP customers in 2009.
- b. The term "budget plus" is not applicable to PECO's CAP program. However, the actual average usage of PECO CAP customers on Payment Agreement to pay installments on in-program arrearages (arrearage that accrued after they were put on CAP) was 819 KWh per month in 2009.
- c. Average usage for CAP participants that are not on Payment Agreements was 650 KWh per month in 2009.
- d. Refer to Attachment SDR-OM-5B.

**ATTACHMENT
SDR-OM-5A**

PECO Energy Company - Electric Only

Year	Month	Electric CAP Usage	Electric CAP Customer Number	Usage per Customer (Kwh)
2009	1	115,885,919	126,644	915
2009	2	103,409,356	127,785	809
2009	3	89,723,439	128,812	697
2009	4	76,276,323	130,713	584
2009	5	69,913,605	131,293	533
2009	6	73,753,170	130,186	567
2009	7	90,827,696	129,885	699
2009	8	106,667,309	130,263	819
2009	9	99,071,393	130,891	757
2009	10	70,302,654	131,775	534
2009	11	75,687,083	130,791	579
2009	12	98,808,852	130,619	756
Total		1,070,326,799	1,559,657	686

**ATTACHMENT
SDR-OM-5B**

**Electric - Customer Assistance Program (CAP) Projected Billed
Monthly Revenue for 2010****Projected revenue to be billed to CAP participants:**

Year	Month	CAP electric revenue (\$)
2010	1	10,102,335.12
2010	2	8,925,502.60
2010	3	7,733,971.02
2010	4	6,454,858.75
2010	5	5,076,014.11
2010	6	7,590,915.32
2010	7	11,811,876.99
2010	8	11,484,883.76
2010	9	9,792,895.60
2010	10	6,184,214.44
2010	11	6,710,719.25
2010	12	9,902,700.87
2010		101,770,887.83

Q. SDR-OM-6 Supply the following information as it related to the most recent heating season (2008-2009) the information is as follows:

- a. Number of customers receiving LIHEAP grants.
- b. The total amount of all LIHEAP grants.
- c. Number of customers receiving crisis grants.
- d. The total amount of all crisis grants.

A. SDR-OM-6

- a. \$55,238
- b. \$27,859,889
- c. \$17,947
- d. \$11,156,844

- Q. SDR-OM-7 Please state whether the Company provides any type of allowances or incentive payments to builders or others for installing electric service or appliances. If yes, please provide complete details, including the amount of such payments or incentives in the historical and future test years and where such payments are included in the Company's claim.
- A. SDR-OM-7 There are no incentives given to builders for installing electric service or appliances. Revenue Credit is given for line extensions.

- Q. SDR-OM-8 Please provide an itemized breakdown of the Company's ASM costs by component, by program in each month of the historic and future test years.
- A. SDR-OM-8 Historically, PECO has not offered a demand response (DR) product targeting Ancillary Service Markets (ASM). It is unlikely that PECO will offer any ancillary DR products in the future.

- Q. SDR-OM-9 Has the Company included, in the future test year, any claims for advertising expenses related to direct cash grants and/or co-op advertising to builders or developers of residential housing that promotes electric usage over natural gas usage? If yes, provide the following:
- a. A breakdown of expenses claimed and the FERC accounts wherein the expense has been included.
 - b. The results of any cost/benefit analysis conducted by the Company relative to these programs.
 - c. Examples of the co-op advertising.
- A. SDR-OM-9 No.
- a. None. The Company has not incurred any of these costs.
 - b. See above.
 - c. See above.

- Q. SDR-OM-10 Has the Company claimed any expenses related to cash incentives or grants to ratepayers either for replacing existing heating equipment or converting? If yes, provide details on the programs and the amount of expense included in the future test year.
- A. SDR-OM-10 The Company has not claimed any expenses related to cash incentives or grants to ratepayers either for replacing or converting existing heating equipment.

- Q. SDR-OM-11 Please provide a breakdown of FERC Account 926, Employee Benefits by benefit program or plan for the preceding three calendar years and the amounts projected for the FTY.
- A. SDR-OM-11 Refer to Attachment SDR-OM-11 for the breakdown of FERC Account 926, Employee Benefits for Electric Distribution.

**ATTACHMENT
SDR-OM-11**

PECO Energy Company
Analysis of Employee Benefits
Years Ended December 31,
(Thousands of Dollars)

Line No.	Expense	2007	2008	2009	2010
<u>Account 926 - Employee Pensions and Benefits Expense</u>					
1	Medical*	\$ 7,175	\$ 7,653	\$ 8,566	\$ 8,862
2	Other Benefit Plan	293	163	333	481
3	401K	2,725	3,182	3,352	2,745
4	Disability Plan	108	130	131	150
5	Excess Benefits Savings Plan	21	30	30	29
6	Pension	1,052	1,932	5,553	10,327
7	Post Retirement Benefits	<u>16,423</u>	<u>16,880</u>	<u>19,236</u>	<u>22,624</u>
8	Total Account 926	<u>\$ 27,797</u>	<u>\$ 29,970</u>	<u>\$ 37,201</u>	<u>\$ 45,218</u>

*Medical is defined as Medical, Dental and Vision

- Q. SDR-OM-12 Please state whether the Company has included expenses related to SFAS No. 112 in its test year claim. If so, please provide complete details and include a copy of the actuarial study.
- A. SDR-OM-12 No expenses related to SFAS No. 112 are included in the Company's test year claim.

- Q. SDR-OM-13 Please state whether any portion of the Company's membership dues have been allocated "below the line". If so, please identify any such amounts for the FTY.
- A. SDR-OM-13 None of the Company's membership dues has been allocated "below the line".

Q. SDR-OM-14 Please provide the level of each of the following which is included in the Company's cost of service by separate type and/or payee, which are incurred directly by the Company or are allocated or billed to the Company by affiliates or its parent company.

- a. fines and penalties
- b. contributions and donations
- c. membership dues
- d. lobbying expense
- e. employee activity costs (e.g. picnics, parties, awards)
- f. investor relations expenses

A. SDR-OM-14

- a. None. These costs are not included in the Company's test year claim.
- b. None. These costs are not included in the Company's test year claim.
- c. Refer to Attachment SDR-OM-14A.
- d. None. These costs are not included in the Company's test year claim.
- e. Refer to Attachment SDR-OM-14B.
- f. \$252,688 is the budgeted allocation from Exelon Business Services Company to PECO for investor relations expenses.

**ATTACHMENT
SDR-OM-14A**

c. Membership Dues (Electric Distribution Only)

Industry Organization	2010 Budget
Edison Electric Institute	\$ 361,068
Electric Power Research Institute	205,224
Energy Association Of Philadelphia	173,674
BSC Allocated	127,789
Electrical Association Of Philadelphia	79,619
Select Greater Philadelphia	77,300
Greater Philadelphia Chamber of Commerce	72,394
Team PA Foundation	19,712
Economy League Of Greater Philadelphia	19,992
The Barnes Foundation	19,905
Pennsylvania Business Council	16,038
Natural Lands Trust	14,331
Chester County Economic Development Foundation	11,843
The Academy Of Natural Sciences	7,962
Pennsylvania Biotechnology	6,768
Delaware Valley Green Building	6,111
Eastern Technology Council	4,873
Pennsylvania Downtown Center	3,942
Delaware Valley Smart Growth	3,942
Urban Land Institute	3,998
Philadelphia Convention & Visitors Bureau	3,998
Pennsylvania Academy Of The Fine Arts	3,981
Montgomery County Industrial Development Corp	3,584
Delaware County Redevelopment Authority	3,384
BIO (National)	2,760
Mann Center	2,657
Uca Users Group	2,654
CoreNet Global	2,365
IAMC	2,365
Arts & Business Council of Philadelphia	1,195
Other	60,572
Total	<u>\$ 1,326,000</u>

**ATTACHMENT
SDR-OM-14B**

Employee Activity Costs (e.g. picnics, parties, awards) - Electric Distribution o

	2010 Budget
Employee Recognition Awards	\$44,645
Employee Service Awards:	
pins and small gifts for years of service	<u>37,252</u>
Employee Safety Awards:	
granted to groups that had reached milestones of certain number of years without any OSHA issues.	<u>0</u>
Employee Network Groups	
Employee Network Groups	23,190
Organization of Latinos at Exelon	11,595
Exelon African-American Members Association	15,460
Network of Exelon Women	11,595
PRIDE	3092
Toastmasters Club	4638
Explorer's Club	3865
Earth Day	3865
Asian American Community for Exelon Success	5797.5
Veterans	3865
	<u>86,963</u>
BSC Allocated Service Awards & Activities	<u>79,794</u>
TOTAL EMPLOYEE ACTIVITY COSTS	<u>\$248,654</u>

Q. SDR-OM-15 If applicable, please provide a copy of the billing and payment terms for all contracts between the Company and its parent or an affiliated company for services. Further, to the extent that the parent or affiliated company provides service to non-affiliated companies, please provide the corresponding billing and payment terms.

A. SDR-OM-15 Refer to Attachment SDR-OM-15, the PECO "Mutual Services Agreement and Asset Transfer Agreement Cost Allocation Manual."

In 2008, the Federal Energy Regulatory Commission (FERC) issued new pricing rules for affiliate transactions involving non-power goods and services. The provision of non-power goods and services, including any goods, equipment (including machinery), materials, supplies, appliances, or similar property (including oil, coal, steam, but not including electric energy, natural or manufactured gas, utility assets, intangible property, or tangible assets such as real property, buildings, and the like) will be subject to the following pricing:

- For services provided by PECO to another affiliate (except to another state-regulated utility), the pricing standard is the higher of Fully Distributed Cost or Fair Market Value.
- For services provided by another affiliate (except by another state-regulated utility or EBSC) to PECO, the pricing standard is the lower of Fully Distributed Cost or Fair Market Value.
- EBSC will charge Fully Distributed Cost to all affiliates.
- Services between PECO and ComEd will be priced at Fully Distributed Cost, except that if there is a Prevailing Price for the service, it may only be provided at Fully Distributed Cost if Fully Distributed Cost equals Prevailing Price.

Refer to the response II-D-8, for a discussion of pricing and amounts charged.

**ATTACHMENT
SDR-OM-15**

**PECO ENERGY COMPANY
MUTUAL SERVICES AGREEMENT AND ASSET
TRANSFER AGREEMENT
COST ALLOCATION MANUAL**

Policies and Guidelines
for
Associated Company Transactions
in Accordance
with
the Mutual Services and Asset Transfer Agreement

March 2009

TABLE OF CONTENTS

Introduction and Corporate Structure	I
Definitions	II
Transactions Involving the Provision of Services and Facilities	III
Sales of Tangible and Intangible Personal Property	IV
Sales of Real Property	V
Sales/Acquisitions of FERC Jurisdictional Facilities	VI
Work Orders	VII
Fully Distributed Cost Method	VIII
Cost Allocation Methods	IX
Accounting and Intercompany Billing	X
Budgeting	XI

SECTION I

INTRODUCTION AND CORPORATE STRUCTURE

A. SCOPE

This Mutual Services Agreement (“MSA”) and Asset Transfer Agreement Cost Allocation Manual (“Manual”) applies to transactions between PECO Energy Company (“PECO”) and the Exelon Entities (as defined in Section II).

In previous years, transactions between PECO and the Exelon Entities were governed by the PUHCA rules of the SEC. After PUHCA 1935 was repealed effective February 8, 2006, these transactions were subject to the MSA. The MSA rules generally require such transactions to be priced at cost.

In 2008, the Federal Energy Regulatory Commission (FERC) issued new pricing rules for affiliate transactions involving non-power goods and services. The provision of non-power goods and services, including any goods, equipment (including machinery), materials, supplies, appliances, or similar property (including oil, coal, steam, but not including electric energy, natural or manufactured gas, utility assets, intangible property, or tangible assets such as real property, buildings, and the like) will be subject to the following pricing:

- For services provided by PECO to another affiliate (except to another state-regulated utility), the pricing standard is the higher of Fully Distributed Cost or Fair Market Value.
- For services provided by another affiliate (except by another state-regulated utility or EBSC) to PECO, the pricing standard is the lower of Fully Distributed Cost or Fair Market Value.
- EBSC will charge Fully Distributed Cost to all affiliates.
- Services between PECO and ComEd will be priced at Fully Distributed Cost, except that if there is a Prevailing Price for the service, it may only be provided if Fully Distributed Cost equals Prevailing Price.

The overall objective of the Cost Allocation System is to establish cost allocation methodologies that apportion costs between PECO and the Exelon Entities so as to preclude cross-subsidization of the Exelon Entities by PECO customers. Cross-subsidization results under cost-based regulation when the prices of a regulated company’s regulated services improperly reflect the costs of associated activities.

In the event of a conflict between this Manual, the MSA and FERC, the order of priority shall be FERC, MSA, and this Manual.

Each PECO department is responsible for implementation within its organization of the policies and guidelines for associated company transactions set forth in the MSA and this Manual. All intercompany transactions shall be adequately documented. Continual monitoring and internal controls shall be maintained to assure that policy guidelines described in this Manual are observed and that potential or actual deviations are detected and corrected.

Please contact PECO's General Accounting Department and/or BSC's Legal Department to resolve any conflict between this Manual, FERC and the MSA rules.

SECTION II

DEFINITIONS

Set forth below is a definition of terms that are used throughout this Manual.

Acquiring Party: A Party who desires to acquire real property, interests in real property, tangible personal property or intangible assets from a Selling Party.

Client Company: A Party who desires to receive services or goods and has requested another Party to provide services and or goods in accordance with the terms of an Approved Services Agreement.

ComEd: Commonwealth Edison Company, PECO's affiliate.

EBSC: Exelon Business Services Company, LLC.

Exelon Entities: Exelon and all of its subsidiaries other than PECO are Exelon Entities.

Fair Market Value: The resultant price set by an arms-length transaction between a willing buyer and a willing seller, both of whom are adequately informed of the appropriate facts, and neither of whom is under any compulsion to buy or sell.

FERC: Federal Energy Regulatory Commission.

Fully Distributed Cost: Fully Distributed Cost includes the actual direct costs or allocated costs incurred by a Providing Company to provide a service or facility, plus indirect costs and other appropriate overheads. See Section IX, Fully Distributed Cost Method, for a detailed discussion as well as examples of fully distributed cost.

MSA: Mutual Services Agreement approved by the PaPUC under which PECO provides non-power services to Exelon Entities or receives non-power services from Exelon Entities other than EBSC.

PaPUC: The Pennsylvania Public Utility Commission.

Party: Party means each, and Parties means all, of the entities who are from time to time a party to the MSA.

Prevailing Price: In the case of services or facilities provided by ComEd to an Exelon Entity, Prevailing Price will only apply to services or facilities provided for sale to the general public. This includes electric service, service provided under an ICC approved pricing mechanism such as Rate CS, and Competitive Services provided to the general public. Prevailing Price is generally defined as the price that has been charged to the general public. When PECO provides a service or facility to ComEd, Prevailing Price is defined as the price charged to nonassociates if such transactions with nonassociates constitute a substantial portion of PECO's total revenues from such transactions.

Providing Company: A Party who has been requested to, and who is able and willing to, furnish facilities and/or provide services to a Requesting Company under the terms of the MSA.

PUHCA: The Public Utility Holding Company Act of 1935 (“PUHCA”) was enacted in 1935 to combat abuses commonly arising in utility holding companies in the early part of the 1900’s. PUHCA, enforced by the SEC, focused most specifically on the practices of the holding company extracting excessive charges from its regulated utilities for services and of unfairly allocating costs to different utilities in different states. The Energy Policy Act of 2005 repealed PUHCA 1935 effective February 8, 2006, and replaced it with PUHCA 2005.

SEC: Securities and Exchange Commission

Selling Party: A Party who is willing to sell and transfer real property, interests in real property, tangible personal property or intangible assets to an Acquiring Party.

Service Company: Any associate company within a holding company system organized specifically for the purpose of providing non-power goods or services or the sale of goods or construction work to any public utility in the same holding company system. The Service Company (EBSC) provides most administrative and general services to the subsidiaries of Exelon.

SECTION III

TRANSACTIONS INVOLVING THE PROVISION OF SERVICES AND FACILITIES

Transactions involving the provision of services and facilities between PECO and the Exelon Entities (other than services PECO receives from EBSC) will be governed by the following pricing rules:

- For services provided by PECO to another affiliate (except to another utility), the pricing standard is the higher of Fully Distributed Cost or Fair Market Value.
- For services provided by another affiliate (except by another utility or EBSC) to PECO, the pricing standard is the lower of Fully Distributed Cost or Fair Market Value.
- EBSC will charge Fully Distributed Cost to all affiliates.
- Services between PECO and ComEd will be priced at Fully Distributed Cost, except that if there is a Prevailing Price for the service, it may only be provided if Fully Distributed Cost equals Prevailing Price.

According to the MSA, the provision of services or facilities by PECO to an Exelon Entity, or by an Exelon Entity to PECO, shall be charged to the requesting Exelon Entity at an amount not to exceed the Fully Distributed Cost incurred by the providing Exelon Entity.

For transactions between PECO and ComEd, the Providing Company's Prevailing Price will be limited to not more than Fully Distributed Cost as a means to resolve pricing conflicts between ComEd's Affiliated Interests Agreement (AIA) and the MSA which governs PECO's intercompany transactions. Under the MSA, the pricing of transactions is limited to "no more than cost".

Supporting documentation used in the determination of Fair Market Value or Prevailing Price must be forwarded to PECO's General Accounting Department.

Notwithstanding the state rules, where the FERC rules are more protective of PECO and ComEd, those must be applied. Thus, the pricing rules summarized in the bullet points above take into account both state and FERC rules, and give priority to the more protective FERC rules.

SECTION IV

SALES OF TANGIBLE AND INTANGIBLE PERSONAL PROPERTY

A. GENERAL

The purpose of this section is to assign a monetary value (price), and record all tangible or intangible personal property sold and transferred between PECO and the Exelon Entities.

Parties should evidence their agreement with respect to the sale of tangible or intangible personal property by entering into an agreement or other written memorandum.

For tangible or intangible personal property sales between PECO and the Exelon Entities, the following requires a separate PaPUC approval:

- For tangible and intangible personal property purchases, sales, leases or exchanges between PECO and the Exelon Entities, a PaPUC approval is required pursuant to 66 Pa.C.S. § 2102. There are no exceptions to this requirement. In addition, if the transaction involves property that is "used or useful in the public service," an additional approval may be required pursuant to 66 Pa.C.S. § 1102. Since each transaction covered under this heading requires that a filing be made with the Commission to obtain § 2102 approval, Legal should be contacted to determine whether the Company should also request § 1102 approval for the transaction.

For sales of FERC jurisdictional facilities (*i.e.*, facilities used for the transmission of electric energy in interstate commerce or sales of electric energy at wholesale in interstate commerce), separate approval by the FERC may be required (notify BSC Legal for guidance).

B. VALUATION OF PROPERTY

The following general principles shall be used to establish a sale price for tangible or intangible personal property transactions.

Sales of tangible or intangible personal property shall be charged by the Selling Party to the Acquiring Party at:

- 1) The fair market value of tangible or intangible personal property to be sold as evidenced by the price at which nonassociated vendors offer the same or similar assets for sale by reference to quoted market prices or the value ascribed to the asset by an independent appraisal or other objective valuation technique.

Or, if no such fair market value is objectively or practicably determinable,

- 2) The historical cost of the asset to the Selling Party, less all applicable valuation reserves (e.g. accumulated depreciation).

The determination of fair market value must be adequately documented to ensure that a

proper audit trail exists.

Supporting documentation used in the determination of prevailing price must be forwarded to PECO's General Accounting Department.

C. SALE OF PROPERTY

- Contact the appropriate Engineering Department, Life Cycle Management Department or Procurement Department to obtain the procedure for the sale of tangible personal property.
- Contact PECO's General Accounting Department for all accounting transactions, for historical cost calculations, and to determine any impact the transfer has on ratemaking.
- Notify PECO's Tax Office for tax implications and to obtain the most favorable tax treatment for any property sale.
- Notify BSC's Legal Department to review the contract concerning the transfer.
- Contact the Secretary's Office for:
 - Approval of the sale by the Board of Directors (Board).
 - Release of property from any mortgage indenture.

Note: Board approval is required for sales of property over \$10 million; for sales of \$10 million and below, Board action is required only to obtain the mortgage release.

SECTION V

SALES OF REAL PROPERTY

A. GENERAL

The purpose of this section is to assign a monetary value (price), and record all real property sold and transferred between PECO and the Exelon Companies.

Parties should evidence their agreement with respect to the sale of real property by entering into an agreement or other written memorandum.

For real property purchases, sales, leases or exchanges between PECO and the Exelon Entities, a PaPUC approval is required pursuant to 66 Pa. C.S. § 2102. There are no exceptions to this requirement. In addition, if the transaction involves real property with an undepreciated book value of greater than \$50,000, a PUC approval is required pursuant to 66 Pa.C.S. § 1102.

Real property includes the following: land, buildings and other forms of real property.

B. VALUATION OF PROPERTY

The following general principles shall be used to establish a sale price for real property sales between PECO and the Exelon Entities.

Sales of real property shall be charged by the Selling Party to the Acquiring Party at:

- 1) The fair market value of the real property to be sold as evidenced by the price at which nonassociated vendors offer the same or similar assets for sale by reference to quoted market prices or the value ascribed to the asset by an independent appraisal or other objective valuation technique.

Or, if no such fair market value is objectively or practicably determinable,

- 2) The historical cost of the asset to the Selling Party, less all applicable valuation reserves.

The determination of fair market value must be adequately documented to ensure that a proper audit trail exists.

Supporting documentation used in the determination of prevailing price must be forwarded to PECO's General Accounting Department.

C. SALE OF PROPERTY

- Contact PECO's Real Estate Department to obtain the procedure and approval

for the sale of real property.

- Contact PECO's General Accounting Department for all accounting transactions, historical cost calculations, and to determine any impact the transfer has on current or future ratemaking proceedings.
- Notify PECO's Tax Office for tax implications and to obtain the most favorable tax treatment for any property sale.
- Notify BSC's Legal Department to review the contract concerning the transfer.
- Contact the Secretary's Office for:
 - Approval of the sale by the Board of Directors (Board).
 - Release of property from any mortgage indenture.

Note: Board approval is required for sales of property over \$10 million; for sales of \$10 million and below, Board action is required only to obtain the mortgage release.

SECTION VI

SALES/ACQUISITIONS OF FERC JURISDICTIONAL FACILITIES

Sales and/or acquisitions of “FERC jurisdictional facilities” generally require FERC approval (subject to thresholds). “FERC jurisdictional facilities” are the facilities used for the transmission of electric energy in interstate commerce, sales of electric energy at wholesale in interstate commerce (such as contracts), or existing generation facilities. FERC jurisdictional facilities do not include, for example, vehicles, computers, intangibles, land held for future use and obsolete or used inventory unconnected to the electric system. “Sales” and “acquisitions” include lease transactions. Employees must contact both BSC Legal, PECO Regulatory and the Director of PECO Accounting early in the consideration of any proposed sale/lease/acquisition of FERC jurisdictional facilities.

SECTION VII

WORK ORDERS

The Work Order Form is to be completed by a Providing Company when providing a service or facility to a Client Company. A Work Order Form must be completed for **all** services provided to Client Companies.

A separate form is not intended to be completed for each specific and separate instance where ongoing services or facilities are involved. It is intended to capture a blanket of services. For example, a Work Order Form would be prepared to provide fleet services for the time period that fleet services are provided. It would not be necessary to complete a Work Order Form for each separate vehicle. If a service or facility is provided for a finite period of time then that should be mentioned on the Work Order Form. If the service is to be provided for an undetermined time period, then the Work Order Form is valid until such time that a cancellation is requested. PECO reviews and updates all Affiliate Level Arrangements and Work Orders on an annual basis.

If at a later date there is a need to expand the scope of services related to an existing Work Order, you may prepare a Work Order Form and indicate on the form that an existing Work Order Form is being revised. Merely indicate the additional services and refer to the existing Work Order number.

Work Order Requirements

1. Each company within the holding company system must have a current Service Agreement signed by a management representative with responsibility for the service received or provided. The same employee cannot sign on behalf of both parties.
2. The Service Agreement should describe the scope of services, billing procedures and allocation methods.
3. Services should be directly charged to one benefiting company whenever possible. When more than one company benefits from a service provided, cost causative allocations must be used to distribute costs in a fair and equitable method.
4. Specific services to be provided must be evidenced by signed work orders and Affiliate Level Arrangements (ALAs) or Service Level Arrangements (SLAs). Work Orders provide the key to where the services are recorded on both the Providing Company's and the Client Company's books. Work orders, ALAs and SLAs should include the following data.
 - Work order control number (Determined by the Providing Company)
 - Purchase Order Number of Client Company, if applicable
 - Name or title of Work Order
 - Description of work to be performed
 - Start and completion date
 - Other Client Companies benefiting from the service (for purposes of allocations)
 - Allocation factors (if applicable)
 - Providing Company's code block data to capture costs of work order
 - Client Company's code block data for billing purposes (including FERC account if for a FERC jurisdictional utility)

- Budgeted / expected cost to be charged to Client Company
 - Authorization signatures and dates
5. Changes to work orders must be documented.
 6. The Providing Company must maintain a control log of all authorized work orders.

For services provided by PECO, Work Order numbers will be issued by PECO's General Accounting Department. Therefore, when preparing a Work Order Form, please contact PECO's General Accounting Department.

A copy of the completed, approved Work Order Form must be sent to PECO's General Accounting Department.

Originals of the completed, approved form including any supporting documentation should be kept by the Providing Department. A copy of the Work Order Form should be maintained by the Requesting Department.

Work Order

[
 WO # _____
 ALA Reference No. _____
 Current Date _____
 Effective Period _____

1. Providing Company: _____
 2. Providing Department: _____
 3. Client Company or Companies: _____
 4. Client Department: _____
 5. Project Type (circle one): New Work Order Revised Work Order
 6. Work Order Title: _____
 7. Allocation Method: _____

8. **Providing** Companies Reclassification Code Block:

Business			Sub		Customer Operating Charging				
<u>Unit</u>	<u>Dept</u>	<u>Account</u>	<u>Account</u>	<u>Project</u>	<u>Product</u>	<u>Segment</u>	<u>Unit</u>	<u>Dept</u>	<u>Affiliate</u>
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

9. **Receiving** Companies Distribution Code Block:

Business			Sub		Customer Operating Charging				
<u>Unit</u>	<u>Dept</u>	<u>Account</u>	<u>Account</u>	<u>Project</u>	<u>Product</u>	<u>Segment</u>	<u>Unit</u>	<u>Dept</u>	<u>Affiliate</u>
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

10. In the space below, describe the services/facilities which will be charged to this Project.
 Include budgeted/expected cost to be charged to Client Company.

(attach additional sheets if necessary)

11. Approvals

Requesting Co. Mgr: _____
 (Signature)

 (Print Name)

 (Date)

Approvals

Providing Co. Mgr: _____
 (Signature)

 (Print Name)

 (Date)

Requesting Co. Contact: _____ Primary
 _____ Secondary

Providing Co. Contact: _____ Primary
 _____ Secondary

Contact's phone number: _____ Primary
 _____ Secondary

Contact's phone number: _____ Primary
 _____ Secondary

Accounting Contact: _____
 _____ (phone #)

Accounting Contact: _____
 _____ (phone #)

INSTRUCTIONS FOR COMPLETING PECO WORK ORDER FORM

Work order number The work order number is an eight digit code consisting of the ALA reference number (4 digits) and a 4 digit identifier provided by the PECO General Accounting Department. For example: CP01-0088.

ALA Reference Number The ALA reference number is derived as follows: the first digit is the providing company code, the second digit is the receiving company code and the final 2 digits are numeric indicating the number of the ALA between the 2 entities. For example: CP01 where the provider is CED the receiving Company is PED and this is the first ALA between the two entities. ALA reference numbers are 4 digit identifier provided by the CED – Financial Reporting Department. The Company Codes are:

- C = CED P = PED
- E = Enterprises
- G = Genco B = BSG
- X = Corp. Center

Effective Period The time period which the Work Order is in effect.

1. & 3. Providing/Receiving Select companies providing/requesting services.

2. Providing Department Identify the department responsible for providing the work to be done.

4. Client Department Identify the department requiring the work to be done.

5. Work Order Type One of the two types of Work Orders should be marked. A "New" or a "Revised" Work Order may be selected.

6. Work Request Title Choose an abbreviated title to define the work to be provided.

7. Allocation Method If the Work Order is for work that will benefit more than one department, indicate the basis of allocation.

Refer to Section IX of the Affiliated Interests Agreement, Cost Allocation Methods, for more information on allocation methods.

7. Providing Company Providing companies reclassification code block to remove
– the charges from their O&Ms to be billed to an affiliate.
Reclass (Debit of reclass JE.)
9. Receiving Company Code block that the receiving company will charge to record
Distribution the cost of monthly ALA services received.
10. Description of Services Brief description of service or facility provided including
budgeted or expected costs to be charged to Client
Company.
11. Approvals Both the Receiving Company and the Providing Company
must indicate their approval by indicating the name and
providing a signature by the appropriate Department Head
or Manager. Responsible contacts should be identified by
complete name and their phone number.

SECTION VIII

FULLY DISTRIBUTED COST METHOD

A. OVERVIEW

Under the fully distributed cost methodology, direct costs incurred by one Party for the provision of services to another Party are increased for indirect costs and other appropriate overheads. The objective is to assign direct costs along with the appropriate indirect costs and overheads to the benefiting Exelon Entity or Entities to prevent cross-subsidization of associates by PECO customers.

B. COMPONENTS OF FULLY DISTRIBUTED COST

Fully distributed cost is the direct costs or allocated costs (cost pools allocated to a Exelon Entity based on a cost causative measure), adjustments to direct labor costs, indirect costs and other appropriate overheads incurred by a Party to provide a service or facility to another Party.

1) **Direct Costs and Allocated Costs**

Direct costs consist of direct labor, direct materials and purchased services, and the direct costs of facilities, equipment, machinery, furniture and fixtures. Allocated costs are incurred for the provision of services or facilities which are not directly assignable to a specific Exelon Entity or Entities but jointly benefit more than one Party. Costs to be allocated shall be accumulated in cost pools and allocated between the appropriate Parties based on an appropriate cost causative measure that ensures an equitable allocation.

2) **Direct Labor Adjustments, Indirect Costs and Other Overheads**

Elements of and the current rate for PECO's Loading Factors are presented below.

Administrative and General Loading Factor 49.6 %

- Administrative and General Salaries (FERC Acct 920)
- Office Supplies (FERC Acct 921)
- Outside Services Employed (FERC Acct 923)
- Property Insurance (FERC Acct 924)
- Injuries and Damages (FERC Acct 925)
- Regulatory Commission Expenses (FERC Acct 928)
- Advertising Expenses (FERC Acct 930)
- Rents and Plant Maintenance (FERC Acct 931 and 935)

Studies to update PECO's Direct Labor Adjustment Rates and the Loading Factors will be performed by PECO's General Accounting Department annually during the second quarter and will be based on actual financial data of the prior calendar year.

The new Direct Labor Adjustment Rates and the Loading Factors will go into effect July 1st of each year.

C. FULLY DISTRIBUTED COST CALCULATION

Different adjustments are applied to direct labor charges depending on which PECO employees are charging payroll to the Exelon Entities and how their time is captured. See example calculations below.

Please note that this Section currently covers only PECO's loading factors for use in its fully distributed cost calculation. If an Exelon Entity provides a service to PECO at its fully distributed cost, then the Exelon Entity would need to calculate its own loading factors.

EXAMPLE CALCULATIONS OF FULLY DISTRIBUTED COST FOR PECO
2008 RATES

LABOR

	<u>Payroll Costs</u>
<u>Direct Charges</u>	
Direct PECO Payroll Charge	\$ 100.00
Total Direct Labor Charges	<u>\$ 100.00</u>
<u>Indirect Charges</u>	
1.) Adjust for Fringe, Pension, AIP and Payroll Taxes 79.97%	79.97
2.) Adjust for A&G Loading Rate 49.60%	49.60
3.) Indirect Charges (if appropriate)	<u>0.00</u>
Adjusted Direct Labor Charges	<u>\$ 229.57</u>

The Fringe, Pension AIP and Payroll Taxes rates applied in this example were in effect as of 1/31/2009. These rates are updated each month based on a communication sent out by PECO General Accounting.

SECTION IX

COST ALLOCATION METHODS

Whenever possible, costs of services or facilities specifically attributable to a Party should be charged directly to such Party. These services shall be charged directly using the appropriate pricing basis. See Section III, Transactions Involving the Provision of Services and Facilities for more information. When a transaction pertains to one Client Company and the transaction is charged to such Client Company, no further allocation is necessary. For each separately identifiable good or service, a determination needs to be made of those costs that can be directly charged to that particular good or service.

For costs incurred for transactions involving the provision of services which are not directly assignable to a specific Client Company and which have joint benefit to more than one Party, an allocation method must be used to distribute the costs to the benefiting companies. Cost pools will be allocated to the Client Companies based on the respective cost causative measures.

Each Providing Company will have the primary responsibility for ensuring that the allocation factors are proper, accurate and kept up to date.

To the greatest extent possible, the allocation factors will be based on cost drivers specifically applicable to the service provided. PECO Accounting will be advised / consulted regarding allocations factors utilized in associate transactions.

PECO Accounting will be responsible for evaluating new allocation methodologies and determining if any approval is required. PECO Accounting will coordinate approval efforts, if necessary, with the Legal Department.

SECTION X

ACCOUNTING AND INTERCOMPANY BILLING

A. Overview

For PECO and the Exelon Entities, code block must be used to record the accounting distribution for intercompany transactions. The specific accounting varies according to which Exelon Entity is involved in the transaction with PECO and whether the service, facility or goods are being charged at Fully Distributed Cost or market price.

B. Services/Facilities charged at FULLY DISTRIBUTED COST

When the provision of a service is directly assignable to a Client Company and is charged at Fully Distributed Cost, the Providing Company shall charge the related direct and indirect costs to a unique code block combination. The code block combination should be stated on each work order supplied as part of the ALA process.

If costs cannot be directly charged but must be allocated based on a cost causative measure (see Section IX, Cost Allocation Methods), contact PECO's General Accounting Department and Service Company Accounting to determine an appropriate code block combination to 'pool' such costs for allocation to the benefiting companies. [Is this consistent with PECO's practice?]

C. Services/Facilities charged at MARKET PRICE

When a service is provided to a Client Company at the Providing Company's market price rather than its Fully Distributed Cost, the Providing Company must record both its expenses associated with the provision of service and the related intercompany revenues. The Client Company will record the intercompany expenses.

D. Accounting for direct labor costs

Positive time reporting methodology should be utilized. Under a positive time reporting methodology, an employee shall report in each pay period the number of hours in providing separately identifiable goods and services to Client Companies.

PECO employees prepare Weekly Time Reports to report the hours spent providing a service to a particular Party to an appropriate code block combination. These Weekly Time Reports are signed by both the employee and an appropriate supervisor who can attest that the time reported is accounted for accurately. All hours billed must be supported by timesheets.

When billing direct labor costs the fully distributed cost methodology should be utilized. Under the fully distributed cost methodology, direct costs incurred by one Party for the provision of

services to another Party are increased for indirect costs and other appropriate overheads. The objective is to assign direct costs along with the appropriate indirect costs and overheads to the benefiting Exelon Entity or Entities to prevent cross-subsidization of associates by PECO customers.

Fully distributed cost are the actual labor costs plus the addition of applicable overheads (Fringes, AIP, Pension, Payroll Tax and A&G factor). All applicable overhead rates are distributed monthly prior to the start of the accounting close. The Fringe, AIP, Pension and Payroll Tax rates are established at the beginning of the year based on budgeted costs, there are adjustments on a monthly basis to the secondary rates of the respective allocation rates. The A&G rate is updated yearly based on actual financial data of the prior calendar year. The rate is updated in June by the General Accounting Department as part of PECO's development of its billing rates.

E. ACCOUNTING ON PAYMENT DOCUMENTS, MATERIAL REQUISITION, JOURNAL ENTRIES, ETC.

Costs incurred for services provided to an Exelon Entity, which are paid by means of a PECO Payment Request should be charged to such Exelon Entity by entering the appropriate code block combination on the accounting distribution line. Enter the appropriate code block combination in the Journal Entry System, the Passport System, Transportation System and any other system used for transactional reporting.

When using a journal entry to correct for any historical payroll charges to a Client Company, use the appropriate sub accounts. This is necessary so that the correct labor adjustments, indirects and overheads are added.

F. INTERCOMPANY BILLINGS AND PAYMENTS

1) Billings

- Tariffed services provided by PECO to an Exelon Entity will be billed to the Exelon Entity in the same manner as all other customers of the tariffed service (e.g. Exelon Generation will be sent a PECO electric bill for electric service).
- All other services or facilities which are provided by PECO to Exelon Entities, whether charged at market price or at fully distributed cost, will be invoiced and billed by PECO's functional area. PECO will separately invoice each of the Exelon Entities on a monthly basis for the services and facilities provided to the respective Exelon Entity during such month. Each invoice will include descriptions of the charges by reference to the Work Orders, if applicable, as well as total indirects calculated on all direct costs billed during the month. Upon request, an explanation and/or documentation will be provided to justify

charges.

- Services or facilities which are provided by the Exelon Entities to PECO, whether charged at market price or at fully distributed cost, will be invoiced and billed by each respective Exelon Entity. PECO will be invoiced from each of the Exelon Entities on a monthly basis for the services and facilities provided by the Exelon Entities during such month. Each invoice will include descriptions of the charges by reference to the Work Orders and total indirects, if applicable, calculated on all direct costs billed during the month. Upon request, an explanation and/or documentation will be provided to justify charges.
- PECO's Real Estate Department will be responsible for collecting the payment from the Exelon Entity for the sale of real property, which is due at the closing of the sale and transfer of the property. Real Estate must communicate the accounting information related to the property sale to PECO's General Accounting Department.

2) **Payments**

With the exception of real property and intangible asset sales, payments from Exelon Entities should be made in accordance with Exelon's Intercompany Cash Settlement Policy.

G. INTERNAL CONTROL RESPONSIBILITIES AND RECORD RETENTION

Each PECO department that enters into an associated company transaction subject to the MSA shall have primary responsibility for assuring that the policies and guidelines detailed in the MSA and this Manual are appropriately implemented and maintained.

Also, each PECO department shall establish unique code block elements in the general ledger system, which shall be used to record, associated company transactions.

PECO's General Accounting Department shall have responsibility, in addition to those responsibilities indicated elsewhere herein, for overall monitoring of procedures and controls associated with associated company transactions. In this role, an accountant will monitor Work Order Forms, transactions, billings, allocation methodologies, etc. to assure compliance with the MSA and this Manual or any other applicable manuals, and that actions will be taken to correct deficiencies as they are identified. Reviews will be performed of operating results to assure they properly reflect associated company transactions that occurred during the period reviewed based on known activity as obtained from completed Work Order Forms and other sources. PECO's General Accounting Department shall direct any participant to implement and/or revise any procedure as required to assure associated company transactions are carried out in accordance with the provisions and intent of the MSA and this Manual or any other applicable manuals.

Internal Audit will also perform periodic compliance reviews of the associated company

transaction processes to further provide assurance regarding the actual operating effectiveness of the policies and guidelines as outlined in the MSA and this Manual or any other applicable manuals.

Supporting documentation for intercompany transactions will be retained per the record retention schedule.

SECTION XI

BUDGETING

The goal of the budget cycle is to develop a corporate budget for the entire Exelon organization that accurately reflects the activities performed and the resources necessary to accomplish those activities. A great deal of interactive communication needs to occur not only among the various departments within a company but also between the companies. Two-way communication should be ongoing throughout the budget cycle.

This section provides budget guidelines only with respect to transactions between PECO and the Exelon Entities.

PECO and the Exelon Entities shall be responsible for preparing their own budgets for revenues, capital and operating expenditures and employee headcount. Providing Companies are also responsible for renewing or revising Affiliate Level Arrangements and Work Orders for the upcoming budget period that will provide the basis for preparing annual budgets. These Affiliate Level Arrangements and Work Orders will provide details of the direct costs of services to be provided to Client Companies.

S

Budgeting for the costs of facilities and services provided by PECO to an Exelon Entity will depend on whether the Exelon Entity will be charged PECO's fully distributed cost or PECO's market price for such facility or service.

If PECO is providing a service at its fully distributed cost, then such costs will be the budget responsibility of the Exelon Entity receiving the service. The PECO department providing the service will still be responsible for preparing or revising Affiliate Level Arrangements and Work Orders.

If PECO is providing a service at its market price, then the PECO Business Unit must budget for both the revenues and expenses (including any applicable overheads charged on PECO's books) associated with the provision of the services. The PECO department providing the service will be accountable for the profit or loss on the service they provide and the Exelon Entity will have budget responsibility for the market price of the service provided.

Q. SDR-OM-16 Please provide the annual level of outside services employees for the preceding three calendar years. Include in your response a breakdown of the test year amount indicating the service provider and the type of service performed.

A. SDR-OM-16 2007 - \$68,070,333
2008 - \$53,269,235
2009 - \$56,000,445
2010 - \$56,185,000

PECO does not budget by FERC account. Refer to Exhibit RLO-1 for further detail pertaining to the 2010 budget by FERC account.

Refer to Attachment SDR-OM-16 for the breakdown of the 2009 information by service provider and type of service. The breakdown of the 2010 budgeted data by service provider and type of service is not expected to differ significantly from the 2009 breakdown.

**ATTACHMENT
SDR-OM-16**

**PECO ENERGY COMPANY
OUTSIDE SERVICES (FERC 923)
AS OF DECEMBER 31, 2009
PRESENTATION BASIS - ELECTRIC Distribution ONLY**

Functional Area	Vendor (1)	Service	TOTAL (\$)
Communications - PECO	Exelon Business Services Passthrough Charges (3)	Various	25,934
	BURRELLESLUCE	Contracting, Services	53,850
	CRITICAL MENTION	Contracting, Services	8,058
	RECTOR COMMUNICATIONS INC.	Contracting, Services	40,472
Energy Acquisition - PECO	Exelon Business Services Passthrough Charges (3)	Various	74,030
	ACCENTURE, LLP	Contracting, Professional	6,278
	LEADERSHIP CONSULTING	Contracting, Professional	11,036
	VENTYX ENERGY INC.	Contracting, Professional	942
	PAUL RESTALL COMPANY, INC	Contracting, Other	1,420
	THE RICHARDSON GROUP	Contracting, Professional	3,685
PECO - Security	Exelon Business Services Passthrough Charges (3)	Various	894
Retail Rates	Other	Contracting, Services	939
	LKH&S	Contracting, Professional	50,366
Regulatory Affairs	Exelon Business Services Passthrough Charges (3)	Various	(46,911)
	Other	Various	850
	100 SPEARS LLC DBA EWORK	Contracting, Professional	152,326
	DATARAKER, INC.	Contracting, Services	61,764
	ERICKSON, C. & SONS, INC.	Contracting, Other	2,319
	LITIGATION RISK MANAGEMENT INSTITUTE	Legal	32,681
	THE NORTHBRIDGE GROUP	Contracting, Professional	48,963
	VSI METER SERVICES INC.	Contracting, Other	62,451
	WATSON WYATT & COMPANY	Contracting, Professional	10,290
	BSC Allocated	Exelon Business Services Passthrough Charges (3)	Various
BSC Embedded (2)	Exelon Business Services Passthrough Charges (3)	Various	(115,565)
	Other	Various	1,584
	100 SPEARS LLC DBA EWORK	Contracting, Professional	442,130
	APPLIED DISCOVERY, INC.	Legal	2,986
	BALLARD SPAHR ANDREWS &	Legal	77,983
	BLANK ROME COMISKY & MCCAULEY	Legal	2,810
	BLANK ROME LLP	Legal	25,327
	DAWN GETTY SUTPHIN	Legal	2,449
	ERNST & YOUNG	Legal	4,590
	FOLEY & LARDNER	Legal	1,870
	GALLOP PRINTING	Contracting, Services	4,935
	ITRON, INC.	Contracting, Professional	2,414
	JONES, DAY, REAVIS & POGUE	Legal	8,846
	KIRKPATRICK & LOCKHART LLP	Legal	6,581
	KIRKPATRICK & LOCKHART PRESTON	Legal	24,759
	KPMG LLP	Contracting, Services	213,256
	LAW FIRM OF RUSSELL R. JOHNSON	Legal	27,121
	MAYER BROWN LLP	Legal	795,942
	MORGAN LEWIS & BOCKIUS	Legal	6,438
	MORGAN, LEWIS & BOCKIUS	Legal	366,801
	OLIVER WYMAN, INC.	Contracting, Services	50,673
	PACHTER & ASSOCIATES	Contracting, Other	3,479
	PAUL RESTALL COMPANY, INC Total	Contracting, Services	5,524
	PEOPLEFLEX	Contracting, Professional	41,354
	PEPPER HAMILTON LLP	Legal	20,467
	PILLSBURY WINTHROP SHAW PITTMA	Legal	58,281
	RADISSON-VALLEY FORGE HOTEL	Contracting, Services	35,021
	REED SMITH, LLP	Legal	86,416
	REGER RIZZO KAVULICH & DARNALL	Legal	22,625
	RESOURCES GLOBAL PROFESSIONALS	Staff Augmentation	17,288
	RHR INTERNATIONAL CO.	Contracting, Services	2,345
	ROBERTS & RYAN	Contracting, Professional	15,423

	SALMON, RICCHEZZA, LLP	Legal	78,046
	SKADDEN ARPS SLATE MEAGHER	Legal	6,026
	THE FELICITY GROUP, LIMITED	Contracting, Services	77,740
	VANNES FELDMAN	Legal	64,499
	VANTAGE LEADERSHIP CONSULTING, LLC	Contracting, Services	2,197
	WILBRAHAM, LAWLER & BUBA	Legal	8,368
BSC Transactional (2)	Exelon Business Services Passthrough Charges (3)	Various	11,015,058
Claims	Exelon Business Services Passthrough Charges (3)	Various	(19,187)
	BEST LEGAL SERVICES	Contracting, Other	1,642
	Other	Contracting, Other	98
Corporate Relations	Exelon Business Services Passthrough Charges (3)	Various	186,495
	A & R PROMOTIONAL PRODUCTS	Contracting, Services	6,198
	Other	Contracting, Services	3,938
	HERBERT SCOTT'S CATERING	Contracting, Services	11,866
	MARTIN REGUSTERS	Contracting, Services	2,233
	MEDIA MATRIX	Contracting, Services	5,799
	MICROEDGE, INC.	Contracting, Services	28,134
	NATURAL LANDS TRUST	Contracting, Services	6,184
	PAUL RESTALL COMPANY, INC	Contracting, Services	2,679
	THE NONPROFIT CENTER	Contracting, Services	15,459
	URBAN PHILLY.COM, LLC	Contracting, Services	4,241
Customer Operations - PECO	Exelon Business Services Passthrough Charges (3)	Contracting, Professional	(1,536)
Distribution System Opert-PECO	Exelon Business Services Passthrough Charges (3)	Contracting, Services	200
Electric Construction & Maintenance	Exelon Business Services Passthrough Charges (3)	Various	14,598
Energy & Marketing Services	Exelon Business Services Passthrough Charges (3)	Contracting, Services	213
Gen Company Activities-PECO	Exelon Business Services Passthrough Charges (3)	Various	393,063
	BALLARD SPAHR ANDREWS &	Legal	21,281
Governmental & External Affairs	Exelon Business Services Passthrough Charges (3)	Various	13,618
	100 SPEARS LLC DBA EWORK	Staff Augmentation	20,876
	CHESTER COUNTY	Contracting, Services	1,928
	Other	Contracting, Services	2,399
	RECTOR COMMUNICATIONS INC.	Contracting, Services	2,093
	TRC HOLDING	Contracting, Services	17,601
PECO President	Exelon Business Services Passthrough Charges (3)	Various	655,500
	100 SPEARS LLC DBA EWORK	Contracting, Professional	66,922
	DIVERSIFIED SEARCH, LLC	Contracting, Professional	81,254
	MARY HELEN MADDEN	Contracting, Professional	1,195
	METROSPECTIVE COMMUNICATIONS	Contracting, Professional	11,981
	OLIVER WYMAN, INC.	Contracting, Professional	557,289
	PAUL RESTALL COMPANY, INC	Contracting, Other	1,420
	RHR INTERNATIONAL CO.	Contracting, Professional	7,994
	RHR INTERNATIONAL COMPANY	Contracting, Professional	9,634
	THE FELICITY GROUP, LIMITED	Contracting, Professional	84,751
	TIERNEY COMMUNICATIONS	Contracting, Professional	3,935
	Other	Contracting, Other	331
Smart Meter / Smart Grid	Other	Contracting, Services	473
Support Services	Exelon Business Services Passthrough Charges (3)	Various	(9,233)
	Other	Contracting, Other	961
	NSF-ISR, LTD.	Contracting, Services	9,356
	PAUL RESTALL COMPANY, INC	Contracting, Other	7,091
	RHR INTERNATIONAL CO.	Contracting, Services	1,121
	VANTAGE LEADERSHIP CONSULTING, LLC	Contracting, Services	2,490
SVP - Regulatory & External Affairs	Exelon Business Services Passthrough Charges (3)	Various	7,884
	THOMAS DONALDSON CONSULTING	Contracting, Professional	5,398
	TIERNEY COMMUNICATIONS	Contracting, Services	35,904
Technical Services - PECO	Exelon Business Services Passthrough Charges (3)	Various	(15,787)
Grand Total			56,000,445

(1) Note: Non-affiliate vendor charges of \$1,000 or less are grouped and reported as "Other."

(2) See Response to III-A-22 for detail.

(3) Exelon Business Services Passthrough Charges are direct charges that were paid by BSC on behalf of PECO.

- Q. SDR-OM-17 Please describe each budgeted or planned cost savings program to be implemented during the present and subsequent year. Please identify the cost of implementing the program and the anticipated annual savings.
- A. SDR-OM-17 Due to current economic conditions and to combat cost escalation, the following cost reduction strategies have been implemented:
1. During 2009, Exelon Business Services Company (EBSC) implemented a reorganization, which included a workforce reduction of approximately 187 positions, at a one-time cost of \$2.1 million in severance expense, resulting in an annual savings to PECO's electric distribution business of approximately \$2.0 million. This cost reduction was reflected in the Company's future test year claims.
 2. PECO changed its 401k plan to a profit sharing model, with a total match between 3% and 6% depending on Company performance and business conditions. The estimated annual savings for PECO's electric distribution business is \$1.3 million. There is no cost related to this cost reduction initiatives and the cost reduction was reflected in the Company's future test year claims.
 3. PECO froze executive salaries for 2010 yielding an annual savings to PECO's electric distribution business of \$88 thousand. There is no cost related to this cost reduction initiatives and the cost reduction was reflected in the Company's future test year claims.

Q. SDR-OM-18 Please explain how the Company has treated reserve accruals and balances for ratemaking purposes and provide the requested level of any self-funded reserve accruals by type of item (e.g. injuries and damages).

A. SDR-OM-18 The Company's ratemaking claim is based on normalized levels of expense and revenue using the Company's budgeted test year data representing an estimate of the level of revenue and expense that will be incurred during the future test year ending December 31, 2010, and not reserve accruals or balances.

The budgeted levels are then adjusted appropriately to reflect known and measurable changes anticipated to occur within the future test year or within six-months afterwards.

Similarly, the Company's rate base claim is not based on a reserve accrual or balance methodology. For example, the Company's plant in service claim is based on December 31, 2009 original cost plant balances, adjusted for plant additions expected to be placed in service during the future test year.

For details, refer to PECO Statement No. 2, the direct testimony of Phillip S. Barnett and PECO Statement No. 3, the direct testimony of Robert L. O'Brien.

- Q. SDR-OM-19 Submit a listing of all amortization claims included in the total operation and maintenance expenses. Include the following information:
- a. Total expense being amortized.
 - b. Length of amortization (months or years).
 - c. Remaining unamortized balance.
 - d. Commission Docket where amortization initially claimed or approved.
- A. SDR-OM-19 ASC 980-715 (formerly FAS 106) Regulatory Asset, Non-Pension Postretirement Benefits:
- a. Amortization expense for Electric Distribution was \$4.6 million in 2009 and is projected to be \$4.6 million in 2010.
 - b. Amortization expense will be incurred for 36 months beginning January 2010.
 - c. Remaining unamortized balance at 12/31/2009 was \$12.8 million and is projected to be \$8.2 million at 12/31/2010.
 - d. Docket No. R-00922479.

Q. SDR-OM-20 Provide the total amount of pension expense included in the future test year and explain the basis for the claim (e.g. FASB 87 or ERISA). Include a schedule of actual payments to the pension fund for the past five years.

A. SDR-OM-20 Pension costs are based on FAS 87 and the total FAS 87 costs are allocated to capital and expense. The pension expense for Distribution in 2010 is \$10,327,000.

The claim of \$30,588,000 is based upon expected pension contribution in 2010. Refer to Attachment SDR-OM-20A for an explanation of this claim.

Refer to Attachment SDR-OM-20B for a schedule of actual payments to the pension fund for the past five years (as disclosed in Exelon's Form 10-K's, adjusted to Distribution only).

**ATTACHMENT
SDR-OM-20A**

Attachment SDR-OM-20A

**PECO - Electric Operations
Before The Pennsylvania Public Utility Commission
Future Period - 12 Months Ended December 31 , 2010
(\$ in Thousands)**

		[1]	[2]	[3]	[4]
Line #	Description	Reference	Amount	Amount	
<u>PENSION COSTS</u>					
1	2010 Pension Contribution (Towers Watson) (1)		\$ 71,189		
2	Percent to Electric Distribution		<u>67.220%</u>		
3	Total Amount to Electric Distribution	L 1 * L 2		47,853	
4	Pension Capitalization Factor		<u>36.08%</u>		
5	Pension Payment To Be Capitalized	L 3 * L 4		<u>17,265</u>	
6	Pension Payment To Be Expensed	L 3 - L 5			\$ 30,588

(1) As of 12/31/10 the pension assets are 68% of the pension obligation for Exelon. The 2010 Pension Contribution amount includes \$46,739K required minimum pension contribution reported in Towers Watson actuarial study plus an additional \$24,450K contribution to meet pension underfunding obligation. Refer to Phillip S. Barnett's testimony for the support of \$71M expected total pension contribution in 2010.

**ATTACHMENT
SDR-OM-20B**

Attachment SDR-OM-20B

PECO Distribution Payments to the Pension Fund
(\$ in millions)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Pension	20.8	7.5	0.7	0.7	75.7

Q. SDR-OM-21 Please provide a copy of the Company's most recent pension plan actuarial study.

A. SDR-OM-21 The Company's most recent pension plan actuarial study is as of December 31, 2009 and is dated January 15, 2010. Refer to Attachment SDR-OM-21A for the letter accompanying the actuarial study and Attachment SDR-OM-21B for the sections of the study showing PECO's 2010 costs and contributions as of December 31, 2009.

PECO's 2010 test year claim is based on the actuarial study dated January 15, 2010 (which provides PECO's 2010 required contributions), as well as planned additional contributions to the company's two largest pension plans to meet pension underfunding obligation. Refer to Phillip S. Barnett's testimony for support of \$71M expected total pension contribution in 2010.

**ATTACHMENT
SDR-OM-21A**

TOWERS WATSON 

71 South Wacker Drive
Suite 2600
Chicago, IL 60606-4637

T +312 201 6300

towerswatson.com

SENT VIA E-MAIL

January 15, 2010

Mr. Matthew Galvanoni
Vice President and Assistant Controller
Exelon Corporation
10 South Dearborn, 51st Floor
Chicago, IL 60603

Dear Matt:

EXELON CORPORATION DECEMBER 31, 2009 PENSION AND RETIREE WELFARE DISCLOSURE

We have completed the December 31, 2009 FASB ASC 715-30-25 and ASC 715-60-25 (formerly FAS 158) disclosure for the following plans:

Pension Plans

- Exelon Corporation Retirement Program (ECRP)
- Exelon Corporation Cash Balance Pension Plan (CBPP)
- Exelon Corporation Pension Plan for Bargaining Unit Employees (PPBU)
- Exelon New England Union Employees Pension Plan (New England)
- Exelon Corporation Supplemental Pension Benefit Plan and 2000 Excess Plan (SPBP)
- Exelon Corporation Supplemental Management Retirement Plan (SMRP)
- Exelon Pension Plan for Employees at OYC, TMI and Clinton (AmerGen)

Retiree Welfare Plans

- Exelon East Postretirement Welfare Plan (East)
- Exelon West Postretirement Medical, Dental, Life Insurance and Vision Plans (West)
- AmerGen Energy Company Postretirement Welfare Plan (AmerGen)

The following information and enclosed exhibits provide the financial statement and disclosure information needed for Exelon's year-end 2009 financial reporting. This information was prepared in accordance with FASB ASC 715-30-25 and ASC 715-60-25, *Employers' Accounting for Defined Benefit Pensions and Other Postretirement Plans*, and FASB ASC 715-20-50 (formerly FAS 132(R)), as amended by FASB ASC 715-30-25 and ASC 715-60-25, as appropriate. Our valuation was performed in accordance with generally accepted actuarial principles and practices.

Exhibits

We have attached the following exhibits in support of the year-end information needed by Exelon:

- Pension/retiree welfare footnote information for all plans, including benefit obligation reconciliation, plan asset reconciliation, balance sheet entries, funded status, expected cash flows, 2009 net periodic cost components and expected 2010 amortizations. These exhibits also include the sensitivity information for one percentage point changes in the health care cost trend rate for the retiree welfare plans.

- Detailed exhibits for all 10 benefit plans showing an allocation by operating company of year-end funded status and the balance sheet entries, including amounts recognized in Accumulated Other Comprehensive Income (AOCI) and Regulatory Asset (RA).
- MD&A sensitivity showing 50 basis point discount rate and expected return on assets impact on benefit liability and 2009 cost. Per Exelon's direction, we have provided the impact on cost for the fiscal year ended 2009 rather than for the next fiscal year.
- MD&A sensitivity showing the impact of 2009 trust returns on 2010 and 2011 costs.
- A summary of the 2009 average future service for the pension and postretirement welfare plans.
- Medicare Part D 2009 ASC 715-60-35 cost savings by component.
- The impact of Medicare Part D on year-end APBO.
- MD&A sensitivity to extending by five years the period in which current healthcare trend rates reach ultimate levels.

Measurement of Benefit Obligations

The benefit obligations were measured as of the December 31, 2009 measurement date and are based on the census data collected for the January 1, 2009 actuarial valuations. We have projected forward the benefit obligations to the end of the year, adjusting for benefit payments, expected growth in the benefit obligations, changes in key assumptions and changes in plan provisions.

As we have discussed, for prior LRP calculations we have assumed year-end losses by plan due to demographics and claims that were consistent with current expectations. Per our January 7, 2010 email, we received data from Exelon regarding 2009 experience on retirements, terminations, new hires, rehires, base pay increases and retiree medical claims. Based on this data and our high-level assessment, we did not reflect any adjustments to year-end obligations other than for retiree medical claims. Based on our review of 2009 medical claim data as confirmed by Exelon, we have assumed claims gains which resulted in a composite 1.50% gain for retiree welfare obligations at year-end 2009.

Assumptions and Methods

The 2009 pension and retiree welfare year-end benefit obligations and 2010 estimated costs are based on the following key assumptions:

Assumption	2009 Year-End Disclosure
Discount rate	5.83% for all pension and retiree welfare plans
Cash balance investment crediting rate	7.41% for amounts accrued before January 1, 2008 6.18% for amounts accrued after December 31, 2007
Expected return on assets	8.50% for 2009 pension costs 8.10% weighted average for 2009 retiree welfare costs
	8.50% for 2010 pension costs 7.83% weighted average for 2010 retiree welfare costs
Salary increase rate	4.00% average
Mortality	IRS required mortality table for 2010 funding valuation

Assumption	2009 Year-End Disclosure	
Health care cost trend	2009	7.5%
	2010	7.5%
	2011	7.0%
	2012	6.5%
	2013	6.0%
	2014	5.5%
	2015+	5.0%
Retiree welfare 2009 claims gain	4% for East and 0% for West and AmerGen	
Demographic loss for 2009	0% of benefit obligations	

All other assumptions and methods are the same as those included in the 2009 valuation reports.

The exhibits have been prepared assuming Exelon will contribute the minimum required contributions plus any discretionary amounts to avoid benefit restrictions to its qualified pension plans and \$150 million annually to the retiree welfare trusts plus the expected West life insurance and AmerGen benefit payments paid from corporate assets. The \$150 million contributed to the retiree welfare trusts is allocated to the East based on the minimum required contributions under the PECO rate order, with the remaining amounts allocated to the West trusts. At Exelon's request, we have shown the estimated postretirement welfare contributions for 2010 and the following four fiscal years.

The allocation of the year-end regulatory asset and accumulated other comprehensive income was prepared in accordance with Exelon's methodology for allocating pension and retiree welfare costs to the operating companies. We have recorded regulatory assets for the deferred costs attributable to ComEd pension and retiree welfare and PECO retiree welfare plans.

Plan Provisions and Data

For the pension disclosures, the plan provisions are the same as those included in the 2009 valuation reports, except for the following:

- Obligations reflect an increase in cash balance pay credits from 5.75% to 7.00% for the following groups:
 - Local 614 CBPP active participants (retroactive to January 1, 2008)
 - Oyster Creek and TMI active bargained participants in the AmerGen pension plan (effective January 1, 2010)

For the retiree welfare disclosures, we have valued the substantive plans as described in summary plan descriptions and other detailed summaries provided by Exelon. We have reflected the effect of Medicare Part D legislation for all retiree welfare plans. The plan provisions are the same as those included in the 2009 valuation reports, except for the following:

- Obligations reflect the changes required as part of the Local 15 Settlement agreement signed in March 2009
- Obligations reflect the age and service bridging from the 2009 separation program (see our August 18, 2009 e-mail for details)

Pension and postretirement welfare costs for 2009 reflect the following one-time events recognized during 2009:

- SMRP settlements recognized
- East and West welfare contractual termination benefits

The pension and retiree welfare obligations are based on data as of January 1, 2009, actuarially adjusted to the end of the year, including an adjustment for year-end gains or losses by plan. For the SMRP, the benefit obligations have also been adjusted for the settlements recognized in 2009 (as detailed in our emails dated September 28, 2009 and December 30, 2009) and the special termination benefit accruals (as detailed in our email dated August 18, 2009).

Year-end plan asset information was provided by Northern Trust and Mellon Bank and reviewed by Exelon.

Actuarial Certification

The consulting actuaries are members of the Society of Actuaries and other professional actuarial organizations and meet their "General Qualification Standard for Prescribed Statements of Actuarial Opinions" relating to pension and other postretirement benefit plans.

In preparing the results presented in this letter (including the attached exhibits), we have relied upon information provided to us regarding plan provisions, postretirement welfare plan costs, plan participants and demographic data, and plan assets. We have reviewed this information for overall reasonableness and consistency, but we have neither audited nor independently verified this information. The accuracy of the results presented in this letter is dependent upon the accuracy and completeness of the underlying information.

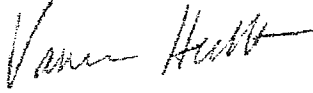
The actuarial assumptions and the accounting policies and methods employed in the development of the benefit costs have been selected by the plan sponsor, with the concurrence of Towers Watson. ASC 715-30-35 and ASC 715-60-35 require that each significant assumption "individually represent the best estimate of a particular future event." The results shown in this letter have been developed based on actuarial assumptions that are considered to be reasonable and within the "best-estimate range" as described by the Actuarial Standards of Practice. Other actuarial assumptions could also be considered to be reasonable and within the best-estimate range. Thus, reasonable results differing from those presented in this report could have been developed by selecting different points within the best-estimate ranges for various assumptions.

Please call either of us if you have any questions about these results.

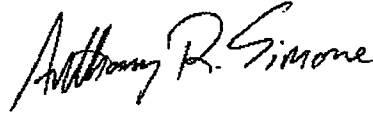
TOWERS WATSON 

January 15, 2010

Sincerely,



Vanessa C. Hecht, F.S.A., E.A.
Consultant



Anthony R. Simone, F.S.A., M.A.A.A.
Consultant

Attachments

cc: William Bergman — Exelon Corporation
Doug Brown — Exelon Corporation
Shelby Collins — Exelon Corporation
Duane DesParte — Exelon Corporation
Christopher Grant — Exelon Corporation
Brian Hansel — Exelon Corporation
Jill Lescohier — Exelon Corporation
Susan Pachera — Exelon Corporation
Robyn Randa — Exelon Corporation
Alex Scarpelli — Exelon Corporation
George Shicora — Exelon Corporation
John Allen — Towers Watson
Ryan Carney — Towers Watson
Pierre Charette — Towers Watson
John Crist — Towers Watson
Tania Staffen — Towers Watson

**ATTACHMENT
SDR-OM-21B**

Exelon Corporation
 2010 Pension & Postretirement Welfare Cost by Plan and Operating Company

	PECO
Exelon Corporation Retirement Program	
Service Cost	6,098,384
Interest Cost	50,156,491
Expected return on assets	(70,822,126)
Amortization of:	
Actuarial (gain)/loss	13,513,063
Prior service (credit)/cost	620,072
Transition (asset)/obligation	-
Net Periodic Benefit Cost	(434,126)

Exelon Corporation Cash Balance Pension Plan	
Service Cost	9,501,583
Interest Cost	26,113,522
Expected return on assets	(29,993,081)
Amortization of:	
Actuarial (gain)/loss	8,417,653
Prior service (credit)/cost	3,921,134
Transition (asset)/obligation	-
Net Periodic Benefit Cost	17,960,811

Pension Plan for Bargaining Unit Employees	
Service Cost	-
Interest Cost	-
Expected return on assets	-
Amortization of:	
Actuarial (gain)/loss	-
Prior service (credit)/cost	-
Transition (asset)/obligation	-
Net Periodic Benefit Cost	-

Exelon New England Union Employees Pension Plan	
Service Cost	-
Interest Cost	-
Expected return on assets	-
Amortization of:	
Actuarial (gain)/loss	-
Prior service (credit)/cost	-
Transition (asset)/obligation	-
Net Periodic Benefit Cost	-

Assumptions	
Discount rate	5.83%
Salary increases (average)	4.00%
Expected return on assets	8.50%
Mortality	IRS Required Mortality Table for 2010

Note: Costs do not reflect the estimated 2010 one-time settlement charge of \$5M for SPBP.

Exelon Corporation
 2010 Pension & Postretirement Welfare Cost by Plan and Operating Company

PECO

AmerGen Employee Pension Plan

Service Cost	-
Interest Cost	-
Expected return on assets	-
Amortization of:	
Actuarial (gain)/loss	-
Prior service (credit)/cost	-
Transition (asset)/obligation	-
Net Periodic Benefit Cost	-

Qualified Pension Subtotal	
Service Cost	15,599,967
Interest Cost	76,270,013
Expected return on assets	(100,815,207)
Amortization of:	
Actuarial (gain)/loss	21,930,706
Prior service (credit)/cost	4,541,206
Transition (asset)/obligation	-
Net Periodic Benefit Cost	17,526,685

Exelon Corporation Supplemental Pension Benefit Plan and 2000 Excess Plan

Service Cost	36,613
Interest Cost	107,335
Expected return on assets	-
Amortization of:	
Actuarial (gain)/loss	166,817
Prior service (credit)/cost	47,202
Transition (asset)/obligation	-
Net Periodic Benefit Cost	357,967

Exelon Corporation Supplemental Management Retirement Plan

Service Cost	125,488
Interest Cost	303,495
Expected return on assets	-
Amortization of:	
Actuarial (gain)/loss	162,176
Prior service (credit)/cost	(5,341)
Transition (asset)/obligation	-
Net Periodic Benefit Cost	585,818

Assumptions

Discount rate	5.83%
Salary increases (average)	4.00%
Expected return on assets	8.50%
Mortality	IRS Required Mortality Table for 2010

Note: Costs do not reflect the estimated 2010 one-time settlement charge of \$5M for SPBP.

Exelon Corporation
 2010 Pension & Postretirement Welfare Cost by Plan and Operating Company

	PECO
<hr/>	
Non-Qualified Pension Subtotal	
Service Cost	162,101
Interest Cost	410,830
Expected return on assets	-
Amortization of:	
Actuarial (gain)/loss	328,893
Prior service (credit)/cost	41,861
Transition (asset)/obligation	-
Net Periodic Benefit Cost	<u>943,785</u>

Exelon East Postretirement Welfare Plan


Exelon West Postretirement Medical, Dental, Life Insurance and Vision Plans


AmerGen Energy Company Postretirement Welfare Plan


Assumptions	
Discount rate	5.83%
Salary increases (average)	4.00%
Expected return on assets	8.50%
Mortality	IRS Required Mortality Table for 2010

Note: Costs do not reflect the estimated 2010 one-time settlement charge of \$5M for SPBP.

Attachment SDR-OM-21B

Exelon Corporation
2010 Pension & Postretirement Welfare Cost by Plan and Operating Company

PECO

Postretirement Welfare Subtotal



Grand Total



Assumptions

Discount rate 5.83%
Salary increases (average) 4.00%
Expected return on assets 8.50%
Mortality IRS Required Mortality Table for 2010

Note: Costs do not reflect the estimated 2010 one-time settlement charge of \$5M for SPBP.

Pension Plans - Contribution Forecasts by Operating Company (\$ Thousands)

Qualified Pension Contributions ECRP		
Calendar Year	PECO	
2010		0

Qualified Pension Contributions CBPP		
Calendar Year	PECO	
2010		45,537

Qualified Pension Contributions PPBU		
Calendar Year	PECO	
2010		0

Qualified Pension Contributions New England		
Calendar Year	PECO	
2010		0

Qualified Pension Contributions AmerGen		
Calendar Year	PECO	
2010		0

Qualified Pension Contributions - All Plans		
Calendar Year	PECO	
2010		45,537

Pension Plans - Contribution Forecasts by Operating Company (\$ Thousands)

Nonqualified Pension Contributions SMRP		
Calendar Year	PECO	
2010		344

Nonqualified Pension Contributions SPBP		
Calendar Year	PECO	
2010		858

Nonqualified Pension Contributions - All Plans		
Calendar Year	PECO	
2010		1,202

Pension Contributions - All Plans		
Calendar Year	PECO	
2010		46,739

All assumptions are the same as those used in the December 31, 2009 Disclosure.

- Q. SDR-OM-22 Provide the following information with regards to the claim for rate case expenses:
- a. A description of the estimated rate case expenses.
 - b. An explanation of and the supporting rationale for the claimed normalization period.
 - c. Provide a summary detailing expenses incurred to date. Update this response as additional invoices are received.

- A. SDR-OM-22 Refer to Exhibit RLO-1, Schedule D-9 and PECO Statement No. 3, the direct testimony of Robert L. O'Brien for the response to questions a and b.

Refer to the table below for the summary detailing the Company's 2010 Electric Rate Case expenses incurred to date as of February 28, 2010.

2010 Electric Rate Case Expense Up to February, 2010

Consulting Cost	\$	169,525
Legal Support		165,522
Depreciation Study		17,875
Contracting Support		146,262
Other		2,359
	\$	501,543

Q. SDR-OM-23 Supply the following information for the last five base rate filings:

- a. Docket No.
- b. Date filed.
- c. Dates rates became effective.

A. SDR-OM-23 Refer to the information below for the applicable electric data:

<u>Docket No.</u>	<u>Date Filed</u>	<u>Rate Effective Date</u>
R-891364	7/21/89	4/20/90
R-850152	9/27/85	6/27/86
R-842590	4/27/84	1/25/85
R-822291	2/23/83	11/23/83
R-811626	7/29/81	5/21/82

- Q. SDR-OM-24 Please provide a comparison of the estimated rate case expenses reflected in the Company's filing with the actual expenses incurred by the Company's last two rate cases according to the same categories.
- A. SDR-OM-24 Company Exhibit RLO-1, Schedule D-8 contains estimated rate case expenses for the current case. Actual expenses from the two previous base rate cases are not available as these cases were filed over twenty years ago. Under 52 Pa. Code § 57.45, (Electric Service: Preservation of Records), the Commission requires each electric utility to maintain and preserve records in conformity with its records retention regulations. General ledgers and subsidiary ledgers are required to be maintained for 20 years. As such, PECO no longer maintains the actual expense records that are related to the last two rates cases. In addition, the two previous base rate cases addressed total bundled rates, i.e. production, transmission and distribution. The current case primarily addresses unbundled distribution rates only.

- Q. SDR-OM-25 Please explain what assumptions are made in the projected expenses for the FTY with regard to the level or number of employee vacancies. For example, are all budgeted positions assumed to be filled or is an historical average level of vacancies reflected?
- A. SDR-OM-25 The Company includes a labor reduction in the budget for estimated vacancies throughout the year based on historical trends and current resource staffing plans. The Company's budget data was used as the basis for its FTY employee expense claims.

Q. SDR-OM-26 Please identify all budgeted employee positions for the FTY which are not currently filled. For each position, provide the wage expense included in the FTY, whether the position is a new position or a position vacated by the departure or transfer of a previous employee, and the date at which the position is expected to be filled.

A. SDR-OM-26 There are 30 budgeted employee positions for the FTY that are not currently filled (as of 1/1/2010):

<u>Work Type</u>	<u># positions</u>	<u>Wage exp. in budget</u>	<u>new or vacated</u>	<u>Current expected date to be filled</u>
Field Operations	3	\$ 174,000	departure/transfer	March 31, 2010
Call Center	9	\$ 516,000	departure/transfer	March 31, 2010
Back Office/Support	<u>18</u>	<u>\$1,663,000</u>	3 – new positions	February 15, 2010
			15- departure/transfer	April 30, 2010
Total	30	\$2,353,000		

- Q. SDR-OM-27 Please provide the following labor data for the preceding three calendar years and the current year-to-date including monthly data for most recent twelve months.
- a. Number of budgeted and actual employees broken down between category type used by the Company (e.g. union, non-union, salaried, hourly, temporary, etc.);
 - b. Regular payroll broken down between expensed, capitalized, and other;
 - c. Overtime payroll broken down between expensed, capitalized, and other;
 - d. Temporary payroll broken down between expensed, capitalized, and other; and
 - e. Other payroll (specify) broken down between expensed, capitalized and other.
- A. SDR-OM-27
- a. Historical, the Company did not budget separate headcount for Electric Distribution and Transmission. Refer to table 1 in Attachment SDR-OM-27A for the actual vs. budget headcount for total Electric for 2007 – January 2010. The actual headcount has been provided based on a mix of union/non-union and salaried/hourly employees. Temporary headcount is not included in the Company's official headcount. Refer to table 2 in Attachment SDR-OM-27A.
 - b. Refer to Attachment SDR-OM-27B.
 - c. Refer to Attachment SDR-OM-27B.
 - d. Temporary payroll is not included in the Company's official headcount.
 - e. Refer to Attachment SDR-OM-27B.

**ATTACHMENT
SDR-OM-27A**

Table 1

Yr/Month	Regular			Temporary	
	Actual	Budget	Variance	Yr/Month	Actual
2007-12	1,734	1,801	68	2007-12	24
2008-12 *	1,854	1,891	38	2008-12	35
2009-01	1,863	1,901	38	2009-01	34
2009-02	1,863	1,899	36	2009-02	33
2009-03	1,867	1,897	30	2009-03	46
2009-04	1,865	1,914	49	2009-04	35
2009-05	1,858	1,911	53	2009-05	34
2009-06	1,858	1,912	53	2009-06	60
2009-07	1,849	1,910	61	2009-07	56
2009-08	1,866	1,908	42	2009-08	45
2009-09	1,880	1,906	27	2009-09	50
2009-10	1,878	1,900	21	2009-10	53
2009-11	1,877	1,895	18	2009-11	50
2009-12	1,883	1,892	9	2009-12	49
2010-01	1,870	1,914	44	2010-01	59
2010-02		1,913			
2010-03		1,924			
2010-04		1,926			
2010-05		1,927			
2010-06		1,926			
2010-07		1,926			
2010-08		1,926			
2010-09		1,921			
2010-10		1,918			
2010-11		1,917			
2010-12		1,916			

* Increase in 2008 due to EDSS distribution of positions

Table 2

Act/Bud	Yr/Month	Regular						Temporary	
		Salary/Hourly			Non-Union/Union			Yr/Month	Total
		Salaried	Hourly	Total	Non-Union	Union	Total		
Actual	2007-12	501	966	1,467	652	815	1,467	2007-12	21
Actual	2008-12	558	991	1,550	713	837	1,550	2008-12	30
Actual	2009-01	565	990	1,555	719	836	1,555	2009-01	29
Actual	2009-02	569	984	1,553	724	829	1,553	2009-02	28
Actual	2009-03	576	981	1,557	731	826	1,557	2009-03	39
Actual	2009-04	579	975	1,554	732	822	1,554	2009-04	29
Actual	2009-05	573	975	1,548	727	821	1,548	2009-05	30
Actual	2009-06	574	973	1,547	728	819	1,547	2009-06	50
Actual	2009-07	570	967	1,538	723	814	1,538	2009-07	51
Actual	2009-08	582	973	1,555	734	820	1,555	2009-08	40
Actual	2009-09	580	989	1,569	728	840	1,569	2009-09	43
Actual	2009-10	581	986	1,567	729	838	1,567	2009-10	45
Actual	2009-11	583	983	1,566	729	837	1,566	2009-11	44
Actual	2009-12	588	982	1,569	734	835	1,569	2009-12	43
Actual	2010-01	598	975	1,573	752	822	1,573	2010-01	52
Budget	2010-01	599	999	1,598	750	847	1,598		
Budget	2010-02	599	998	1,597	751	846	1,597		
Budget	2010-03	599	1,009	1,608	751	857	1,608		
Budget	2010-04	599	1,009	1,608	751	857	1,608		
Budget	2010-05	599	1,010	1,609	751	858	1,609		
Budget	2010-06	599	1,009	1,608	751	857	1,608		
Budget	2010-07	599	1,008	1,607	751	856	1,607		
Budget	2010-08	599	1,008	1,607	751	856	1,607		
Budget	2010-09	599	1,003	1,602	751	851	1,602		
Budget	2010-10	599	1,002	1,601	751	850	1,601		
Budget	2010-11	599	1,001	1,601	751	849	1,601		
Budget	2010-12	599	1,001	1,600	747	853	1,600		

**ATTACHMENT
SDR-OM-27B**

Labor Data
(Thousands of Dollars)

	2007 Actual	2008 Actual	2009 Actual
Expense Payroll	\$82,575	87,989	93,387
Expense Overtime	12,540	15,323	13,071
Other Payroll Expense (Clearing)	14,965	16,703	16,314
Capital Payroll	31,772	31,400	31,591
Capital Overtime	9,039	9,181	8,188
Other Capital Payroll (Clearing)	21,713	25,065	26,775
Total	<u>\$172,605</u>	<u>\$185,661</u>	<u>\$189,326</u>

Q. SDR-OM-28 Please provide a copy of all incentive/bonus plans and provide the level of such expenses for the preceding three calendar years and included in the FTY.

(Specific information by individual should be treated in a confidential manner.)

A. SDR-OM-28 Refer to the enclosed attachments:

Attachment SDR-OM-28A (2007 Annual Incentive Plan for all PECO employees below executive).

Attachment SDR-OM-28B (2007 Key Performance Indicators for PECO goal groups).

Attachment SDR-OM-28C (2007 Annual Incentive Plan for those represented by Local 614).

Attachment SDR-OM-28D (2007 Exelon Long Term Performance Share Award Program (LTPSA)).

Attachment SDR-OM-28E (2007 Stock Option Program).

Attachment SDR-OM-28F (2008 Annual Incentive Plan for all PECO employees below executive).

Attachment SDR-OM-28G (2008 Key Performance Indicators for PECO goal groups).

Attachment SDR-OM-28H (2008 Annual Incentive Plan for those represented by Local 614).

Attachment SDR-OM-28I (2008 Exelon Long Term Performance Share Award Program (LTPSA)).

Attachment SDR-OM-28J (2008 Stock Option Program).

Attachment SDR-OM-28K (2008 Key Manager Restricted Stock Award Program Summary).

Attachment SDR-OM-28L (2009 Annual Incentive Plan for all PECO employees below executive).

Attachment SDR-OM-28M (2009 Key Performance Indicators for PECO goal groups).

Attachment SDR-OM-28N (2009 Annual Incentive Plan for those represented by Local 614).

Attachment SDR-OM-28O (2009 Exelon Long Term Performance Share Award Program (LTPSA)).

Attachment SDR-OM-28P (2009 Stock Option Program).

Attachment SDR-OM-28Q (2009 Key Manager Restricted Stock Award Program Summary).

Attachment SDR-OM-28R (2010 Annual Incentive Plan for all PECO employees below executive).

Attachment SDR-OM-28S (2010 Key Performance Indicators for PECO goal groups).

Attachment SDR-OM-28T (2010 Annual Incentive Plan for those represented by Local 614).

Attachment SDR-OM-28U (2010 Exelon Long Term Performance Share Award Program (LTPSA)).

Attachment SDR-OM-28V (2010 Stock Option Program).

Attachment SDR-OM-28W (2010 Key Manager Restricted Stock Award Program Summary).

The incentive/bonus payments for 2007 – 2009 were \$11,628K, \$10,006 and \$8,969K respectively.

**ATTACHMENT
SDR-OM-28A**

Exelon®

2007 Annual Incentive Program

An informational guide to understanding Exelon's Annual Incentive Program (AIP) for employees not covered by a collective bargaining agreement or other short-term incentive plan

Overview

The Exelon Annual Incentive Program ("AIP") provides an opportunity for you to be rewarded for your contribution to the success of Exelon Corporation and its participating subsidiaries (the "Company"). It serves as an important part of your overall compensation package by linking individual and Company performance. The final amount of your award will be based on how well you, the group that shares your key performance indicators ("Operating Company" and "Business Unit") and the Company as a whole perform against goals set for the year. Any reference in this brochure to "Operating Company" or "Business Unit" is intended to include the "Holding Company" Exelon Energy Delivery (EED) and the "Service Company" Exelon Business Services Company (BSC).

Who is Eligible?

To participate in the 2007 AIP, you must meet each of the following requirements:

- You must be classified as a salaried exempt, salaried non-exempt, or hourly craft regular employee (not temporary or other classification, such as an intern, co-op or contractor) on the Company's payroll for at least 31 calendar days beginning on or before December 1, 2007 (and not be covered by an incentive plan provided in lieu of the AIP); and
- In most cases, you must be actively employed by the Company through the last Company business day of 2007. *

This informational guide does not apply to individuals who are covered by a collective bargaining agreement or other short-term incentive plan. If you are in a represented position that was eligible for the AIP in 2006 and you are not yet covered by a collective bargaining agreement, you are eligible for the AIP as described in this informational guide subject to the applicable terms and conditions of any subsequent collective bargaining agreement. It also does not apply to ComEd employees (this includes employees in EED Customer Operations, EED Technical Services and EED Transmission Operations and Planning that are assigned to a ComEd department), who are covered under a separate incentive plan, governed and approved by the ComEd Board of Directors.

* Please refer to page 6, "What Happens if Your Status Changes During 2007" for additional information.

How Does the AIP Work?

Generally, 2007 AIP awards will be determined based on the following calculation:

Employee's Incentive-Eligible Salary	X	Target Incentive Opportunity Percentage	X	Company Performance Multiplier (CPM)	X	Individual Performance Multiplier (IPM)*	=	AIP Award Amount																																																																																																																																																																																																																																																																																																																																																																												
<p>2007 Incentive Opportunity Percentage</p> <table border="1"> <thead> <tr> <th>Salary Grade</th> <th>Target % (of Employee's Salary)</th> </tr> </thead> <tbody> <tr> <td>100</td> <td>25%</td> </tr> <tr> <td>105</td> <td>25%</td> </tr> <tr> <td>110</td> <td>25%</td> </tr> <tr> <td>115</td> <td>25%</td> </tr> <tr> <td>120</td> <td>25%</td> </tr> <tr> <td>125</td> <td>25%</td> </tr> <tr> <td>130</td> <td>25%</td> </tr> <tr> <td>135</td> <td>25%</td> </tr> <tr> <td>140</td> <td>25%</td> </tr> <tr> <td>145</td> <td>25%</td> </tr> <tr> <td>150</td> <td>25%</td> </tr> <tr> <td>155</td> <td>25%</td> </tr> <tr> <td>160</td> <td>25%</td> </tr> <tr> <td>165</td> <td>25%</td> </tr> <tr> <td>170</td> <td>25%</td> </tr> <tr> <td>175</td> <td>25%</td> </tr> <tr> <td>180</td> <td>25%</td> </tr> <tr> <td>185</td> <td>25%</td> </tr> <tr> <td>190</td> <td>25%</td> </tr> <tr> <td>195</td> <td>25%</td> </tr> <tr> <td>200</td> <td>25%</td> </tr> <tr> <td>205</td> <td>25%</td> </tr> <tr> <td>210</td> 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Salary)	100	25%	105	25%	110	25%	115	25%	120	25%	125	25%	130	25%	135	25%	140	25%	145	25%	150	25%	155	25%	160	25%	165	25%	170	25%	175	25%	180	25%	185	25%	190	25%	195	25%	200	25%	205	25%	210	25%	215	25%	220	25%	225	25%	230	25%	235	25%	240	25%	245	25%	250	25%	255	25%	260	25%	265	25%	270	25%	275	25%	280	25%	285	25%	290	25%	295	25%	300	25%	305	25%	310	25%	315	25%	320	25%	325	25%	330	25%	335	25%	340	25%	345	25%	350	25%	355	25%	360	25%	365	25%	370	25%	375	25%	380	25%	385	25%	390	25%	395	25%	400	25%	405	25%	410	25%	415	25%	420	25%	425	25%	430	25%	435	25%	440	25%	445	25%	450	25%	455	25%	460	25%	465	25%	470	25%	475	25%	480	25%	485	25%	490	25%	495	25%	500	25%	505	25%	510	25%	515	25%	520	25%	525	25%	530	25%	535	25%	540	25%	545	25%	550	25%	555	25%	560	25%	565	25%	570	25%	575	25%	580	25%	585	25%	590	25%	595	25%	600	25%	605	25%	610	25%	615	25%	620	25%	625	25%	630	25%	635	25%	640	25%	645	25%	650	25%	655	25%	660	25%	665	25%	670	25%	675	25%	680	25%	685	25%	690	25%	695	25%	700	25%	705	25%	710	25%	715	25%	720	25%	725	25%	730	25%	735	25%	740	25%	745	25%	750	25%	755	25%	760	25%	765	25%	770	25%	775	25%	780	25%	785	25%	790	25%	795	25%	800	25%	805	25%	810	25%	815	25%	820	25%	825	25%	830	25%	835	25%	840	25%	845	25%	850	25%	855	25%	860	25%	865	25%	870	25%	875	25%	880	25%	885	25%	890	25%	895	25%	900	25%	905	25%	910	25%	915	25%	920	25%	925	25%	930	25%	935	25%	940	25%	945	25%	950	25%	955	25%	960	25%	965	25%	970	25%	975	25%	980	25%	985	25%	990	25%	995	25%	1000	25%
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How is Corporate Performance Measured?

Corporate performance will be assessed using Exelon's Earnings Per Share (EPS). EPS measures net income per share of Exelon common stock. It is the value by which we are judged by Wall Street and our shareholders and has a direct impact on our stock price. Achieving EPS goals supports our commitment to shareholders and provides opportunities to reinvest in the business and/or reduce debt. EPS makes up at least 25 percent of every employee's performance measures. Payment levels for Operating Company and Business Unit KPIs are contingent on EPS performance. Below are the threshold, target and distinguished EPS goals for 2007:

Exelon Key Performance Indicator (KPI)	Performance Scale		
	Threshold: 50% of Target Payout	Target: 100% of Target Payout	Distinguished: 200% of Target Payout
Earnings Per Share	\$3.65	\$4.15	\$4.45

For purposes of determining AIP awards, achievement of EPS will be determined by the compensation committee of Exelon's board of directors. In determining EPS achievement, the compensation committee may make adjustments due to restructuring impairment charges, gains or losses on the sale or other disposition of businesses or assets, changes in accounting or other extraordinary, nonrecurring or unusual items.

How are Operating Company and Business Unit Performance Measured?

Operating Company and Business Unit KPIs also are an important component of your overall AIP award. The Company uses financial and operational KPIs to measure the relative financial and operational performance of each Operating Company/Business Unit. Along with EPS, Operating Company/Business Unit KPIs fund the AIP and are called *Funding KPIs*.

For 2007, some Operating Companies/Business Units also have site / function-specific objectives called *Allocation KPIs*. These objectives have an established target performance level. If target performance is achieved, 100 percent of the weighted funding level is allocated to the site / function. Performance achievement below target impacts the Operating Company/Business Unit KPI performance and the award allocation for the site / function is reduced by up to 50 percent. Your Operating Company/Business Unit AIP Supplement will provide detailed information related to your specific KPIs.

Position	Example	Corporate (Exelon)	Operating Company and Business Unit KPIs		
		Earnings Per Share	Operating Company Financial Measure	Cost Measure ⁽¹⁾	Business Unit Operational/Financial Measures
CEO & Direct Reports to the CEO	Rowe, Young, Skolds, Mehrberg, Moler, Snodgrass	100%	-	-	-
Nuclear	Crane	50%	25% ExGen NI	-	25% Capacity Factor
	All Employees	25%	25% ExGen NI	25% Nuclear Total Cost	25% Capacity Factor
Power	Schiavoni	50%	25% ExGen NI	-	25% Commercial/Hydro Availability
	All Employees	25%	25% ExGen NI	25% Power Total Net Operating Expense	25% Commercial/Hydro Availability
PowerTeam	McLean	50%	50% ExGen NI	-	-
	All Employees	25%	25% ExGen NI	50% Power Team Adjusted Operating Margin	
PECO	O'Brien	50%	25% PECO NI	-	25% PECO CAIDI, SAIFI (10% Each) OSHA (5%)
	All Employees	25%	25% PECO NI	25% PECO Total Cost	25% PECO CAIDI, SAIFI (10% Each) OSHA (5%)
EED	All Employees	25%	25% Combined ComEd+PECO NI	25% Combined ComEd/PECO Total Cost	25% Avg of ComEd/PECO CAIDI/ SAIFI (10% Each) OSHA (5%)
Business Services Company (BSC) Corporate Functions	Gillis	50%	-	50% BSC Total Cost	-
	Supply, IT, Legal, HR, Finance, Support Services, Communications, Gov. Affairs	50%	-	25% BSC Total Cost	25% Functional Cost / Operational KPI
Business Services Company (BSC) Dedicated	Field Supply, IT, Legal, HR, Finance, Communications,	25%	25% OpCo NI	25% BSC Total Cost	25% OpCo Cost / Operational KPIs

⁽¹⁾ Total Cost: For PECO definition is O&M and Capital budget; for ExGen units and BSC definition is O&M budget

Goal Weighting

- The Operating Company/Business Unit component of your Company Performance Multiplier (CPM) is calculated based on the financial and operational KPI performance of the Operating Company/Business Unit in which you are employed on the last day of the final pay period in 2007.

KPI Performance Levels

There are three levels of performance associated with each AIP Funding KPI. These levels are:

- **Threshold:** The minimum acceptable level of performance that must be achieved for employees to receive any payout (i.e., up to 50 percent of the target payout) on a Funding KPI. No payout will occur on a KPI that does not achieve a threshold level of performance.
- **Target:** The required performance level in order to achieve target (100%) payout on a Funding KPI.
- **Distinguished:** The highest level of payout (i.e., two times the target payout) and the corresponding performance level on a Funding KPI.

In order for an Operating Company/Business Unit to receive a full payout on its Funding KPI results, the group also must achieve target performance on its Allocation KPIs. Allocation KPIs do not have threshold or distinguished levels of performance – the goal is either achieved or it is not. See your Operating Company/Business Unit AIP Supplement for any applicable Allocation KPIs.

Shareholder Protection Feature

The AIP includes an award curtailment feature that limits payout for Operating Company and Business Unit KPIs based upon EPS performance. If EPS performance is at least 150% of target, this feature does not apply.





- If EPS performance is below Target, Operating Company and Business Unit KPI payout is limited to actual performance, not to exceed 100% of Target.
- If EPS performance is at least Target but below 150% of Target, Operating Company and Business Unit KPI payout is limited to actual performance, not to exceed 150% of Target.
- If EPS performance is at least Target and Operating Company Net Income is at least Target, then the Operating Company/Business Unit payout is limited to the average of the capped and uncapped payouts.

See examples of how the Shareholder Protection Feature works in the chart below:

Payout as a % of Target			
	Before Shareholder Protection Feature Applied	After Shareholder Protection Feature Applied	Net Income ≥ Target
Earnings Per Share (EPS)	Uncapped Non-EPS Composite Score	Capped Non-EPS Composite Score	Adjusted Non-EPS Goals (Average of capped & uncapped payouts)
90%	120%	100%	
100%	140%	140%	
125%	170%	150%	
150%	180%	180%	160% (average of 170% and 150%)

Additional Factors

Customer Satisfaction Objective

- In order to maintain our commitment to customer satisfaction, awards may be adjusted depending on the Company's score in the American Customer Satisfaction Index (ACSI) Proxy, which is similar to the American Customer Satisfaction Index. The ACSI is a measure of residential customer satisfaction, whereas the ACSI Proxy is a combined measure of residential, small business and large business customer satisfaction. The ACSI Proxy survey results generate scores and quartile rankings similar to the ACSI. Scores will be based on the results of surveys conducted during the nine-month period starting January 1, 2007 through September 30, 2007.
- If ACSI Proxy ranking:
 - falls into the 4th Quartile, then  AIP awards *reduced* 5.0% (0.95 multiplier)
 - falls into the 3rd Quartile, then  AIP awards *reduced* 2.5% (0.975 multiplier)
 - stays in the 2nd Quartile, then  AIP awards neither reduced nor increased
 - elevates from the 2nd Quartile to the 1st Quartile, then  AIP awards *increased* by 5% (1.05 multiplier)
- If AIP awards are increased or reduced, the ACSI Proxy multiplier is factored into the Company Performance Multiplier (CPM) along with other applicable curtailments or modifiers, after application of functional area allocation KPIs (see sample award calculation on page 7 of this brochure).

Significant Event Curtailment

To ensure continued focus on critical business issues, your Operating Company or Business Unit KPI payout may be subject to reduction if a significant adverse business event occurs. See your Operating Company/Business Unit AIP Supplement for additional information about potential significant event curtailments.

Individual Performance Multiplier and Award Range

Once the Company's and your Operating Company/Business Unit's performance is determined, the amount of your individual award is determined based on your target incentive opportunity and your individual performance multiplier.

- Your total AIP award, after application of Company, Operating Company/Business Unit Funding KPIs and, if applicable, Allocation KPIs, individual multipliers and all other adjustments, can range from zero to 200 percent of your individual target incentive opportunity.
- You will not receive an award if your year-end performance rating is "does not meet expectations" (or its equivalent), or you are placed on but do not successfully complete a performance improvement plan by year end.
- The aggregate payment of individual awards cannot exceed the total funding for all participants' awards, as generated by Corporate and Operating Company/Business Unit performance. *

* This provision does not apply to Exelon officers and certain senior subsidiary officers, since the Compensation Committee of the Board of Directors approves their awards.

When You Will Receive Your Award

You will receive your AIP award, less applicable federal, state and local tax withholding, during the first quarter of 2008.

What Happens if Your Status Changes During 2007

Status change	Impact on your award
New participant	A prorated award will be calculated using the number of days you are an active employee on the payroll, divided by 365, subject to your eligible classification on the Company's payroll for at least 31 calendar days beginning on or before December 1, 2007.
Promotion or demotion	Your award is calculated based on the level you are in on the last day of the final pay period of 2007.
Approved Leave of Absence (e.g., Family Medical Leave, qualifying military leave, paid leave of absence, or short-term disability)	Your award will not be prorated for any period of approved leave of absence while you are receiving pay on the Company's payroll, but will be prorated for any unpaid leave.
Retirement (age 50 or older with 10 or more years of pension service) with no severance plan eligibility, commencement of benefits under a long-term disability plan, unpaid leave, or death	A prorated target award will be calculated using the number of days you are an active employee, divided by 365, subject to your eligible classification on the Company's payroll for at least 31 calendar days beginning on or before December 1, 2007.
Change in department or Business Unit or Operating Company	Your award is calculated based on the department or Operating Company/Business Unit you are in on the last day of the final pay period of 2007.
Termination for cause or resignation	You will not be eligible for any award.
Transfer or change to/from a non-exempt and/or part-time position in the organization	Your award will be calculated using your incentive-eligible earnings in each position for the period you were in that position (e.g., eligible overtime and shift premium) for 2007.
Involuntary separation or qualifying voluntary separation pursuant to a severance plan including retirement-eligible employees	Eligibility and amount of award determined under applicable Severance Plan. Exelon Corp. Severance Benefit Plan generally provides prorated target award. Subject to elimination if employee is rated "off track" or does not meet expectations or has been placed on but has not successfully completed a performance improvement plan (PIP).

⁽¹⁾ Family Medical Leave and qualifying military leave are not used to prorate or otherwise reduce your annual award.

Important Information:

- This informational guide is intended to provide an overview of the 2007 Exelon Corporation Annual Incentive Program. In the event of any inconsistency between this guide and the formal program document, the formal document will control.
- The CEO and the Compensation Committee of Exelon's Board of Directors reserve the right to adjust awards or make modifications to the program, if business circumstances warrant an adjustment. In addition, the program may be amended at any time by action of the CEO or the Compensation Committee and may be terminated at any time by action of the Compensation Committee.
- No portion of an award shall be considered earned prior to final approval of the amount and payment of such award by the Compensation Committee.

Questions?

Contact your Human Resources Representative.

Award Calculation

Below is an example of an AIP calculation for an exempt employee who has an incentive-eligible salary of \$70,000 and a target incentive opportunity of 15 percent. The target incentive opportunity amount is \$10,500 (\$70,000 x 15 percent). The example illustrates the impact of EPS and net income shareholder protection requirements and an increase to awards through ACSI proxy results.

Sample 2007 Award Calculation				
Step 1: Determine the company performance multiplier (CPM):				
Step 1A - Calculate the performance of Corporate and Operating Company/Business Unit Funding KPIs				
25% Funding on Earnings Per Share (EPS)	Corporate Measure	=	Performance as a % of Target	
	Exelon EPS		100.0%	
25% Funding on Operating Company KPIs	Operating Company (OC)/ Business Unit (BU) Funding KPIs	X	Performance as a % of Target	Preliminary Weighted Payout for OC/BU Funding KPIs
	Net Income KPI (OC KPI)	25%	125.0%	31.3%
60% Funding on Business Unit KPIs	Business Unit (BU) Funding KPIs			
	BU KPI #1	25%	175.0%	43.8%
	BU KPI #2	25%	200.0%	50.0%
	Operating Company (OC)/ Business Unit (BU) Funding KPIs	75%	167.5%	125.0%
	Total OC/BU Payout %age			166.7%
Step 1B - Apply Significant Event Curtailment, if applicable, to the Total OC/BU Payout %age. In this case, no curtailment has occurred.				
Step 1C - Calculate Shareholder Protection Factor (SPF) & apply to the OC/BU Funding KPIs. In this example, Operating Company Net Income is > 100% of Target, so the preliminary Company Multiplier is the average of the capped (150%) and uncapped (166.7%) composite scores.				
	Funding Goals	Weighting	X	Performance as a % of Target
	Capped Composite	50%	150.0%	150.0%
	Uncapped Composite	50%	166.7%	166.7%
	Average Composite			158.3%
	SPF Factor = 1 - ((UnCapped Composite %age - Average Composite %age) / UnCapped Composite %age)			95.0%
	Shareholder Protection Factor (SPF)	Pre-SPF Payout %age	X	SPF
	Net Income KPI (OC KPI)	125.0%		95.0%
	Business Unit (BU) Funding KPIs	167.5%		95.0%
	Total OC/BU Funding			118.8%
				178.1%
Step 1D - Calculate the performance of Site / Functional Allocation KPIs and Supplemental Allocation Factor (if applicable) and apply to the Business Unit portion (60%) Only				
	Site / Functional Allocation KPIs	Potential Reduction	Performance	Actual Reduction
	Allocation KPI #1	12.5%	Met Goal	0.0%
	Allocation KPI #2	12.5%	Did Not Meet	12.5%
	Allocation KPI #3	12.5%	Met Goal	0.0%
	Allocation KPI #4	12.5%	Met Goal	0.0%
	Total Allocation Reduction	50%		12.5%
			Post-SPF BU Payout %age:	178.1%
			Allocation Factor (1 - Total Actual Allocation Reduction):	X 87.5%
			Supplemental Allocation Factor (Applicable to EED, PECO & Supply only):	X 95.0%
			Adjusted BU Performance as a % of Target:	148.1%
Step 1E - Add the Total Weighted Payout of Exelon EPS and the adjusted Operating Company/Business Unit KPIs to determine the Company Performance Multiplier (CPM)				
	KPIs	Weighting	Performance as a % of Target	Total Weighted Multiplier
	Exelon EPS	25%	100.0%	25.0%
	Net Income KPI (OC KPI)	25%	118.8%	29.7%
	Business Unit (BU) Funding KPIs	50%	148.1%	74.0%
	Preliminary Company Performance Multiplier (CPM)	100%		128.7%
Step 1F - Multiply the CPM by any applicable award modifiers (ACSI Proxy, etc.). This illustrates a 6% increase to the overall company multiplier				
	Preliminary CPM	X	ACSI Proxy Modifier	Final CPM
	128.7%		105.0%	135.2%
Step 2: Calculate the base award:				
	Target Incentive Opportunity	X	Final CPM	Preliminary AIP Award
	\$10,500		135.2%	\$14,191
Step 3: Apply the individual performance multiplier (IPM) to the base award to determine the final AIP award:				
	Preliminary AIP Award	X	IPM	Final AIP Award
	\$14,191		100%	\$14,191

**ATTACHMENT
SDR-OM-28B**

2007 Annual Incentive Program Summary

Exelon[®]
Energy Delivery

For Exelon Energy Delivery

(PECO employees and employees in EED assigned to an Energy Delivery Shared Services (EDSS) department)

This is an Operating Company supplement to the Exelon Corporation 2007 Annual Incentive Program (AIP). It contains a description of the key performance indicators (KPIs) applicable to PECO employees and employees in EED assigned to an EDSS department.

Note that any reference in this brochure to "Operating Company" or "Business Unit" is intended to include the "Holding Company" Exelon Energy Delivery (EED) and the "Service Company" Exelon Business Services Company (BSC).

What's new for Exelon Energy Delivery in 2007

Increased focus on Operating Company performance

- A separate set of funding KPIs is established for EED and each of its operating companies to support increased focus on operational KPIs benefiting customers of each respective company.
- Along with the Corporate measure, Exelon Earnings Per Share (EPS), employees will focus on financial, cost, reliability and safety goals.
- The Exelon EPS Shareholder Protection Feature (SPF) is less restrictive than in previous years. If Operating Company Net Income achieves a level of performance of at least 100 percent of target, the portion of the award to which the feature is applied will have the pre- and post-SPF scores averaged to determine the pre-allocation company multiplier. See the Exelon 2007 AIP informational guide for additional details regarding the EPS SPF.

Continued focus on line of sight

- Each functional area continues to have function-specific objectives called Allocation KPIs, however this year the portion of your award subject to allocation goals is reduced from 75 percent to 50 percent. In addition, the potential reduction percentage based on allocation goal performance is reduced from 100 percent to 50 percent. As a result, the potential reduction to your award is significantly reduced from 75 percent in 2006 to 25 percent in 2007 (Refer to the Goal Group chart on pages 6 - 8 of this brochure for a list of the functional area Allocation KPIs.)
- To enhance our focus on operating safely, the 2007 EED AIP includes an objective to minimize the number of responsible vehicle accidents.

Customer satisfaction remains a key objective

- The company will retain the American Customer Satisfaction Index (ACSI) Proxy for 2007, measuring both commercial and residential satisfaction, reinforcing our commitment to customer satisfaction.

Exelon Energy Delivery AIP Design

Funding KPIs

Funding KPIs establish the potential payout available with respect to Exelon and Operating Company performance.

- Exelon performance is assessed using EPS and is weighted 25 percent.
- The remaining weighting is made up of Operating Company financial, cost and operational KPIs. The financial measure is Net Income and the cost measure is Total Costs (Operating and Maintenance (O&M), and Capital). There are three operational KPIs: CAIDI (Customer Average Interruption Duration Index), which measures the average duration of customer outages, SAIFI (System Average Interruption Frequency Index), measuring the average frequency of customer outages, and OSHA Recordable Rate.
- The following charts show the funding KPIs under the 2007 EED AIP. Employees assigned to an EDSS department are tied to the EED funding KPIs; those assigned to a PECO department are tied to the PECO funding KPIs. Contact your manager if you are unsure whether you are assigned to an EDSS or PECO department.

Funding KPIs - EED (Employees assigned to an EDSS department)	Threshold	Target	Distinguished	Goal Weight
Exelon Earnings Per Share	\$3.65	\$4.15	\$4.45	25%
EED Operating Net Income *	\$443	\$511	\$565	25%
EED Total Costs * (O&M and Capital, % of Budget)	105%	100%	96%	25%
EED CAIDI minutes (customer outage duration)	120	130	90	10%
EED SAIFI * (customer outage frequency)	1.30	1.18	1.12	10%
EED OSHA Recordable Rate	1.93	1.20	1.03	5%

*Subject to Allocation KPIs

Funding KPIs - PECO (Employees assigned to a PECO department)	Threshold	Target	Distinguished	Goal Weight
Exelon Earnings Per Share	\$3.65	\$4.15	\$4.45	25%
PECO Operating Net Income *	\$375	\$433	\$435	25%
PECO Total Costs * (O&M and Capital, % of Budget)	105%	100%	96%	25%
PECO CAIDI minutes (customer outage duration)	132	110	100	10%
PECO SAIFI * (customer outage frequency)	1.23	1.12	1.06	10%
PECO OSHA Recordable Rate	1.93	0.96	0.86	5%

*Subject to Allocation KPIs

Allocation KPIs

- To increase line of sight and to ensure focus and performance improvement in EED's strategic focus areas, employees at the vice president level and below participate in specific Allocation KPIs for each functional area.
- Allocation KPIs determine whether the entire potential payout of the Operating Company Funding KPIs will be paid to employees in a functional area.
- Each functional area goal group has function-specific objectives with an established target performance level and weighting for each objective. Performance is evaluated against target and a value is assigned based on the established KPI weighting. The scores for the function-specific Allocation KPIs are added together to obtain a function multiplier, which is applied to a certain portion (50 percent) of the Operating Company Funding KPIs.
- The Company Performance Multiplier (CPM) used to calculate your annual incentive award is based on the performance of both Funding and Allocation KPIs. Payout above target on Operating Company Funding KPIs may be capped based on EPS performance. (Refer to the Exelon AIP informational guide, page 4 under the section titled *Shareholder Protection Feature* for an illustration. Also see page 7, under the section titled *Award Calculation*, for a sample incentive award calculation.)
- Refer to the chart on pages 6 - 8 of this supplement for a list of the Allocation KPIs assigned to each functional area.

Award Curtailments

Responsible Vehicle Accident (RVA) Objective

To enhance our focus on operating safely, the 2007 EED AIP includes an objective to minimize the number of responsible vehicle accidents. A target rate is established for each functional goal group. If that group does not meet its RVA rate target, then the achieved Allocation KPI results for the group will be reduced five percent (e.g., a multiplier of .95 will be applied to the Allocation KPI result).

Significant Event Curtailment

If EED has a Significant Event in 2007, payout on your Operating Company KPIs will be reviewed in light of the event and capped at zero percent to 150 percent of Target. A significant event is defined as a single high profile outage caused by a failure of Exelon owned or managed equipment and determined ultimately to have been caused by a human performance error or poor management attention to maintenance or upkeep of the system. An event in this category will result in negative customer and media impact, as well as significant adverse government and/or regulatory intervention or have a material adverse impact on earnings.

For EED, the significant event curtailment determination will be made by the EED President and for PECO the determination will be made by the PECO President and EED President. In each case, the decision will be made in concert with Exelon's EVP Finance & Markets and CFO, EVP and Chief Human

Resources Officer, and Chief Executive Officer by recommendation to the Compensation Committee of the Board of Directors.

Glossary of Terms

Alternative Energy Portfolio Standards (AEPS) Filing and Gas Rate Case Preparation Milestones - Complete the following milestones:

- File AEPS Procurement filing by 04/01/2007
- Gas Rate Case general and cost of capital consultants under contract and engaged by 04/30/2007
- Complete full risk analysis and senior management go/no-go decision for Gas Rate Case by 11/30/2007

CAIDI (IEEE Standard) - Customer Average Interruption Duration Index (CAIDI) is calculated as follows: Sum of all customer interruption durations year-to-date (YTD) / total number of customers interruptions YTD. Excludes major events (events during which at least 10% of the customers within an operating area experience a sustained interruption during a 24 hour period), interruptions lasting 5 minutes or less in duration, and planned interruptions.

Estimated Restoration Time (ERT) Accuracy & ERT Reach Accuracy - Percentage of customers obtaining an accurate ERT defined as an actual restoration time within +0 and -2 hours of the estimated time. This is based on the percentage of customers who obtained an ERT for their outage related contact. Reach: Percentage of customers who obtained an ERT for their outage related contact.

Execute Stakeholder Outreach Plan - Must achieve the following:

- ESO complete 100% of in person customer visits by account managers for accounts > 500kW
- Complete 100% of Greenboard interviews with City/Township managers (2 times per year)
- Complete 100% of Tier 1 Key Stakeholder Outreach (legislative/political)

Gas Corrective Maintenance Compliance - Inclusive of all gas corrective maintenance items such as #3 leaks, valve and regulator maintenance, bridge maintenance, right-of-way clearing, non-leak damage cases, corrosion and plant operation maintenance.

Gas Regulatory Compliance Completions - This includes the following six (6) EED Gas Inspection Programs for the year 2007: 1) Outdoor Leak Survey 2) Gas preventive maintenance (PM) – Department of Transportation (DOT) / Public Utility Commission (PUC) Mandated Regulator Station Inspections 3) Gas PM - DOT / PUC Mandated Critical Valve Inspections 4) Gas Cathodic Protection Inspection 5) Gas PM - DOT / PUC Mandated Bridge Inspections 6) Transmission Pipeline and Special Distribution.

Human Performance Events (Rate) - Number of human performance events as defined by the corrective action program as event free clock resets or third-party dig ins by locator fault. Includes responsible vehicle accidents, OSHA Recordable, distribution and transmission incidents, other consequential human performance events and dig ins to EED facilities by others as a result of EED locate vendor errors. Includes events by EED contractors of choice. For Transmission Ops & Planning (TO&P), the KPI is the number of events. For PECO C&M/DSO/Technical Services, the KPI is the rate per 200,000 man-hours.

NERC Compliance (zero Reliability First Corporation (RFC) non-compliance findings) - No TO&P RFC non-compliance findings and all of the data submittals will be on time per the RFC compliance plan.

Net Income – Generally Accepted Accounting Principles (GAAP) Net Income excluding severance, and other exclusions determined by Corporate Finance.

On-Time Transmission System Switching - The amount of unproductive waiting time incurred by field personnel and control room operators when execution of switching orders is not completed on time.

OSHA Recordable Rate - Recordable injuries include every occupational death; every non-fatal occupational injury which involves one or more of the following: loss of consciousness, restriction of work or motion; transfer to another job, or medical treatment (not first aid). OSHA Recordable Rate is calculated as follows: # of Recordables * 200,000 / Exposure Hours.

Percent of Bills Scheduled to be Sent that Were Unbilled - Number of bills that did not bill within 5 days of the scheduled read date (does not include cancel / rebill) divided by total number of bills.

Percent of Meters Read - Percent of active and inactive meters on the system that are read during each reading cycle divided by meters assigned to be read. This metric includes both residential and large commercial and industrial (C&I) meters. This also includes readings obtained through the voice recognition unit (VRU).

Preventive Maintenance Completions - ComEd: Complete 90% of the 2007 Approved ComEd Preventive Maintenance Work Plan (94,709 tasks), or 85,238 PM tasks. PECO: Complete 90% of the 2007 Approved PECO Preventive Maintenance Work Plan (24,212 tasks), or 21,791PM tasks, including all PUC PM commitments.

Responsible Vehicle Accident (RVA) Rate - A motor vehicle accident in which carelessness in the operation or direction of a motor vehicle while on the job or in connection with Company business resulting in any injuries, property damage, vehicle damage or violations cited by law enforcement (e.g., disregarding traffic signals, backing into a fixed object, excessive speed, etc.). Rate is calculated as follows: Number of Responsible Vehicle Accidents X 1,000,000 / Number of Miles Driven.

SAIFI (IEEE Standard) - System Average Interruption Frequency Index (SAIFI) is calculated as follows: Total number of customer interruptions / total number of customers served. Excludes major events (events during which at least 10% or the customers within an operating area experience a sustained interruption during a 24 hour period), interruptions lasting 5 minutes or less in duration and planned interruptions.

Service Level - The percent of actual number of answered calls within 30 seconds by all methods (CSR,VRU, Periphonics) divided by the total number of calls offered (excluding vendors).

T&D Rate Strategy - Preserve T&D revenue through rate strategy. Must achieve the following:

- No adverse Transmission regulatory decisions that degrade Transmission retail revenue
- No adverse Distribution regulatory decisions that degrade Distribution retail revenue (excluding Sustainable Development Fund (SDF) and low income challenges).

Total Costs (O&M and Capital) - Operating and Maintenance (O&M) Expenses for departments, including functional groups' costs for embedded functions and BSC transactional costs, but excluding BSC corporate allocation costs (i.e., Executive Services), pensions, other post-retirement employee benefits (OPEB), benefits (including incentive payments), and bad debt expenses. Plus, capital expenditures as defined in the capitalization policy, including functional groups' costs for embedded functions and BSC transactional costs, but excluding BSC corporate allocation costs, pensions, OPEB, fringe benefits (including incentive payments).

Important Information

- This informational guide is intended to provide an overview of EED's goals and measures under the 2007 Exelon Corporation Annual Incentive Program. In the event of any inconsistency between this guide and the formal program document, the formal document will control.

- The Exelon CEO and the Compensation Committee of Exelon's Board of Directors reserve the right to adjust awards or make modifications to the program, if business circumstances warrant an adjustment. In addition, the program may be amended at any time by action of the CEO, the Compensation Committee and may be terminated at any time by action of the Compensation Committee.
- No portion of an award shall be considered earned prior to final approval of the amount and payment of such award by the Compensation Committee.

Questions?

Contact your Human Resources Representative.

Exelon Energy Delivery 2007 AIP Allocation KPIs

EED Customer Operations

	2006 Baseline	Target	Goal Weight
EED Cust. Ops Total Costs (O&M and Capital)	96.1% of Budget without CCS	≤ Budget, excluding Bad Debt	12.5%
EED % of Meters Read	97.8%	≥ 96.8%	12.5%
EED Service Level	80.0%	≥ 71.9%	12.5%
EED % of B's Scheduled to be Sent that were enabled	94.4%	≥ 90.0%	12.5%
			50.0%
Responsible Vehicle Accident (RVA) Rate	N/A	≤ 4.96	

EED Technical Services

	2006 Baseline	Target	Goal Weight
Average Performance of PECO Tech Svcs/C&M/DSO and ComEd Tech Svs/Operations*	N/A	Average	50.0%
			50.0%
Responsible Vehicle Accident (RVA) Rate	N/A	≤ 4.96	

* Refer to the ComEd 2007 Annual Incentive Program Informational Summary for details on the ComEd Tech Svcs/Operations Allocation KPIs

**Exelon Energy Delivery
2007 AIP Allocation KPIs (continued)**

EED Transmission Operations & Planning

	2006 Baseline	Target	Goal Weight
EED TO&P Total Costs (O&M and Capital)	97.7% of Budget	≤ Budget	12.5%
NERC Compliance	N/A	Zero NERC non-compliance findings	12.5%
Human Performance Events	8	≤ 11	12.5%
On-Time Transmission System Switching	2%	≥ 5%	12.5%
			50.0%
Responsible Vehicle Accident (RVA) Rate	N/A	≤ 0	

Office of EED President

	2006 Baseline	Target	Goal Weight
Average Performance of EED Tech Svs (EDSS Employees Only), Customer Operations, and Transmission Ops & Planning	N/A	Average	50.0%
			50.0%
Responsible Vehicle Accident (RVA) Rate	N/A	≤ 0	

PECO Gas

	2006 Baseline	Target	Goal Weight
PECO Gas Total Costs (O&M and Capital)	N/A	≤ Budget	12.5%
PECO Gas Human Performance Rate	5.3	≤ 5.5	12.5%
PECO Gas Corrective Maintenance Compliance	756	≤ 687	12.5%
PECO Gas Regulatory Compliance	100%	Complete 100% of Regulatory Inspector Programs	12.5%
			50.0%
Responsible Vehicle Accident (RVA) Rate	N/A	≤ 1.33	

Exelon Energy Delivery
2007 AIP Allocation KPIs (continued)

PECO Regulatory, External Affairs, Support Groups*

	2006 Baseline	Target	Goal Weight
PECO Reg., Ext. Affairs, Support Groups Total Costs (O&M and Capital)	N/A	≤ Budget	12.5%
AEPS Filing and Gas Rate Case Preparation	N/A	Meet all milestones	12.5%
T&D Rate Strategy	N/A	Preserve T&D Revenue	12.5%
Execute Stakeholder Outreach Plan	N/A	Meet all milestones	12.5%
			50.0%
Responsible Vehicle Accident (RVA) Rate	N/A	≤ 0.8	

* PECO support groups include eligible employees assigned to PECO departments in Office of PECO President and any other PECO functional area not specifically covered by another goal group.

PECO Technical Services, C&M, DSO

	2006 Baseline	Target	Goal Weight
PECO Tech Svs/C&M/DSO Total Costs (O&M and Capital)	N/A	≤ Budget	12.5%
PECO Operators Human Performance Rate	18.5	≤ 17.1	12.5%
PECO ERT Accuracy & ERT Reach	34% / 64%	ERT Accuracy ≥ 44% and ERT Reach ≥ 40%	12.5%
PECO Preventive Maintenance Completions	18%	Complete 93% of the PECO 2007 Approved PM Work Plan including all PECO Commitment of 2179 tasks	12.5%
			50.0%
Responsible Vehicle Accident (RVA) Rate	N/A	≤ 3.9	

**ATTACHMENT
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2007 Annual Incentive Program

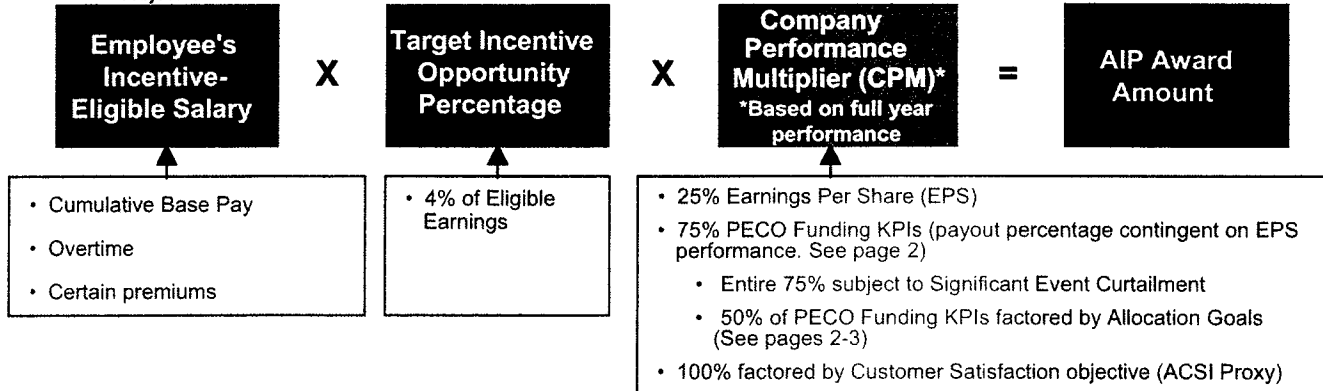


Overview for PECO employees represented by IBEW Local 614 (excluding Supply)*

*Eligibility to participate in the AIP is based solely to the extent provided in the applicable collective bargaining agreement. This guide describes the terms of the AIP as in effect for the period of July 1, 2007 through December 31, 2007 (and is based on the agreements between PECO and IBEW Local 614 ratified in May, 2007). This guide does not change the terms and conditions of such programs during the period of January 1, 2007 through June 30, 2007.

Funding KPIs - PECO (Employees assigned to a PECO department)	Threshold	Target	Distinguished	Goal Weight
Exelon Earnings Per Share	\$3.65	\$4.15	\$4.45	25%
PECO Operating Net Income	\$375	\$408	\$435	25%
PECO Total Costs * (O&M and Capital, % of Budget)	105%	100%	96%	25%
PECO O&M minutes (customer outage duration)	132	110	100	10%
PECO SAIFI * (customer outage frequency)	1.23	1.12	1.06	10%
PECO OSHA Recordable Rate	93	0.96	0.86	5%

*Subject to Allocation KPIs



What Happens if Your Status Changes During 2007

Status change	Impact on your award
New participant	A prorated award will be calculated using the number of days you are an active employee on the payroll, divided by 365, subject to your eligible classification on the Company's payroll for at least 31 calendar days beginning on or before December 1, 2007.
Approved Leave of Absence (e.g., Family Medical Leave, qualifying military leave, paid leave of absence, or short-term disability)	Your award will not be prorated for any period of approved leave of absence while you are receiving pay on the Company's payroll, but will be prorated for any unpaid leave.
Change in department or Business Unit or Operating Company	Your award is calculated based on the department or Operating Company/Business Unit you are in on the last day of the final pay period of 2007.
Transfer or change to/from a non-exempt and/or part-time position in the organization	Your award will be calculated using your incentive-eligible earnings in each position for the period you were in that position (e.g., eligible overtime and shift premium) for 2007.

** Family Medical Leave and qualifying military leave are not used to prorate or otherwise reduce your annual award.

EPS Shareholder Protection Feature

EPS Performance	Before Shareholder Protection Feature Applied Operating Company & Business Unit KPI Payout	After Shareholder Protection Feature Applied Operating Company & Business Unit KPI Payout
< 100%	0 - 200%	Actual up to 100%
≥ 100, but < 150%	0 - 200%	Actual up to 150%
≥ 150%	0 - 200%	Actual up to 200%

If EPS performance is at least Target and Operating Company Net Income is at least Target, then the Operating Company/Business Unit payout is limited to the average of the capped and uncapped payouts.

Other Award Curtailments

Responsible Vehicle Accident (RVA) Objective

To enhance our focus on operating safely, the 2007 EED AIP includes an objective to minimize the number of responsible vehicle accidents. A target rate is established for each functional goal group. If that group does not meet its RVA rate target, then the achieved Allocation KPI results for the group will be reduced five percent (e.g., a multiplier of .95 will be applied to the Allocation KPI result).

Significant Event Curtailment

To ensure continued focus on critical business issues, your AIP payout may be subject to reduction if a significant adverse business event occurs. If EED has a Significant Event in 2007, payout on your Operating Company KPIs will be reviewed in light of the event and capped at zero percent to 150 percent of Target. A significant event is defined as a single high profile outage caused by a failure of Exelon owned or managed equipment and determined ultimately to have been caused by a human performance error or poor management attention to maintenance or upkeep of the system. An event in this category will result in negative customer and media impact, as well as significant adverse government and/or regulatory intervention or have a material adverse impact on earnings. For PECO, the significant event curtailment determination will be made by the PECO President and EED President in concert with Exelon's EVP Finance & Markets and CFO, EVP and Chief Human Resources Officer, and Chief Executive Officer by recommendation to the Compensation Committee of the Board of Directors.

Allocation KPIs for PECO Employees

EED Customer Operations

	2006 Baseline	Target	Goal Weight
EED Cust. Ops Total Costs (O&M and Capital)	96.1% of Budget without CCS	≤ Budget, excluding Bad Debt	12.5%
EED % of Total's Rate	37.8%	≥ 33.8%	12.5%
EED Service Level	80.0%	≥ 71.9%	12.5%
EED % of Bus. Scheduled to be Served that were Served	84.4%	≥ 83.0%	12.5%
			50.0%
Responsible Vehicle Accident (RVA) Rate		≤ 4.96	

EED Transmission Operations & Planning

	2006 Baseline	Target	Goal Weight
EED TO&P Total Costs (O&M and Capital)	97.7% of Budget	≤ Budget	12.5%
NERC Compliance	N/A	Zero RFO non-compliance findings	12.5%
Human Performance Events	8	≤ 11	12.5%
On-Time Transmission System Switching	24%	≥ 5%	12.5%
			50.0%
Responsible Vehicle Accident (RVA) Rate	N/A	≤ 0	

PECO Gas

	2006 Baseline	Target	Goal Weight
PECO Gas Total Costs (O&M and Capital)	N/A	≤ Budget	12.5%
PECO Gas Human Performance Rate	50	≤ 3.5	12.5%
PECO Gas Corrective Maintenance Compliance	756	≤ 687	12.5%
PECO Gas Regulatory Compliance	100%	Complete 100% of Regulatory Inspector Programs	12.5%
			50.0%
Responsible Vehicle Accident (RVA) Rate	N/A	≤ 2.88	

PECO Regulatory, External Affairs, Support Groups*

	2006 Baseline	Target	Goal Weight
PECO Reg., Ext. Affairs, Support Groups Total Costs (O&M and Capital)	N/A	≤ Budget	12.5%
AEP's Filing and Gas Rate Case Preparation	N/A	Meet all milestones	12.5%
T&D Rate Strategy	N/A	Preserve T&D Revenue	12.5%
Execute Stakeholder Outreach Plan	N/A	Meet all milestones	12.5%
			50.0%
Responsible Vehicle Accident (RVA) Rate	N/A	≤ 0.0	

* PECO support groups include eligible employees assigned to PECO departments in Office of PECO President and any other PECO functional area not specifically covered by another goal group.

PECO Technical Services, C&M, DSO

	2006 Baseline	Target	Goal Weight
PECO Tech Svs/C&M/DSO Total Costs (O&M and Capital)	N/A	≤ Budget	12.5%
PECO Operators Human Performance Rate	83%	≤ 7%	2.5%
PECO ERT Accuracy & ERT Reach	34% / 64%	ERT Accuracy ≥ 44% and ERT Reach ≥ 40%	12.5%
PECO Preventive Maintenance Completions	83%	Complete 90% of the PECO 2007 Approved PM Work Plan, including All PUG PM Commitment (or 2,734 tasks)	12.5%
			50.0%
Responsible Vehicle/Accident (RVA) Rate	N/A	≤ 3.49	

Important Information

- This informational guide is intended to provide an overview of the 2007 Exelon Corporation Annual Incentive Program. In the event of any inconsistency between this guide and the formal program document, the formal document will control.
- The CEO and the Compensation Committee of Exelon's Board of Directors reserve the right to adjust awards or make modifications to the program, if business circumstances warrant an adjustment. In addition, the program may be amended at any time by action of the CEO or the Compensation Committee and may be terminated at any time by action of the Compensation Committee.
- No portion of an award shall be considered earned prior to final approval of the amount and payment of such award by the Compensation Committee.

Questions?

Contact your Human Resources Representative.

**ATTACHMENT
SDR-OM-28D**

2007 Long Term Performance Share Award Program Summary

Program Objectives

- The Long Term Performance Share Award Program is intended to provide rewards to individuals in select strategic positions who play key roles in driving Exelon's financial and operational success. The program is an important component of Exelon's total compensation package for executives, which is benchmarked and aligned with the best practices of high-performing energy services companies and general industry firms.

Eligibility

- Executives approved for participation by the Compensation Committee of the Board of Directors (the "Committee"), are eligible for performance share unit awards ("Awards") under the 2007 Long Term Performance Share Award Program.

Targets, Measures and Goal Weights

- The Committee determines the target long-term incentive component of your total compensation based on compensation levels benchmarked with the external market for your position and/or other positions of similar scope and responsibility.
- Awards for 2007 are contingent upon Exelon's performance against two measures:

Dow Jones Utility Total Shareholder Return (60% Weighting)

This performance measure compares Exelon's three-year total shareholder return (TSR) to companies listed in the Dow Jones Utility Index. TSR is measured by the change in stock price plus dividend payments, compounded monthly from January 1, 2005 through December 31, 2007.

S&P 500 Index TSR (40% Weighting)

The S&P 500 Index TSR measures Exelon's performance relative to other companies outside its equity class. Assessing Exelon's TSR performance against this index is important because many of these organizations face the same broad challenges and opportunities as Exelon and compete with us for capital. This performance measure compares Exelon's TSR to companies listed in the S&P 500 Index from January 1, 2005 through December 31, 2007.

Performance Assessment and Allocation of Performance Shares

- Each year, Exelon's annual performance is reviewed and a pool of available Performance Shares for the year is determined based on a sum of all participants' targets and the composite performance level achieved on all goals.

The Award level is determined by Exelon's percentile ranking among the companies listed in the Dow Jones Utility Index and S&P 500 Index. The chart below applies to both of the index measures.

TSR Position Rankings (Calculated separately for Dow Jones Utility Index and S&P 500 Index)		
Threshold	Target	Distinguished
25 th percentile	50 th percentile	75 th percentile and above
50%	100%	200%
Percentage of target awards for creating total pool of shares		

Interpolation will be used between performance levels

- The Committee reserves the right to reduce or terminate 2007 Performance Share Awards to address corporate, business unit, or individual performance.

How You Will Receive Your Award

Generally, Awards are paid in shares of Exelon common stock and vest incrementally over three years, subject to your continued employment: one-third vests when your award is finalized in the first quarter of 2008, one-third in the first quarter of 2009, and the final third in the first quarter of 2010. Awards earn dividend equivalents prior to vesting, which will be reinvested in additional shares. You will receive the net shares after the required taxes are withheld. If stock ownership requirements are met, as described below, Awards are paid in cash, net of required tax withholding. Award payments are not eligible for deferral.

PAYOUT EXAMPLE

(Actual Award can range from 0% to 200%)

Step 1	
2007 Target Performance Share Award Opportunity	3,000 shares
Step 2	
Determine Actual Award:	
Target Performance Share Award Opportunity adjusted for TSR rankings	$x \frac{120\%}{3,600 \text{ shares}}$
Step 3	
Award Paid in Accordance with 3-Year Vesting Schedule	1,200 shares in 2008
	1,200 shares in 2009
	<u>1,200 shares in 2010</u>
	<u>3,600</u>

Three-Year Award Payout Schedule

(Assumes prior participation in LTPSA and continuation of program after 2007)

Year Award is Paid	2008	2009	2010
Portion of Award Paid	<ul style="list-style-type: none"> ■ 3rd third of 2005 Earned Award ■ 2nd third of 2006 Earned Award ■ 1st third of 2007 Earned Award 	<ul style="list-style-type: none"> ■ 3rd third of 2006 Earned Award ■ 2nd third of 2007 Earned Award ■ 1st third of 2008 Earned Award 	<ul style="list-style-type: none"> ■ 3rd third of 2007 Earned Award ■ 2nd third of 2008 Earned Award ■ 1st third of 2009 Earned Award

Executives Who Achieved Their Stock Ownership Requirements

If you met or exceeded 125% of your stock ownership requirements as of September 30, 2006, your Awards that vest in 2007 (including any earned but non-vested Awards from prior years) will be paid 50% in cash and 50% in stock.

What Happens if Your Status Changes

Status change	Impact on your award
New participant (New hire or promotion to an eligible position)	You will be eligible for consideration for a prorated current year Award based on actual results and the number of days you are in an eligible position.
Demotion from an eligible position	Your earned, non-vested Awards vest normally, contingent upon continued employment with the Company; you will be eligible for consideration for a prorated current year Award based on actual results and the number of days you were in an eligible position.
Promotion or demotion within eligible positions with different targets	Your earned, non-vested Awards vest normally, contingent upon continued employment with the Company; you will be eligible for consideration for a current year Award based on actual results and the number of days you worked in each position in which you had a different target.
Termination by reason of long term disability, death or normal or early retirement under the terms of the applicable qualified or non-qualified pension plan (minimum of age 50 and 10 years of service)	Your Awards will be subject to accelerated vesting on any earned, non-vested shares; you will be eligible to receive a prorated current year Award based on actual results and the number of days that you are an active participant in the program.
Unpaid leave of absence ⁽¹⁾	Your earned, non-vested Awards vest normally, contingent upon continued employment with the Company; you will be eligible for consideration for a prorated current year Award based on actual results and the number of days that you are an active participant in the program.
Involuntary separation	Your earned, non-vested Awards will become vested and you will be eligible for a pro-rated current year target Award, subject to participation in the Senior Management Severance Plan in accordance with its terms and conditions (including timely execution of a separation agreement and waiver & release, and compliance with restrictive covenants).
Termination for cause or voluntary separation (other than retirement)	You will forfeit any non-vested Awards; not eligible for a current year Award.

⁽¹⁾ For the current year, your target will not be reduced for any period of approved leave of absence with pay on the Company's payroll, but will be reduced for periods of unpaid leave.

General

The 2007 Long Term Performance Share Award Program is established under, and subject to the terms and conditions of, the Exelon Corporation 2006 Long-Term Incentive Plan ("LTIP"). In the event of any inconsistency between the Program and the LTIP, the LTIP will be controlling.

**ATTACHMENT
SDR-OM-28E**

2007 Stock Option Awards Program

Program Objectives

Stock options awarded under the Exelon Corporation 2006 Long-Term Incentive Plan are intended to provide you with a financial reward for increasing shareholder value by giving you the opportunity to purchase a set number of shares of Exelon Corporation ("Exelon") common stock at a pre-determined price. You are able to share in the increased value of Exelon common stock if the purchase price under your stock option is less than the value of the shares when you exercise your option.

Eligibility

Executives are currently eligible to be considered for a stock option award. Generally, the Compensation Committee of Exelon's Board of Directors (the "Committee") selects the eligible employees who will receive a stock option award. The CEO also has discretion to grant awards in certain circumstances.

How Target Awards are Determined

- The Committee and the CEO have discretion to determine the number of shares granted under a stock option award. In making this determination, the Committee or CEO may consider the employee's position, contribution, competitive practices and the expected value of the award.
- Because the value of Exelon's common stock changes over time, the number of options granted may also change from year to year. For example, as the stock price increases, the *number* of options granted may decrease; however, the *value* of the option grant may remain the same due to standard valuation models that generally assign a higher value to options to purchase stock that has increased in value. The number of options granted each year also reflects competitive practice, which can vary from year to year.

How You Receive Your Award

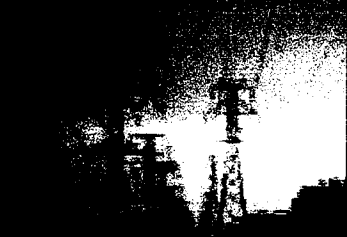
- Vesting - Generally, stock option awards vest over four years, with one quarter of the award vesting on each anniversary of the grant date subject to continued employment.
- For information about exercising your stock options and the tax implications of your option award, refer to the *Stock Option Awards Program Participant Guide* and the *Stock Option Awards Program Exercise Guide*, which are available at Computershare's website, www.computershare.com/equiserve.

Note: The options discussed in these guides were granted under the Exelon Corporation 2006 Long-Term Incentive Plan (the "Plan"). The terms of your 2007 stock option grant under the Plan and the exercise procedures may be different for options you may have been granted in previous years. Please refer to the applicable materials for information regarding the terms of any stock option grants and any exercise procedures for stock options granted in previous years.

What Happens if Your Status Changes

Status Change	Impact on Your 2007 Exelon Stock Option Award
New hire into stock option-eligible position	Generally, off-cycle stock option grants are not made.
Promotion to stock option-eligible position	Generally, off-cycle stock option grants are not made.
Termination by reason of long-term disability, or normal or early retirement under the terms of Exelon's qualified or non-qualified pension plans (minimum of age 50 and 10 years of service).	Your options are subject to accelerated vesting — you must exercise your options within five years of retirement from employment or termination by reason of disability or by the option expiration date, whichever occurs first.
Death	Your options are subject to accelerated vesting — the estate must exercise options within three years of death or the option expiration date, whichever occurs first.
Voluntary separation or involuntary separation (other than for "cause")	Generally, your vested options expire 90 days after the separation date or by the expiration date, whichever occurs first. Non-vested options are forfeited.
Termination for cause or violation of restrictive covenant	Vested and non-vested options are forfeited.

**ATTACHMENT
SDR-OM-28F**



2008 Annual Incentive Program

An informational guide to understanding Exelon's Annual Incentive Program (AIP) for employees not covered by a collective bargaining agreement or other short-term incentive plan

Overview

The Exelon Annual Incentive Program ("AIP") provides an opportunity for you to be rewarded for your contribution to the success of Exelon Corporation and its participating subsidiaries (the "Company"). It serves as an important part of your overall compensation package by linking individual and Company performance. The final amount of your award will be based on how well you, the group that shares your key performance indicators ("Operating Company" and "Business Unit") and the Company as a whole perform against goals set for the year.

Who is Eligible?

To participate in the 2008 AIP, you must meet each of the following requirements:

- You must be classified as a salaried exempt, salaried non-exempt, or hourly craft regular employee (not temporary or other classification, such as an intern, co-op or contractor) on the Company's payroll for at least 31 calendar days in 2008 (and not be covered by an incentive plan provided in lieu of the AIP); and
- In most cases, you must be actively employed through the Company's last business day of 2008. *

This informational guide does not apply to individuals who are covered by a collective bargaining agreement or other short-term incentive plan. Also, the guide does not apply to ComEd employees and BSC employees who are embedded in or dedicated to ComEd; they are covered under a separate incentive plan, governed and approved by ComEd.

* Please refer to page 6, "What Happens if Your Status Changes During 2008" for additional information.

How Does the AIP Work?

Generally, 2008 AIP awards will be determined based on the following calculation:

Employee's Incentive-Eligible Salary	X	Target Incentive Opportunity Percentage	X	Company Performance Multiplier (CPM)	X	Individual Performance Multiplier (IPM)*	=	AIP Award Amount																	
<p>Each employee has a target percentage that is determined based on his or her salary grade. The following chart applies to most employees (salary grade E06 and below):¹</p> <p style="text-align: center;">2008 Exelon Target Incentive Opportunity</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Salary Grade</th> <th style="text-align: center;">Target %¹ (of Employee's Salary)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">E06</td> <td style="text-align: center;">30%</td> </tr> <tr> <td style="text-align: center;">E05</td> <td style="text-align: center;">25%</td> </tr> <tr> <td style="text-align: center;">E04</td> <td style="text-align: center;">20%</td> </tr> <tr> <td style="text-align: center;">E03</td> <td style="text-align: center;">15%</td> </tr> <tr> <td style="text-align: center;">E02</td> <td style="text-align: center;">10%</td> </tr> <tr> <td style="text-align: center;">E01</td> <td style="text-align: center;">7%</td> </tr> <tr> <td style="text-align: center;">Salaried Non-Exempt</td> <td style="text-align: center;">7%</td> </tr> <tr> <td style="text-align: center;">Hourly Craft</td> <td style="text-align: center;">4%</td> </tr> </tbody> </table> <p>¹ Employees in certain Power Team positions have different target incentive percentages.</p> <p>For exempt employees, your annual base salary in effect on December 31, 2008 generally applies to incentive award calculations. For employees who were non-exempt and/or part-time during any part of 2008, your incentive-eligible salary is based on your incentive-eligible earnings paid while working in each category during 2008 (e.g., includes eligible overtime and shift premium while non-exempt).</p>	Salary Grade	Target % ¹ (of Employee's Salary)	E06	30%	E05	25%	E04	20%	E03	15%	E02	10%	E01	7%	Salaried Non-Exempt	7%	Hourly Craft	4%			<p>The company performance multiplier (CPM) is based on the achievement of Exelon's Earnings Per Share (EPS) and Operating Company/Business Unit financial and operational Funding Key Performance Indicators (KPIs), and, where applicable, Allocation KPIs for 2008.</p> <p>The EPS and Operating Company/Business Unit scores are weighted and then added together to arrive at a composite of the scores. This composite score is the CPM.</p> <p>(See breakout boxes for more information about the EPS and Operating Company/Business Unit measures).</p>		<p>Eligible employees will have an IPM (between 50 and 120 percent**) that is applied to the base award (incentive-eligible salary x target incentive opportunity percentage x CPM) to calculate the final award.</p> <p>*Certain employees designated by a business unit (e.g., generally bargaining unit and craft employees) do not have an IPM.</p> <p>**The IPM range for Corporate and Senior Subsidiary Officers is 50 percent to 120 percent.</p>		
Salary Grade	Target % ¹ (of Employee's Salary)																								
E06	30%																								
E05	25%																								
E04	20%																								
E03	15%																								
E02	10%																								
E01	7%																								
Salaried Non-Exempt	7%																								
Hourly Craft	4%																								

What's new for 2008

In response to employee and leadership feedback, the 2008 Annual Incentive Program is simplified to increase understanding and improve communication. Following are highlights of the key changes for 2008. Refer to your Operating Company / Business Unit AIP supplement for additional information.

- The Shareholder Protection Feature (SPF) has been simplified by removing the averaging feature, which was used last year. Refer to page 5, "Shareholder Protection Feature" for additional information.
- The American Customer Satisfaction Index (ACSI) Proxy will no longer be applied company-wide. Instead, the ACSI Proxy will be used as a KPI under the PECO funding goal structure and as part of the customer satisfaction index funding KPI under the separate ComEd annual incentive program.
- While the basic funding goal structure remains the same, the Exelon Nuclear and Exelon Power business units will be the only organizations to use allocation goals.
- In general, employees of Exelon Business Services Company ("BSC") who are considered dedicated to or are embedded in one of the operating companies, business units or a nuclear site will have the same goals and weightings as their clients. "Dedicated" BSC employees are those who primarily support one operating company, business unit or nuclear site. "Embedded" BSC employees are those who are on their client's payroll. The clients' goal structures will apply to embedded employees of Communications, Human Resources, Finance (excluding the risk management and the non-nuclear site controller groups), and Legal, as well as to IT employees dedicated to or embedded in Power Team.

How is Corporate Performance Measured?

Corporate performance will be assessed using Exelon's Earnings Per Share (EPS). EPS measures net income per share of Exelon common stock. It is the value by which we are judged by Wall Street and our shareholders and has a direct impact on our stock price. Achieving EPS goals supports our commitment to shareholders and provides opportunities to reinvest in the business and/or reduce debt. EPS makes up at least 25 percent of every employee's performance measures. Payment levels for Operating Company and Business Unit KPIs are contingent on EPS performance. Below are the threshold, target and distinguished EPS goals for 2008:

Exelon Key Performance Indicator (KPI)	Performance Scale		
	Threshold: 50% of Target Payout	Target: 100% of Target Payout	Distinguished: 200% of Target Payout
Earnings Per Share	\$3.65	\$4.15	\$4.45

For purposes of determining AIP awards, achievement of EPS will be determined by the Compensation Committee of Exelon's board of directors. In determining EPS achievement, the compensation committee may make adjustments due to restructuring impairment charges, gains or losses on the sale or other disposition of businesses or assets, changes in accounting or other extraordinary, nonrecurring or unusual items.

BSC employees dedicated to or embedded in ComEd have a ComEd Total Cost KPI in lieu of EPS.

How are Operating Company and Business Unit Performance Measured?

Operating Company and Business Unit KPIs also are an important component of your overall AIP award. The Company uses financial and operational KPIs to measure the relative financial and operational performance of each Operating Company/Business Unit. Along with EPS, Operating Company/Business Unit KPIs fund the AIP and are called *Funding KPIs*.

For 2008, Exelon Nuclear and Exelon Power also have site-specific objectives called *Allocation KPIs*. These objectives have an established target performance level. If target performance is achieved, 100 percent of the weighted funding level is allocated to the site. Performance achievement below target impacts the Operating Company/Business Unit KPI performance and the award allocation for the site is reduced by up to 50 percent. Your Operating Company/Business Unit AIP Supplement will provide detailed information related to your specific KPIs.

	Position	Example ⁽¹⁾	Corporate (Exelon)	Operating Company and Business Unit KPIs		
			Earnings Per Share	Operating Company Financial Measure	Cost Measure	Business Unit Operational/Financial Measures
Exelon	CEO & Direct Staff Reports to the CEO	Rowe, McLean, Moler, VonHoene, Zopp	100%	-	-	-
	Exelon Generation	Generation	Crane	75%	25% ExGen NI	-
All Employees			25%	25% ExGen NI	25% Nuclear Total Cost	25% Adjusted Power, PT and ExGen Corp Operating Expense
Nuclear		Pardee	50%	25% ExGen NI	-	25% Capacity Factor
		All Employees	25%	25% ExGen NI	25% Nuclear Total Cost	25% Capacity Factor
Power		Schiavoni	50%	25% ExGen NI	-	25% Commercial/Hydro Availability
		All Employees	25%	25% ExGen NI	25% Power Total Cost	25% Commercial/Hydro Availability
PowerTeam		Cornew	50%	50% ExGen NI	-	-
		All Employees	25%	25% ExGen NI	50% PT Adjusted Operating Margin	-
PECO	PECO	O'Brien	50%	25% PECO NI	-	5% PECO SAIFI 5% PECO CAIDI 5% Gas Ops KPI 5% PECO OSHA Recordables 5% PECO Cust Sat
		All Employees	25%	25% PECO NI	25% PECO Total Cost	5% PECO SAIFI 5% PECO CAIDI 5% Gas Ops KPI 5% PECO OSHA Recordables 5% PECO Cust Sat
Exelon Business Services Company (BSC)	BSC Corporate Functions	Gillis, Hitzinger	75%	-	25% BSC Total Cost	-
		Supply, IT, Legal, HR, Finance, Commercial Ops Group, Communications, Gov. Affairs	50%	-	25% BSC Total Cost	25% Functional Cost / Operational KPI
	BSC Dedicated to or Embedded in an Operating Company	Field Supply, IT, Legal, HR, Finance, Communications	Generally, same KPI Weightings as their Operating Company			

⁽¹⁾ To comply with IRC Section 162(m), certain officers will participate in the Annual Incentive Plan for Senior Executives

Goal Weighting

Generally, the Operating Company/Business Unit component of your Company Performance Multiplier (CPM) is calculated based on the financial and operational KPI performance of the Operating Company/Business Unit in which you are employed on December 31, 2008.

KPI Performance Levels

There are three levels of performance associated with each AIP Funding KPI. These levels are:

- **Threshold:** The minimum acceptable level of performance that must be achieved for employees to receive any payout (i.e., up to 50 percent of the target payout) on a Funding KPI. No payout will occur on a KPI that does not achieve a threshold level of performance.
- **Target:** The required performance level in order to achieve target (100%) payout on a Funding KPI.

- **Distinguished:** The highest level of payout (i.e., two times the target payout) and the corresponding performance level on a Funding KPI.

In order for an Operating Company/Business Unit to receive a full payout on its Funding KPI results, the group also must achieve target performance on any applicable Allocation KPIs. In 2008, Allocation KPIs only apply to employees in Exelon Nuclear and Exelon Power, including those BSC employees who are dedicated to or embedded in Nuclear and Power. Allocation KPIs do not have threshold or distinguished levels of performance – the goal is either achieved or it is not. See your Operating Company/Business Unit AIP Supplement for any applicable Allocation KPIs.

Shareholder Protection Feature

The AIP includes an award curtailment feature that limits payout for Operating Company and Business Unit KPIs based upon EPS performance. If EPS performance is at least 150% of target, this feature does not apply.

- **If EPS performance is below Target**, Operating Company and Business Unit KPI payout is limited to actual performance, not to exceed 100% of Target.
- **If EPS performance is at least Target but below 150% of Target**, Operating Company and Business Unit KPI payout is limited to actual performance, not to exceed 150% of Target.
- **If EPS performance is 150% of Target or above**, Operating Company and Business Unit KPI payout is based on actual performance.

See examples of how the Shareholder Protection Feature works in the chart below:

Payout as a % of Target		
	Before Shareholder Protection Feature Applied	After Shareholder Protection Feature Applied
Earnings Per Share (EPS)	Operating Company and Business Unit KPI Composite	Operating Company and Business Unit KPI Composite
0% (Below Threshold)	90%	90%
75%	120%	100%
120%	160%	150%
150%	175%	175%

Significant Event Curtailment

To ensure continued focus on critical business issues, your Operating Company or Business Unit KPI payout may be subject to reduction if a significant adverse business event occurs. See your Operating Company/Business Unit AIP Supplement for additional information about potential significant event curtailments.

Individual Performance Multiplier and Award Range

Once the Company's and your Operating Company/Business Unit's performance is determined, the amount of your individual award is determined based on your target incentive opportunity and your individual performance multiplier.

- The annual performance review process determines your individual performance multiplier (IPM) based on your individual performance and personal contribution to your team during the year. The IPM can range from 50 percent to 120 percent, relative to your annual performance rating on a five-point rating scale.
- Your total AIP award, after application of Company, Operating Company/Business Unit Funding KPIs and Allocation KPIs (if applicable), individual multipliers and all other adjustments, can range from zero to 200 percent of your individual target incentive opportunity.
- You will not receive an award if your year-end performance rating is “does not meet expectations” (or its equivalent), or you are placed on but do not successfully complete a performance improvement plan by year end.
- The aggregate payment of individual awards cannot exceed the total funding for all participants' awards, as generated by Corporate and Operating Company/Business Unit performance. *

* This provision does not apply to Exelon officers and certain senior subsidiary officers, since the Compensation Committee of the Board of Directors approves their awards.

When You Will Receive Your Award

You will receive your AIP award, less applicable federal, state and local tax withholding, during the first quarter of 2009.

What Happens if Your Status Changes During 2008

Status change	Impact on your award
New participant	A prorated award will be calculated using the number of days you are an active employee on the payroll, divided by 366, subject to your eligible classification on the Company's payroll for at least 31 days.
Promotion or demotion	Your award is calculated based on the level you are in as of December 31, 2008.
Approved Leave of Absence (e.g., Family Medical Leave, qualifying military leave, paid leave of absence, or short-term disability)	Your award will not be prorated for any period of approved leave of absence while you are receiving pay on the Company's payroll, but will be prorated for any unpaid leave.
Retirement (age 50 or older with 10 or more years of personal service with no severance plan eligibility, commencement of benefits under a long-term disability plan, unpaid leave, or death)	A prorated award ⁽²⁾ will be calculated using the number of days you are an active employee, divided by 366, subject to your eligible classification on the Company's payroll for at least 31 days.
Change in department or Business Unit or Operating Company	Your award is calculated based on the department or Operating Company/Business Unit you are in on December 31, 2008. In the case of a Company and/or pay cycle change that occurs during the final pay period of the year, your award will be calculated based on the department and Operating Company/Business Unit you were in prior to the change.
Termination for cause or resignation	You will not be eligible for any award.
Transfer or change to/from a non-exempt and/or part-time position in the organization	Your award will be calculated using your incentive-eligible earnings in each position for the period you were in that position (e.g., eligible overtime and shift premium) for 2008.
Voluntary separation of qualifying voluntary separation pursuant to a severance plan including retirement-eligible employees	Eligibility and amount of award determined under applicable severance plan. Exelon Corp. Severance Benefit Plan generally provides prorated award. Subject to elimination, employee is rated "Full" (not "Does not meet expectations") or has been placed on but has not successfully completed a performance improvement plan (PIP).

(1) Family Medical Leave and qualifying military leave are not used to prorate or otherwise reduce your annual award.

(2) Prorated award is based on a 100 percent IPM, if applicable.

Important Information:

- This informational guide is intended to provide an overview of the 2008 Exelon Corporation Annual Incentive Program. In the event of any inconsistency between this guide and the formal program document, the formal document will control.
- The CEO and the Compensation Committee of Exelon's Board of Directors reserve the right to adjust awards or make modifications to the program, if business circumstances warrant an adjustment. In addition, the program may be amended at any time by action of the CEO or the Compensation Committee and may be terminated at any time by action of the Compensation Committee.
- No portion of an award shall be considered earned prior to final approval of the amount and payment of such award by the Compensation Committee.

Questions?

Contact your Human Resources Generalist.

Award Calculation – For Illustrative Purposes Only

Refer to the following page for an example of an AIP calculation for an exempt employee who has an incentive-eligible salary of \$70,000 and a target incentive opportunity of 15 percent. The target incentive opportunity amount is \$10,500 ($\$70,000 \times 15$ percent). The example assumes that the Significant Event Curtailment does not apply and illustrates the impact of the EPS shareholder protection requirement when EPS is greater than target, but less than 150 percent of target. This sample provides three examples of the Individual Performance Multiplier (IPM) application, under Step 3 of the calculation.

Sample 2008 Award Calculation

Step 1: Determine the company performance multiplier (CPM):

Step 1A - Calculate the performance of Corporate and Operating Company/Business Unit Funding KPIs

25% Funding on Earnings Per Share (EPS)

Corporate Measure	Goal Weight	Performance as a % of Target		
Exelon EPS	25%	120.0%		
Operating Company (OC)/ Business Unit (BU) Funding KPIs				
Operating Company (OC) Funding KPIs	Goal Weight	Composite Goal Weight (Individual KPI Goal Wt/OC-BU Goal Wt Total)	(KPI Performance) Payout as a % of Target	Weighted Payout % of Target (Composite Goal Wt x Payout as a % of Target)
Net Income KPI (OC KPI)	25%	33.3%	41.7%	41.7%
Business Unit (BU) Funding KPIs				
BU KPI #1	25%	33.3%	175.0%	58.3%
BU KPI #2	25%	33.3%	200.0%	66.7%
	75%	100%	167.5%	166.7%
* BU Funding KPI Composite Payout is the sum of the products determined by multiplying each BU KPI Payout as a % of Target x each BU KPI's Composite Goal Weight, with the composite considering ONLY the client KPIs.			BU Composite Payout*	Total OC/BU Composite Payout

Step 1B - Apply Significant Event Curtailment, if applicable, to the Total OC/BU Composite Payout. In this case, no curtailment has occurred.

Step 1C - Assess the impact of the Shareholder Protection Feature (SPF) and apply to the OC/BU Funding KPIs. In this example, EPS is greater than target, but less than 150% of target, so payout on the OC/BU KPIs is limited to 150% payout.

Determine Shareholder Protection Feature (SPF) Multiplier	OC/BU Composite Payout	OC/BU Composite Payout	(Capped / Uncapped Payout %)
	150.0%	166.7%	90.0%
Apply SPF Multiplier to OC and BU KPIs	Pre-SPF Payout	SPF Multiplier	Post-SPF Payout
Net Income KPI (OC KPI)	41.7%	90.0%	37.5%
Business Unit (BU) Funding KPIs	167.5%	90.0%	150.8%
Total OC/BU Funding			168.8%

Step 1D - Calculate the performance of Allocation KPIs (if applicable) and apply to the Business Unit portion (50%) Only

This step only applies to Nuclear and Power (including BSC employees who are considered dedicated to or embedded in Nuclear or Power)

Allocation KPIs modify the Business Unit portion (50%)

Allocation KPIs	Potential Reduction	Performance	Actual Allocation Reduction
Allocation KPI #1	12.5%	Met Goal	0.0%
Allocation KPI #2	12.5%	Did Not Meet	12.5%
Allocation KPI #3	12.5%	Met Goal	0.0%
Allocation KPI #4	12.5%	Met Goal	0.0%
Total Allocation Reduction	50%		12.5%
Post-SPF BU Payout %age:			168.8%
Allocation Factor = (1 - Total Actual Allocation Reduction):			X 87.5%
Adjusted BU Composite Payout			= 147.7%

Step 1E - Add the Total Weighted Payout of Exelon EPS and the adjusted Operating Company/Business Unit KPIs to determine the Company Performance Multiplier (CPM)

Company Performance Multiplier (CPM)

KPIs	Weighting	Payout as a % of Target	Weighted Payout as a % of Target
Exelon EPS	25%	120.0%	30.0%
Net Income KPI (OC KPI)	25%	37.5%	28.1%
Business Unit (BU) Funding KPIs (as a composite)	50%	147.7%	73.8%
	100%		132.0%

Step 2: Calculate the base award:

Step 2 - Multiply the target incentive opportunity of \$10,500 by the CPM

Preliminary AIP Award

Example: Employee's AIP eligible earnings is \$70,000 with a 15% target incentive opportunity. The target incentive opportunity amount is \$70,000 x 15% = \$10,500.	Target Incentive Opportunity	CPM	Preliminary AIP Award
	\$10,500	132.0%	\$13,855

Step 3: Apply the individual performance multiplier (IPM) to the base award to determine the final AIP award:

Step 3 - Multiply the base award by the IPM. The IPM can range between 50% and 120%.

IPM Example 1 - Final AIP Award

IPM Example 1 - the employee's IPM is 90%	Preliminary AIP Award	IPM	Final AIP Award
	\$13,855	90%	\$12,470

IPM Example 2 - Final AIP Award

IPM Example 2 - the employee's IPM is 100%	Preliminary AIP Award	IPM	Final AIP Award
	\$13,855	100%	\$13,855

IPM Example 3 - Final AIP Award

IPM Example 3 - the employee's IPM is 110%	Preliminary AIP Award	IPM	Final AIP Award
	\$13,855	110%	\$15,241

**ATTACHMENT
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2008 Annual Incentive Program Summary

For PECO employees and BSC employees
who are “embedded in” PECO



This is an Operating Company supplement to the Exelon Corporation 2008 Annual Incentive Program (AIP). It contains a description of the key performance indicators (KPIs) applicable to PECO employees and BSC employees who are “embedded in” PECO.

What’s new for PECO in 2008

In response to employee and leadership feedback, the 2008 Annual Incentive Program is simplified to increase understanding and improve communication. Following are highlights of the key changes for 2008.

- Employees “embedded in” PECO in certain BSC functional areas will now be tied directly to PECO KPI performance. These groups include Communications, Finance (excluding the controller group), Human Resources and Legal.
- The American Customer Satisfaction Index Proxy (ACSI) objective will no longer be applied company-wide. Instead, the ACSI Proxy will be used as a KPI under the PECO funding goal structure and as part of the customer satisfaction index funding KPI under the separate ComEd annual incentive program.
- While the basic funding goal structure remains the same, PECO will not use allocation goals in 2008.
- The Exelon Earnings Per Share (EPS) Shareholder Protection Feature (SPF) has been simplified by removing the averaging feature, which was used last year. See page 5 of the Exelon 2008 AIP informational guide for additional details regarding the EPS SPF.

PECO AIP Design

Funding KPIs

Funding KPIs establish the potential payout available with respect to Exelon and Operating Company performance.

- Exelon performance is assessed using EPS and is weighted 25 percent.
- The remaining weighting is made up of Operating Company financial, cost and operational KPIs. The financial measure is Net Income and the cost measure is Total Costs (Operating and Maintenance (O&M), and Capital). There are five operational KPIs: CAIDI (Customer Average Interruption Duration Index), which measures the average duration of customer outages, SAIFI (System Average Interruption Frequency Index), measuring the average frequency of customer

outages, Gas All-in Corrective Maintenance Backlog, OSHA Recordable Rate, and Customer Satisfaction, measured by the ACSI Proxy.

- The following chart shows the PECO funding KPIs under the 2008 AIP.

Funding KPIs ⁽¹⁾ - PECO	Threshold	Target	Distinguished	Goal Weight
Earnings Per Share (EPS)	\$3.65	\$4.15	\$4.45	25%
PECO Operating Net Income (NI) (\$ millions)	\$350	\$381	\$405	25%
PECO Total Cost (O&M and Capital) (\$ millions)	\$883	\$835	\$802	25%
PECO SAIFI (customer outage frequency)	1.22	1.01	0.95	5%
PECO CAIDI (minutes) (customer outage duration)	134	107	100	5%
PECO Gas All-In Corrective Maintenance Backlog	540	500	475	5%
PECO OSHA Recordable Rate	1.78	1.05	0.88	5%
PECO Customer Satisfaction	69	72	75	5%

⁽¹⁾ KPI performance scale is rounded for illustrative purposes. Performance goals and actual achievement may be carried out to additional decimal places to determine final AIP award payout.

Significant Event Curtailment

To ensure continued focus on critical business issues, your AIP may be subject to reduction if a significant adverse business event occurs. If PECO has a Significant Event in 2008, payout on your Operating Company KPIs will be reviewed in light of the event and capped at zero percent to 150 percent of Target.

A significant event is defined as a single high profile outage caused by a failure of PECO owned or managed equipment and determined ultimately to have been caused by a human performance error or poor management attention to maintenance or upkeep of the system. An event in this category will result in negative customer and media impact, as well as significant adverse government and/or regulatory intervention or have a material adverse impact on earnings.

For PECO, the significant event curtailment determination will be made by the PECO President. The decision will be made in concert with Exelon's EVP Finance & Markets, EVP and Chief Human Resources Officer, and Chief Executive Officer by recommendation to the Compensation Committee of the Board of Directors.

Glossary of Terms

CAIDI (IEEE Standard 10% Method): Customer Average Interruption Duration Index represents the average time in minutes required to restore service to those customers who experience a sustained outage interruption. A sustained interruption is defined as an outage greater than five minutes. This metric includes secondary and service interruptions while excluding major events, interruptions lasting 5 minutes or less in duration, and planned interruptions. Major events are defined as 10% or more of the customers in a System or Operating Region being affected within a 24 hour period.

Customer Satisfaction: The ACSI Proxy is a measure of customer satisfaction among residential, small business and large business customers of PECO. It is a weighted combination of the University of Michigan ACSI score for residential customers and an estimate of the ACSI for both small commercial and industrial (C&I) and large C&I customers. Exelon's customer satisfaction surveys produce the C&I ACSI estimates, which are calculated as the straight average of the mean ratings on the overall satisfaction, meeting expectations and closeness to the ideal energy utility measures, converted to a 0-100 scale. This metric is reported quarterly. Under the 2008 AIP, ACSI Proxy scores will be computed quarterly and based on the results of surveys for the twelve-month period ending December 31, 2008.

Gas All-In Corrective Maintenance Backlog: Year-end 2008 PECO Gas actual backlog of Corrective Maintenance Tasks. The following categories of work are included: Non-Leak Corrective Maintenance, Damage Cases, #3 Leaks, Valve and Regulator Station Maintenance, Operation Irregularity Reports (OIRs), Service Renewals, Bridge Maintenance and Right of Way Clearing.

Operating Net Income: Generally Accepted Accounting Principles (GAAP) Net Income, excluding Pennsylvania Global Settlement and other exclusions determined by Exelon Corporate Finance.

OSHA Recordable Rate: Recordable incidents, including every occupational death and every non-fatal occupational injury which involves one or more of the following: loss of consciousness, restriction of work or motion, transfer to another job, or medical treatment (not first aid).

SAIFI (IEEE Standard 10% Method): System Average Interruption Frequency Index (SAIFI) indicates how often the average customer experiences a sustained interruption over a predefined period of time. A sustained interruption is defined as an outage greater than five minutes. This metric includes secondary and service interruptions while excluding major events, interruptions lasting 5 minutes or less in duration, and planned interruptions. Major events are defined as 10% or more of the customers in a System or Operating Region being affected within a 24 hour period.

Total Cost (O&M and Capital): Operating and Maintenance (O&M) Expenses for departments plus capital expenditures, as defined in the capitalization policy. This metric includes functional group costs for embedded functions and BSC transactional costs, but excludes BSC corporate allocation costs (i.e. Executive Services), pensions, other post-retirement employee benefits (OPEB), fringe employee benefits (including incentive payments and severance), bad debt expenses, and Pennsylvania Global Settlement costs. This metric will also exclude costs within O&M and capital that are offset elsewhere within net income or are cash-flow neutral to PECO, including but not limited to: unbudgeted Make Ready and IPP (Independent Power Producer) costs, consulting fees related to tax and legal settlements.

Important Information

- This informational guide is intended to provide an overview of PECO's goals and measures under the 2008 Exelon Corporation Annual Incentive Program. In the event of any inconsistency between this guide and the formal program document, the formal document will control.
- The Exelon CEO and the Compensation Committee of Exelon's Board of Directors reserve the right to adjust awards or make modifications to the program, if business circumstances warrant an adjustment. In addition, the program may be amended at any time by action of the CEO, the Compensation Committee and may be terminated at any time by action of the Compensation Committee.
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Questions?

Contact your Human Resources Generalist.

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2008 Annual Incentive Program Summary

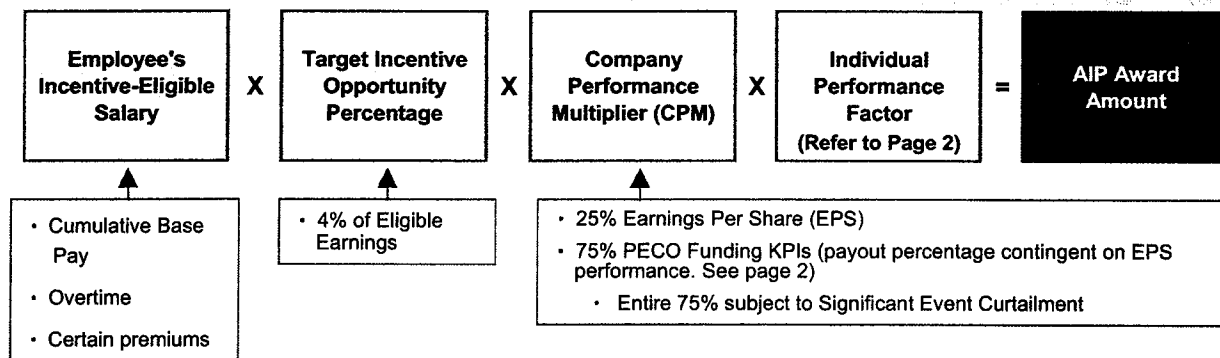


Overview for PECO employees represented by IBEW Local 614 (Excludes Supply)

*Eligibility to participate in the AIP is based solely to the extent provided in the applicable collective bargaining agreement.

Funding KPIs ⁽¹⁾ - PECO	Threshold	Target	Distinguished	Goal Weight
Earnings Per Share (EPS)	\$3.65	\$4.15	\$4.45	25%
PECO Operating Net Income (NI) (\$ millions)	\$350	\$381	\$405	25%
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To ensure continued focus on critical business issues, your AIP payout may be subject to reduction if a significant adverse business event occurs. If PECO has a Significant Event in 2008, payout on the PECO Funding KPIs will be reviewed in light of the event and capped at zero percent to 150 percent of Target.

A significant event is defined as a single high profile outage caused by a failure of PECO owned or managed equipment and determined ultimately to have been caused by a human performance error or poor management attention to maintenance or upkeep of the system. An event in this category will result in negative customer and media impact, as well as significant adverse government and/or regulatory intervention or have a material adverse impact on earnings.

The significant event curtailment determination will be made by the PECO President. The decision will be made in concert with Exelon's Executive Vice President Finance and Markets, Executive Vice President and Chief Human Resources Officer, and Chief Executive Officer by recommendation to the Compensation Committee of the Board of Directors.

EPS Shareholder Protection Feature

EPS Performance	Before Shareholder Protection Feature Applied Operating Company & Business Unit KPI Composite Payout	After Shareholder Protection Feature Applied Operating Company & Business Unit KPI Composite Payout
< 100%	0 - 200%	Actual up to 100%
≥ 100, but < 150%	0 - 200%	Actual up to 150%
≥ 150%	0 - 200%	Actual up to 200%

Individual Performance Factor

- The individual performance factor is based on the achievement of specific individual and team goals.
- If the goal is achieved, then your AIP award will not be reduced.
- If the goal is not achieved, then your AIP award will be reduced by the percentage shown on the following charts.
- If all goals are missed, your AIP award will be reduced by 25 percent (e.g., multiplier of .75)

PECO Employees Represented by IBEW Local 614 and covered by the PECO Energy Delivery (PED) Collective Bargaining Agreement

	Individual Work Performance	Team Work Performance (VP Area Goal)	Team Attendance (All PED)
Goal	Receive no PUC or Executive complaint that results in the identification of an individual inappropriate action resulting in discipline <small>(In accordance with the Employee Standards of Conduct definition of discipline as a written reprimand or above)</small>	Achieve Responsible Vehicle Accident (RVA) goal based on target established for each Vice President area	Achieve 35% Callout Response (Threshold)
Potential Reduction Percent	5%	10%	10% <small>(Goal is measured quarterly. A reduction of 2.5% will be applied for each quarter that the threshold is missed, up to a maximum annual reduction of 10%)</small>

PECO Employees Represented by IBEW Local 614 and covered by the PECO Call Center (PCC) Collective Bargaining Agreement

	Individual Work Performance	Team Work Performance (PCC Level Goal)	Team Attendance (PCC Level Goal)
Goal	Achieve Zero Mishandled Gas Emergency Calls	Achieve CSR Service Level ≥ 72%	2008 Unexcused Absence Level increase < 10% of the 2007 Unexcused Absence Level
Potential Reduction Percent	5%	10%	10%

What Happens if Your Status Changes During 2008	
Status change	Impact on your award
New participant	A prorated award will be calculated using the number of days you are an active employee on the payroll, divided by 366, subject to your eligible classification on the Company's payroll for at least 31 days.
Promotion or demotion	Your award is calculated based on the level you are in as of December 31, 2008.
Approved Leave of Absence (e.g., Family Medical Leave, qualifying military leave, paid leave of absence, or short-term disability)	Your award will not be prorated for any period of approved leave of absence while you are receiving pay on the Company's payroll, but will be prorated for any unpaid leave.
Retirement (age 50 or older with 10 or more years of pension service) with no severance plan eligibility, commencement of benefits under a long-term disability plan, unpaid leave ⁽¹⁾ or death	A prorated award will be calculated using the number of days you are an active employee, divided by 366, subject to your eligible classification on the Company's payroll for at least 31 days.
Change in department or Business Unit or Operating Company	Your award is calculated based on the department or Operating Company/Business Unit you are in on December 31, 2008. In the case of a Company and/or pay cycle change that occurs during the final pay period of the year, your award will be calculated based on the department and Operating Company/Business Unit you were in prior to the change.
Termination for cause or resignation	You will not be eligible for any award.
Transfer or change to/from a non-exempt and/or part-time position in the organization	Your award will be calculated using your incentive-eligible earnings in each position for the period you were in that position (e.g., eligible overtime and shift premium) for 2008.
Involuntary separation or qualifying voluntary separation pursuant to a severance plan including retirement eligible employees	Eligibility and amount of award determined under applicable severance plan

(1) Family Medical Leave and qualifying military leave are not used to prorate or otherwise reduce your annual award.

Important Information

- This informational guide is intended to provide an overview of the 2008 Exelon Corporation Annual Incentive Program. In the event of any inconsistency between this guide and the formal program document, the formal document will control.
- The CEO and the Compensation Committee of Exelon's Board of Directors reserve the right to adjust awards or make modifications to the program, if business circumstances warrant an adjustment. In addition, the program may be amended at any time by action of the CEO or the Compensation Committee and may be terminated at any time by action of the Compensation Committee.
- No portion of an award shall be considered earned prior to final approval of the amount and payment of such award by the Compensation Committee.

Questions?

Contact your Human Resources Generalist.

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SDR-OM-28I**

2008 Long Term Performance Share Award Program Summary

Program Objectives

- The Long Term Performance Share Award Program is intended to provide rewards to individuals in select strategic positions who play key roles in driving Exelon's financial and operational success. The program is an important component of Exelon's total compensation package for executives, which is benchmarked and aligned with the best practices of high-performing energy services companies and general industry firms.

Eligibility

- Executives approved for participation by the Compensation Committee of the Board of Directors (the "Committee"), are eligible for performance share unit awards ("Awards") under the 2008 Long Term Performance Share Award Program.

Targets, Measures and Goal Weights

- The Committee determines the target long-term incentive component of your total compensation based on compensation levels benchmarked with the external market for your position and/or other positions of similar scope and responsibility.
- Awards for 2008 are contingent upon Exelon's performance against two measures:

Dow Jones Utility Total Shareholder Return (60% Weighting)

This performance measure compares Exelon's three-year total shareholder return (TSR) to companies listed in the Dow Jones Utility Index. TSR is measured by the change in stock price plus dividend payments, compounded monthly from January 1, 2006 through December 31, 2008.

S&P 500 Index TSR (40% Weighting)

The S&P 500 Index TSR measures Exelon's performance relative to other companies outside its equity class. Assessing Exelon's TSR performance against this index is important because many of these organizations face the same broad challenges and opportunities as Exelon and compete with us for capital. This performance measure compares Exelon's TSR to companies listed in the S&P 500 Index from January 1, 2006 through December 31, 2008.

Performance Assessment and Allocation of Performance Shares

- Each year, Exelon’s annual performance is reviewed and a pool of available Performance Shares for the year is determined based on a sum of all participants’ targets and the composite performance level achieved on all goals.

The Award level is determined by Exelon’s percentile ranking among the companies listed in the Dow Jones Utility Index and S&P 500 Index. The chart below applies to both of the index measures.

TSR Position Rankings (Calculated separately for Dow Jones Utility Index and S&P 500 Index)		
Threshold	Target	Distinguished
25 th percentile	50 th percentile	75 th percentile and above
50%	100%	200%
Percentage of target awards for creating total pool of shares		

Interpolation will be used between performance levels

- The Committee reserves the right to reduce or terminate 2008 Performance Share Awards to address corporate, business unit, or individual performance.

How You Will Receive Your Award

Generally, Awards are paid in shares of Exelon common stock and vest incrementally over three years, subject to your continued employment: one-third vests when your award is finalized in the first quarter of 2009, one-third in the first quarter of 2010, and the final third in the first quarter of 2011. Awards earn dividend equivalents prior to vesting, which will be reinvested in additional shares. You will receive the net shares after the required taxes are withheld. If stock ownership requirements are met, as described below, Awards are paid in cash, net of required tax withholding. Award payments are not eligible for deferral.

PAYOUT EXAMPLE

(Actual Award can range from 0% to 200%)

Step 1	
2008 Target Performance Share Award Opportunity	1,800 shares
Step 2	
Determine Actual Award:	
Target Performance Share Award Opportunity adjusted for TSR rankings	$\begin{array}{r} \times \quad 120\% \\ \hline 2,160 \text{ shares} \end{array}$
Step 3	
Award Paid in Accordance with 3-Year Vesting Schedule	$\begin{array}{r} 720 \text{ shares in 2009} \\ 720 \text{ shares in 2010} \\ \hline 720 \text{ shares in 2011} \\ \hline 2,160 \end{array}$

* LTPSA/TPSA/2009 Payable (2008 Embedded Excel)Sheet1

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Three-Year Award Payout Schedule

(Assumes prior participation in LTPSA and continuation of program after 2009)

Year Award is Paid	2009	2010	2011
Portion of Award Paid	<ul style="list-style-type: none"> ■ 3rd third of 2006 Earned Award ■ 2nd third of 2007 Earned Award ■ 1st third of 2008 Earned Award 	<ul style="list-style-type: none"> ■ 3rd third of 2007 Earned Award ■ 2nd third of 2008 Earned Award ■ 1st third of 2009 Earned Award 	<ul style="list-style-type: none"> ■ 3rd third of 2008 Earned Award ■ 2nd third of 2009 Earned Award ■ 1st third of 2010 Earned Award

* LTPSA/TPSA/2009 Payable (2008 Embedded Excel)Sheet1

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Executives Who Achieved Their Stock Ownership Requirements

If you met or exceeded 125% of your stock ownership requirements as of September 30, 2008, your Awards that vest in 2009 (including any earned but non-vested Awards from prior years) will be paid 50% in cash and 50% in stock.

What Happens if Your Status Changes

Status change	Impact on your award
New participant (New hire or promotion to an eligible position)	You will be eligible for consideration for a prorated current year Award based on actual results and the number of days you are in an eligible position.
Demotion from an eligible position	Your earned, non-vested Awards vest normally, contingent upon continued employment with the Company; you will be eligible for consideration for a prorated current year Award based on actual results and the number of days you were in an eligible position.
Promotion or demotion within eligible positions with different targets	Your earned, non-vested Awards vest normally, contingent upon continued employment with the Company; you will be eligible for consideration for a current year Award based on actual results and the number of days you worked in each position in which you had a different target.
Termination by reason of long term disability, death or normal or early retirement under the terms of the applicable qualified or non-qualified pension plan (minimum of age 50 and 10 years of service)	Your Awards will be subject to accelerated vesting on any earned, non-vested shares; you will be eligible to receive a prorated current year Award based on actual results and the number of days that you are an active participant in the program.
Unpaid leave of absence ⁽¹⁾	Your earned, non-vested Awards vest normally, contingent upon continued employment with the Company; you will be eligible for consideration for a prorated current year Award based on actual results and the number of days that you are an active participant in the program.
Involuntary separation, not for cause	Your earned, non-vested Awards will become vested and you will be eligible for a pro-rated current year Award based on actual results and the date of your separation, subject to compliance with restrictive covenants.
Termination for cause or voluntary separation (other than retirement)	You will forfeit any non-vested Awards; not eligible for a current year Award.

⁽¹⁾ For the current year, your target will not be reduced for any period of approved leave of absence with pay on the Company's payroll, but will be reduced for periods of unpaid leave.

General

The 2008 Long Term Performance Share Award Program is established under, and subject to the terms and conditions of, the Exelon Corporation 2006 Long-Term Incentive Plan ("LTIP"). In the event of any inconsistency between the Program and the LTIP, the LTIP will be controlling.

**ATTACHMENT
SDR-OM-28J**

2008 Stock Option Awards Program

Program Objectives

Stock options awarded under the Exelon Corporation 2006 Long-Term Incentive Plan are intended to provide you with a financial reward for increasing shareholder value by giving you the opportunity to purchase a set number of shares of Exelon Corporation ("Exelon") common stock at a pre-determined price. You are able to share in the increased value of Exelon common stock if the purchase price under your stock option is less than the value of the shares when you exercise your option.

Eligibility

Executives are currently eligible to be considered for a stock option award. Generally, the Compensation Committee of Exelon's Board of Directors (the "Committee") selects the eligible employees who will receive a stock option award. The CEO also has discretion to grant awards in certain circumstances.

How Target Awards are Determined

- The Committee and the CEO have discretion to determine the number of shares granted under a stock option award. In making this determination, the Committee or CEO may consider the employee's position, contribution, competitive practices and the expected value of the award.
- Because the value of Exelon's common stock changes over time, the number of options granted may also change from year to year. For example, as the stock price increases, the *number* of options granted may decrease; however, the *value* of the option grant may remain the same due to standard valuation models that generally assign a higher value to options to purchase stock that has increased in value. The number of options granted each year also reflects competitive practice, which can vary from year to year.

How You Receive Your Award

- Vesting - Generally, stock option awards vest over four years, with one quarter of the award vesting on each anniversary of the grant date, subject to continued employment.
- For information about exercising your stock options and the tax implications of your option award, refer to the *Stock Option Awards Program Participant Guide* and the *Stock Option Awards Program Exercise Guide*, which are available at Computershare's website, www.computershare.com.

Note: The options discussed in these guides were granted under the Exelon Corporation 2006 Long-Term Incentive Plan (the "Plan"). The terms of your 2008 stock option grant under the Plan and the exercise procedures may be different for options you may have been granted in previous years. Please refer to the applicable materials for information regarding the terms of any stock option grants and any exercise procedures for stock options granted in previous years.

What Happens if Your Status Changes

Status Change	Impact on Your 2008 Exelon Stock Option Award
New hire into stock option-eligible position	Generally, off-cycle stock option grants are not made.
Promotion to or within stock option-eligible positions	Generally, off-cycle stock option grants are not made.
Demotion from stock option-eligible position	Your non-vested shares vest according to the applicable vesting schedule in the grant instrument, subject to your continued employment with the Company. No future stock option awards will be granted.
Termination by reason of long-term disability, or normal or early retirement under the terms of Exelon's qualified or non-qualified pension plans (minimum of age 50 and 10 years of service).	Your options are subject to accelerated vesting — you must exercise your options within five years of retirement from employment or termination by reason of disability or by the option expiration date, whichever occurs first.
Unpaid leave of absence	Your non-vested shares vest according to the applicable vesting schedule in the grant instrument, subject to your continued employment with the Company.
Death	Your options are subject to accelerated vesting — the estate must exercise options within three years of death or by the option expiration date, whichever occurs first.
Voluntary separation or involuntary separation (other than for "cause")	Generally, your vested options must be exercised within 90 days after the separation date or by the expiration date, whichever occurs first. Non-vested options are forfeited.
Termination for cause or violation of restrictive covenant	Vested and non-vested options are forfeited.

**ATTACHMENT
SDR-OM-28K**

2008 Key Manager Restricted Stock Award Program Summary

Program Objectives

The 2008 Key Manager Restricted Stock Award Program (the "Program") provides restricted stock units ("Restricted Stock") to individuals in select positions who play key roles in supporting Exelon's financial and operational success and whose retention is critical to long-term succession. This long-term incentive ("LTI") program is an important component of Exelon's total compensation package for key managers, which is benchmarked and aligned with the best practices of high-performing energy services companies and general industry firms.

Eligibility

Directors and managers ("Key Managers") and select other employees are eligible to be considered for awards under the Program.

How Target Opportunities are Determined

At the Compensation Committee's direction, Exelon conducts an annual compensation study to identify competitive market trends and assess the value of the various compensation components provided by the company relative to the value provided for similar positions in high-performing energy services and capital-intensive general industry companies.

Market trends reflect minimal change to LTI values and participant eligibility. Accordingly, the value of target opportunities for 2008 will be similar to the value of target opportunities in 2007 for all LTI participants. With the increase in Exelon's stock price, fewer target shares are required to deliver the same value.

How You Will Receive Your Award

Restricted stock grants are awarded based on an employee's position, performance, future potential, and the expected value of the award.

Generally, awards issued under the Program are paid in shares of Exelon common stock and vest incrementally over three years, subject to your continued employment. The awards vest on the date the Compensation Committee meets in January of 2009, 2010 and 2011. Restricted stock will earn dividend equivalents while vesting, which will be reinvested in additional shares. Upon vesting, you will receive the net shares after required taxes are withheld.

What Happens if Your Status Changes

Status change	Impact on your award
New participant (New hire or promotion to an eligible position)	You may receive future Restricted Stock awards.
Demotion from an eligible position	Your non-vested shares vest normally, contingent upon continued employment with the Company. No future Restricted Stock awards will be granted.
Promotion or demotion within eligible positions with different targets	Your non-vested shares vest normally, contingent upon continued employment with the Company. You may receive future Restricted Stock awards based on the target opportunities established for your new position.
Termination by reason of long term disability, death or normal or early retirement under the terms of the applicable qualified or non-qualified pension plan (minimum of age 50 and 10 years of service)	Your non-vested shares will be subject to accelerated vesting.
Unpaid leave of absence	Your non-vested shares vest normally, contingent upon continued employment with the Company.
Involuntary separation	You will forfeit any non-vested shares, unless your separation occurs within two years after a change in control of Exelon.
Termination for cause or voluntary separation	You will forfeit any non-vested shares.

General

The 2008 Key Manager Restricted Stock Award Program is established under, and subject to the terms and conditions of, the Exelon Corporation 2008 Key Manager Restricted Stock Unit Program under the Exelon Corporation 2006 Long-Term Incentive Plan. In the event of any inconsistency between the formal document and this summary, the formal documents will be controlling.

**ATTACHMENT
SDR-OM-28L**



2009 Annual Incentive Program

An informational guide to understanding Exelon's Annual Incentive Program (AIP) for employees not covered by a collective bargaining agreement

Overview

The Exelon Annual Incentive Program ("AIP") provides an opportunity for you to be rewarded for your contribution to the success of Exelon Corporation and its participating subsidiaries (the "Company"). It serves as an important part of your overall compensation package by linking individual and Company performance. The final amount of your award will be based on how well you, the group that shares your key performance indicators ("Operating Company" and "Business Unit") and the Company as a whole perform against goals set for the year.

Who is Eligible?

To participate in the 2009 AIP, you must meet each of the following requirements:

- You must be classified as a salaried exempt, salaried non-exempt, or hourly craft regular employee (not temporary or other classification, such as an intern, co-op or contractor) on the Company's payroll for at least 31 calendar days in 2009 (and not be covered by an incentive plan provided in lieu of the AIP); and
- In most cases, you must be actively employed through the Company's last business day of 2009. *

This informational guide does not apply to individuals who are covered by a collective bargaining agreement. Also, the guide does not apply to ComEd employees and BSC employees who are embedded in or dedicated to ComEd; they are covered under a separate incentive plan, governed and approved by ComEd.

* Please refer to page 6, "What Happens if Your Status Changes During 2009" for additional information.

How Does the AIP Work?

Generally, 2009 AIP awards will be determined based on the following calculation:

Employee's Incentive-Eligible Salary	X	Target Incentive Opportunity Percentage	X	Company Performance Multiplier (CPM)	X	Individual Performance Multiplier (IPM)*	=	AIP Award Amount																	
<p>Each employee has a target percentage that is determined based on his or her grade level. The following chart applies to most employees (grade level E06 and below).</p> <p style="text-align: center;">2009 Exelon Target Incentive Opportunity</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Grade Level</th> <th style="text-align: center;">Target %¹ (of Employee's Salary)</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">E06</td><td style="text-align: center;">30%</td></tr> <tr><td style="text-align: center;">E05</td><td style="text-align: center;">25%</td></tr> <tr><td style="text-align: center;">E04</td><td style="text-align: center;">20%</td></tr> <tr><td style="text-align: center;">E03</td><td style="text-align: center;">15%</td></tr> <tr><td style="text-align: center;">E02</td><td style="text-align: center;">10%</td></tr> <tr><td style="text-align: center;">E01</td><td style="text-align: center;">7%</td></tr> <tr><td style="text-align: center;">Salaried Non-Exempt</td><td style="text-align: center;">7%</td></tr> <tr><td style="text-align: center;">Hourly Craft</td><td style="text-align: center;">4%</td></tr> </tbody> </table> <p><i>Employees in certain Power Team positions have different target incentive percentages.</i></p> <p><i>For exempt employees, your annual base salary in effect on December 31, 2009 generally applies for incentive award calculations. For employees who were non-exempt and/or part-time during any part of 2009, your incentive-eligible salary is based on your incentive-eligible earnings paid while working in each category during 2009 (e.g., includes eligible overtime and shift premium while non-exempt).</i></p>	Grade Level	Target % ¹ (of Employee's Salary)	E06	30%	E05	25%	E04	20%	E03	15%	E02	10%	E01	7%	Salaried Non-Exempt	7%	Hourly Craft	4%			<p>The company performance multiplier (CPM) is based on the achievement of Exelon's Earnings Per Share (EPS) and Operating Company/Business Unit financial and operational Funding Key Performance Indicators (KPIs) and, where applicable, Allocation KPIs for 2009.</p> <p>The EPS and Operating Company/Business Unit scores are weighted and then added together to arrive at a composite of the scores. This composite score is the CPM.</p> <p><i>(See breakout boxes for more information about the EPS and Operating Company/Business Unit measures.)</i></p>		<p>Eligible employees will have an IPM between 50 and 120 percent² that is applied to the base award (incentive-eligible salary x target incentive opportunity percentage x CPM) to calculate the final award.</p> <p><i>Certain employees designated by a business unit (e.g., generally bargaining unit and craft employees) do not have an IPM.</i></p> <p><i>The IPM range for Corporate and Senior Subsidiary Officers is 50 percent to 110 percent.</i></p>		
Grade Level	Target % ¹ (of Employee's Salary)																								
E06	30%																								
E05	25%																								
E04	20%																								
E03	15%																								
E02	10%																								
E01	7%																								
Salaried Non-Exempt	7%																								
Hourly Craft	4%																								

What's new for 2009

The overall 2009 AIP design, for the most part, did not change from the prior year. Changes that are specific to the operating companies and business units are discussed in their applicable supplemental brochures. Refer to them for this information.

How is Corporate Performance Measured?

Corporate performance will be assessed using Exelon's Earnings Per Share (EPS). EPS measures net income per share of Exelon common stock. It is the value by which we are judged by Wall Street and our shareholders and has a direct impact on our stock price. Achieving EPS goals supports our commitment to shareholders and provides opportunities to reinvest in the business and/or reduce debt. EPS makes up at least 25 percent of every employee's performance measures. Payment levels for Operating Company and Business Unit KPIs are contingent on EPS performance. Below are the threshold, target and distinguished EPS goals for 2009:

Exelon Key Performance Indicator (KPI)	Performance Scale		
	Threshold: 50% of Target Payout	Target: 100% of Target Payout	Distinguished: 200% of Target Payout
Earnings Per Share	\$3.65	\$4.15	\$4.45

For purposes of determining AIP awards, achievement of EPS will be determined by the Compensation Committee of Exelon's board of directors. In determining EPS achievement, the compensation committee may make adjustments due to restructuring impairment charges, gains or losses on the sale or other disposition of businesses or assets, changes in accounting or other extraordinary, nonrecurring or unusual items.

BSC employees dedicated to or embedded in ComEd have ComEd Cost KPIs in lieu of EPS.

How are Operating Company and Business Unit Performance Measured?

Operating Company and Business Unit KPIs also are an important component of your overall AIP award. The Company uses financial and operational KPIs to measure the relative financial and operational performance of each Operating Company/Business Unit. Along with EPS, Operating Company/Business Unit KPIs fund the AIP and are called *Funding KPIs*.

For 2009, Exelon Nuclear and Exelon Power also have site-specific objectives called *Allocation KPIs*. These objectives have an established target performance level. If target performance is achieved, 100 percent of the weighted funding level is allocated to the site. Performance achievement below target impacts the Operating Company/Business Unit KPI performance and the award allocation for the site is reduced by up to 50 percent. Your Operating Company/Business Unit AIP Supplement will provide detailed information related to your specific KPIs.

	Position	Example ^[1]	Corporate (Exelon)	Operating Company and Business Unit KPIs		
			Earnings Per Share	Operating Company Financial Measure	Cost Measure	Business Unit Operational/Financial Measures
Exelon	CEO & Direct Staff Reports to the CEO	Rowe, Crane, McLean, Moler, VonHoene, Zopp	100%	-	-	-
	Generation	All Employees	25%	25% ExGen Operating Net Income (NI)	25% Nuclear Non-fuel Production Cost	25% Adjusted Power, Power Team and ExGen Corp Operating Expense
Exelon Generation	Nuclear	Pardee	50%	25% ExGen Operating NI	-	25% Capacity Factor
		All Employees	25%	25% ExGen Operating NI	25% Nuclear Non-fuel Production Cost	25% Capacity Factor
	Power	Schiavoni	50%	25% ExGen Operating NI	-	12.5% Commercial Availability 12.5% Hydro Equivalent Availability Factor
		All Employees	25%	25% ExGen Operating NI	25% Power Net Operating Expense	12.5% Commercial Availability 12.5% Hydro Equivalent Availability Factor
PowerTeam	Cornew	50%	50% ExGen Operating NI	-	-	
	All Employees	25%	25% ExGen Operating NI	50% PT Adjusted Operating Margin	-	
PECO	PECO	O'Brien	50%	20% PECO Operating NI	-	5% PECO SAIFI 5% PECO CAIDI 5% Gas Ops KPI 5% PECO OSHA Recordables 5% PECO Cust Sat Index 5% Achievement of Focused Initiatives
		All Employees	25%	20% PECO Operating NI	25% PECO Total Cost	5% PECO SAIFI 5% PECO CAIDI 5% Gas Ops KPI 5% PECO OSHA Recordables 5% PECO Cust Sat Index 5% Achievement of Focused Initiatives
Exelon Business Services Company (BSC)	BSC Practice Areas	Gillis, Hiltzinger	75%	-	25% BSC Total Cost	-
		Supply, IT, Legal, HR, Finance, Commercial Ops Group, Communications, Gov. Affairs	75%	-	25% BSC Total Cost	-
	BSC Dedicated to or Embedded in an Operating Company	Field Supply, IT, Legat, HR, Finance, Communications	Same KPI Weightings and goal structure as their Operating Company / Business Unit			
		Ops Gov & QA, Trans Ops & Planning (governance and shared services), IT or Supply dedicated to BOTH ComEd and PECO	Average of ComEd AIP Payout % (Below SVP) and PECO AIP Payout % (Employee)			

^[1] To comply with IRC Section 162(m), certain officers will participate in the Annual Incentive Plan for Senior Executives instead of the AIP.

Goal Weighting

Generally, the Operating Company/Business Unit component of your Company Performance Multiplier (CPM) is calculated based on the financial and operational KPI performance of the Operating Company/Business Unit in which you are employed on December 31, 2009.

KPI Performance Levels

There are three levels of performance associated with each AIP Funding KPI. These levels are:

- **Threshold:** The minimum acceptable level of performance that must be achieved for employees to receive any payout (i.e., 50 percent of the target payout) on a Funding KPI. No payout will occur on a KPI that does not achieve a threshold level of performance.
- **Target:** The required performance level in order to achieve target (100%) payout on a Funding KPI.
- **Distinguished:** The highest level of payout (i.e., two times the target payout) and the corresponding performance level on a Funding KPI.

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In order for an Operating Company/Business Unit to receive a full payout on its Funding KPI results, the group also must achieve target performance on any applicable Allocation KPIs. In 2009, Allocation KPIs only apply to employees in Exelon Nuclear and Exelon Power, including those BSC employees who are dedicated to or embedded in Nuclear and Power. Allocation KPIs do not have threshold or distinguished levels of performance – the goal is either achieved or it is not. See your Operating Company/Business Unit AIP Supplement for any applicable Allocation KPIs.

Shareholder Protection Feature

The AIP includes an award curtailment feature that limits payout for Operating Company and Business Unit KPIs based upon EPS performance. If EPS performance is at least 150% of target, this feature does not apply.

- **If EPS performance is below Target**, the composite payout of the Operating Company and Business Unit KPIs is limited to actual performance, not to exceed 100% of Target.
- **If EPS performance is at least Target but below 150% of Target**, the composite payout of the Operating Company and Business Unit KPIs is limited to actual performance, not to exceed 150% of Target.
- **If EPS performance is 150% of Target or above**, Operating Company and Business Unit KPI payout is based on actual performance.

See examples of how the Shareholder Protection Feature works in the chart below:

Payout as a % of Target		
	Before Shareholder Protection Feature Applied	After Shareholder Protection Feature Applied
Earnings Per Share (EPS)	Operating Company and Business Unit KPI Composite	Operating Company and Business Unit KPI Composite
0% (Below Threshold)	90%	90%
75%	120%	100%
120%	160%	150%
150%	175%	175%

Significant Event Curtailment

To ensure continued focus on critical business issues, your Operating Company or Business Unit KPI payout may be subject to reduction if a significant adverse business event occurs. See your Operating Company/Business Unit AIP Supplement for additional information about potential significant event curtailments.

Individual Performance Multiplier and Award Range

Once the Company's and your Operating Company/Business Unit's performance is determined, the amount of your individual award is determined based on your target incentive opportunity and your individual performance multiplier.

- The annual performance review process determines your individual performance multiplier (IPM) based on your individual performance and personal contribution to your team during the year. The IPM can range from 50 percent to 120 percent, relative to your annual performance rating on a five-point rating scale (A, B+, B, B-, C).

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- Your total AIP award, after application of Company, Operating Company/Business Unit Funding KPIs and, if applicable, Allocation KPIs, individual performance multiplier, and all other adjustments, can range from zero to 200 percent of your individual target incentive opportunity.
- You will not receive an award if your year-end performance rating is “does not meet expectations” (or its equivalent), or you are placed on but do not successfully complete a performance improvement plan by year end.
- The aggregate payment of individual awards cannot exceed the total funding for all participants’ awards, as generated by Corporate and Operating Company/Business Unit performance. *

* This provision does not apply to Exelon officers and certain senior subsidiary officers, since the Compensation Committee of the Board of Directors approves their awards.

When You Will Receive Your Award

You will receive your AIP award, less applicable federal, state and local tax withholding, no later than March 15, 2010.

What Happens if Your Status Changes During 2009

Status change	Impact on your award
New participant	A prorated award will be calculated using the number of days you are an active employee on the payroll, divided by 365, subject to your eligible classification on the Company's payroll for at least 31 days.
Promotion or demotion	Your award is calculated based on the level you are in as of December 31, 2009.
Approved Leave of Absence (e.g., Family Medical Leave, qualifying military leave, paid leave of absence, or short-term disability)	Your award will not be prorated for any period of approved leave of absence while you are receiving pay on the Company's payroll, but will be prorated for any unpaid leave.
Retirement (age 50 or older with 10 or more years of pension service with no severance plan eligibility, commencement of benefits under a long-term disability plan, and/or unpaid leave ⁽¹⁾ for death)	A prorated award ⁽²⁾ will be calculated using the number of days you are an active employee divided by 365, subject to your eligible classification on the Company's payroll for at least 31 days.
Change in department or Business Unit or Operating Company	Your award is calculated based on the department or Operating Company/Business Unit you are in on December 31, 2009. In the case of a Company and/or pay cycle change that occurs during the final pay period of the year, your award will be calculated based on the department and Operating Company/Business Unit you were in prior to the change.
Termination for cause or resignation	You will not be eligible for any award.
Transfer or change to/from a non-exempt and/or part-time position in the organization	Your award will be calculated using your incentive-eligible earnings in each position for the period you were in that position (e.g., eligible overtime and shift premium) for 2009.
Involuntary separator or qualifying voluntary separator participating in a severance plan including retirement-eligible employees	Eligibility and amount of award determined under applicable severance plan. Exelon Corp. Severance Benefit Plan generally provides prorated award ⁽³⁾ , subject to elimination. For employees rated “does not meet expectations” or has been placed on but has not successfully completed a performance improvement plan (PIP).

- (1) Does not include receipt of partial benefits under a long-term disability plan while continuing to work on a reduced schedule and receive pay as an active employee.
- (2) Family Medical Leave and qualifying military leave are not used to prorate or otherwise reduce your annual award.
- (3) Prorated award is based on a 100 percent IPM, if applicable.

Important Information:

- This informational guide is intended to provide an overview of the 2009 Exelon Corporation Annual Incentive Program. In the event of any inconsistency between this guide and the formal program document, the formal document will control.
- The CEO and the Compensation Committee of Exelon's Board of Directors, in the exercise of their sole discretion, reserve the right to adjust the amount of awards payable or make modifications to the program, if business circumstances warrant an adjustment. In addition, the program may be amended at any time by action of the CEO or the Compensation Committee and may be terminated at any time by action of the Compensation Committee.
- No portion of an award shall be considered earned prior to final approval of the amount and payment of such award by the Compensation Committee.

Questions?

Contact your Human Resources Generalist.

Award Calculation – For Illustrative Purposes Only

Refer to the following page for an example of an AIP calculation for an exempt employee who has an incentive-eligible salary of \$70,000 and a target incentive opportunity of 15 percent. The target incentive opportunity amount is \$10,500 ($\$70,000 \times 15$ percent). The example assumes that the Significant Event Curtailment does not apply and illustrates the impact of the EPS shareholder protection requirement when EPS is at target. This sample provides three examples of the Individual Performance Multiplier (IPM) application, under Step 3 of the calculation.

Attachment SDR-OM-28L

Sample 2009 Award Calculation

Step 1: Determine the company performance multiplier (CPM):

Step 1A - Calculate the performance of Corporate and Operating Company/Business Unit Funding KPIs

25% Funding on Earnings Per Share (EPS)

Corporate Measure	Goal Weight	Performance as a % of Target		
Exelon EPS	25%	100.0%		
Operating Company (OC)/ Business Unit (BU) Funding KPIs	Goal Weight	Composite Goal Weight (Individual KPI Goal Wt/OC-BU Goal Wt Total)	(KPI Performance) Payout as a % of Target	Weighted Payout % of Target (Composite Goal Wt x Payout as a % of Target)
Operating Company (OC) Funding KPIs				
Net Income KPI (OC KPI)	25%	33.3%	100.0%	41.7%
Business Unit (BU) Funding KPIs				
BU KPI #1	25%	33.3%	150.0%	50.0%
BU KPI #2	25%	33.3%	185.0%	61.7%
	75%	100%	167.5%*	163.3%
			BU Composite Payout*	Total OC/BU Composite Payout

* BU Funding KPI Composite Payout is the sum of the products determined by multiplying each BU KPI Payout as a % of Target x each BU KPI's Composite Goal Weight, with the composite considering ONLY the BU KPIs.

Step 1B - Apply Significant Event Curtailment, if applicable, to the Total OC/BU Composite Payout. In this case, no curtailment has occurred.

Step 1C - Assess the impact of the Shareholder Protection Feature (SPF) and apply to the OC/BU Funding KPIs. In this example, EPS is at target, so payout on the OC/BU KPIs is limited to 150% payout.

Determine Shareholder Protection Feature (SPF) Multiplier	Capped OC/BU Composite Payout	+	Uncapped OC/BU Composite Payout	=	SPF Multiplier (Capped / Uncapped Payout %)
	150.0%		163.3%		97.8%

Total OC/BU Funding

Apply SPF Multiplier to OC and BU KPIs	Pre-SPF Payout	X	SPF Multiplier	=	Post-SPF Payout
Net Income KPI (OC KPI)	41.7%		97.8%		40.7%
Business Unit (BU) Funding KPIs	167.5%		97.8%		163.9%

Step 1D - Calculate the performance of Allocation KPIs (if applicable) and apply to the Business Unit portion (50%) Only

This step only applies to Nuclear and Power (including BSC employees who are considered dedicated to or are embedded in Nuclear or Power)

Allocation KPIs modify the Business Unit portion (50%)

Allocation KPIs	Potential Reduction	Performance	Actual Allocation Reduction
Allocation KPI #1	5%	Met Goal	0%
Allocation KPI #2	5%	Did Not Meet	5%
Allocation KPI #3	5%	Met Goal	0%
Allocation KPI #4	5%	Met Goal	0%
Allocation KPI #5	5%	Met Goal	0%
Total Allocation Reduction	25%		5%
			Post-SPF BU Payout %age: 163.9%
			Allocation Factor = (1 - Total Allocation Reduction): X 95%
			Allocation Adjusted BU Composite Payout = 155.7%

Step 1E - Add the Total Weighted Payout of Exelon EPS and the adjusted Operating Company/Business Unit KPIs to determine the Company Performance Multiplier (CPM)

Company Performance Multiplier (CPM)

KPIs	Weighting	X	Payout as a % of Target	=	Weighted Payout as a % of Target
Exelon EPS	25%		100.0%		25.0%
Net Income KPI (OC KPI)	25%		40.7%		10.2%
Business Unit (BU) Funding KPIs (as a composite)	50%		155.7%		77.8%
	100%				= 133.4%

Step 2: Calculate the base award:

Step 2 - Multiply the target incentive opportunity of \$10,500 by the CPM

Preliminary AIP Award

Example: Employee's AIP eligible earnings is \$70,000 with a 15% target incentive opportunity. The target incentive opportunity amount is \$70,000 x 15% = \$10,500.	Target Incentive Opportunity	X	CPM	=	Preliminary AIP Award
	\$10,500		133.4%		\$14,007

Step 3: Apply the individual performance multiplier (IPM) to the base award to determine the final AIP award:

Step 3 - Multiply the base award by the IPM. The IPM can range between 50% and 120%.

IPM Example 1 - Final AIP Award

IPM Example 1 - the employee's IPM is 90%	Preliminary AIP Award	X	IPM	=	Final AIP Award
	\$14,007		90%		\$12,607


IPM Example 2 - Final AIP Award

IPM Example 2 - the employee's IPM is 100%	Preliminary AIP Award	X	IPM	=	Final AIP Award
	\$14,007		100%		\$14,007

IPM Example 3 - Final AIP Award

IPM Example 3 - the employee's IPM is 110%	Preliminary AIP Award	X	IPM	=	Final AIP Award
	\$14,007		110%		\$15,408

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SDR-OM-28M**



2009 Annual Incentive Program Summary

For PECO employees and BSC employees
who are “dedicated to” or “embedded in” PECO



This is an Operating Company supplement to the Exelon Corporation 2009 Annual Incentive Program (AIP) informational guide. It contains a description of the key performance indicators (KPIs) applicable to non-represented PECO employees and BSC employees who are “dedicated to” or “embedded in” PECO (i.e., Communications, Finance [excluding the Controller group], Human Resources, IT, Legal and Supply).

What’s new for PECO in 2009

Following are highlights of the key changes for 2009.

- The PECO Customer Satisfaction Index continues to look to the American Customer Satisfaction Index (ACSI) Proxy, but now also includes Care Center Customer Satisfaction and New Business Satisfaction. The 2009 PECO Customer Satisfaction Index is the weighted combination of the three customer satisfaction measures, each having a one-third weight.
- PECO moves to the IEEE 2.5 Beta method for measurement of its AIP reliability goals, Customer Average Interruption Duration Index (CAIDI) and System Average Interruption Frequency Index (SAIFI). The company (and IEEE) believes this methodology is a better indicator of normal operations.
- A new operational funding goal, Achievement of Focused Initiatives, is added for 2009. This productivity measure looks at the percentage of actual work completed and dollars spent versus 100 percent of the work planned and dollars budgeted for 10 named PECO focused initiatives.
- Weighting on the PECO Operating Net Income KPI is reduced from 25 percent to 20 percent to accommodate the new operational funding goal.
- In general, employees of Exelon Business Services Company (“BSC”) who are considered embedded in or dedicated to PECO will have the same goals and weightings as PECO employees. The PECO goal structure will apply to embedded and dedicated resources in Communications, Finance, Human Resources, IT, Legal and Supply. This is new for Supply and most IT employees. “Dedicated” BSC employees are those who primarily support one operating company, business unit or nuclear site. “Embedded” BSC employees are those who are on their client’s payroll.
- Employees of BSC Operational Governance & Quality Assurance, Transmission Operations & Planning (governance and shared services), in addition to IT and Supply employees who are dedicated to both PECO and ComEd, will have a payout that is the average of the PECO AIP payout and the ComEd AIP payout for employees below the SVP level.

PECO AIP Design

Funding KPIs

Funding KPIs establish the potential payout available with respect to Exelon and Operating Company performance.

- Exelon performance is assessed using EPS and is weighted 25 percent.
- The remaining weighting is made up of Operating Company financial, cost and operational KPIs. The financial measure is Net Income and the cost measure is Total Costs (Operating and Maintenance (O&M), and Capital). There are six operational KPIs: CAIDI, which measures the average duration of customer outages, SAIFI, measuring the average frequency of customer outages, Gas All-in Corrective Maintenance Backlog, OSHA Recordable Rate, measuring PECO employee safety, PECO Customer Satisfaction Index, measuring overall customer satisfaction, and the new productivity measure, Achievement of PECO Focused Initiatives.
- The following chart shows the PECO funding KPIs under the 2009 AIP.

Funding KPIs ⁽¹⁾ - PECO	Threshold	Target	Distinguished	Goal Weight
Earnings Per Share (EPS)	\$3.65	\$4.15	\$4.45	25%
PECO Operating Net Income (NI) (\$ millions)	\$275	\$334	\$360	20%
PECO Total Cost (O&M and Capital) (\$ millions)	\$912.0	\$868.6	\$842.5	25%
PECO SAIFI (IEEE 2.5 Beta Method) (Customer Outage Frequency)	1.08	0.85	0.76	5%
PECO CAIDI (IEEE 2.5 Beta Method) (Customer Outage Duration)	96	90	87	5%
Gas All-In Corrective Maintenance Backlog	500	475	450	5%
PECO OSHA Recordable Rate	1.68	1.05	0.95	5%
PECO Customer Satisfaction Index ⁽²⁾	77	79	81	5%
PECO Focused Initiatives ⁽³⁾	90%	100%	105%	5%

⁽¹⁾ KPI performance scale is rounded for illustrative purposes. Performance goals and actual achievement may be carried out to additional decimal places to determine final AIP award payout.

⁽²⁾ The Customer Satisfaction Index is the weighted combination of the ACSI Proxy, Care Center Customer Satisfaction and New Business Customer Satisfaction, each having a one-third weight.

⁽³⁾ Performance is based on productivity level achieved, calculated as the percentage of actual work completed and dollars spent versus 100% of the work planned and dollars budgeted. At a minimum, 90% of each planned initiative work scope must be achieved for any incentive to be paid for this metric. The 10 PECO focused initiatives are 2009 Summer Critical Program, Top Priority Circuit Program, Underground (URD) Cable Injection Program, Distribution Automation Program, Substation Transformer Maintenance Template Program, PCB Phase Down Plan - Retro-fill, PCB Phase Down Plan - Capacitors, Vegetation Management for Distribution, Vegetation Management for Transmission, and Customer Operations Metering Improvements.

Significant Event Curtailment

To ensure continued focus on critical business issues, your AIP may be subject to reduction if a significant adverse business event occurs. If PECO has a Significant Event in 2009, payout on your Operating Company KPIs will be reviewed in light of the event and paid at zero percent to 150 percent of Target.

A significant event is defined as a single high profile outage caused by a failure of PECO owned or managed equipment and determined ultimately to have been caused by a human performance error or poor management attention to maintenance or upkeep of the system. An event in this category will result in negative customer and media impact, as well as significant adverse government and/or regulatory intervention or have a material adverse impact on earnings.

For PECO, the significant event curtailment determination will be made by the PECO President and CEO. The decision will be made in concert with Exelon's EVP Finance & Markets, EVP and Chief Human Resources Officer, and Chief Executive Officer by recommendation to the Compensation Committee of the Board of Directors.

Shareholder Protection Feature

Payout above target on Operating Company/Business Unit Funding KPIs may be capped based on EPS performance. (Refer to the 2009 Exelon AIP guide, page 5 under the section titled Shareholder Protection Feature for an illustration. Also see pages 7 and 8 under the section titled Award Calculation, for a sample incentive award calculation).

Glossary of Terms

CAIDI (IEEE 2.5 Beta Method) - Outage Duration - Customer Average Interruption Duration Index (CAIDI) represents the average time in minutes required to restore service to those customers who experience a sustained outage interruption. A sustained interruption is defined as an outage greater than five minutes. This metric includes secondary and service interruptions while excluding major events, interruptions lasting 5 minutes or less in duration, and planned interruptions. Major events are defined as any day where the SAIDI, which is the product of SAIFI and CAIDI, is greater than or equal to a threshold value. The threshold value is computed using 2.5 standard deviation (beta) above the mean (alpha), based on 5 years of historic SAIDI per day data.

Customer Satisfaction Index - The customer satisfaction goal will be based on PECO's performance on the following three equally-weighted customer satisfaction metrics: ACSI Proxy, Customer Care Center Satisfaction and New Business Satisfaction. The ACSI Proxy is a combined measure of residential, small business and large business customer satisfaction. The residential component of the ACSI Proxy is the University of Michigan ACSI. The small business and large business components are based on telephone and web-administered surveys conducted by PECO's research supplier. The score for each customer segment is based on the results from three survey questions: overall satisfaction, meeting expectations, and closeness to the ideal energy utility company. The score for PECO and for each customer segment represents an index on a 0-100 scale; it is not a percentage. This metric is

reported quarterly. Under the 2009 AIP, ACSI Proxy scores will be computed quarterly and based on the results of surveys conducted during the twelve-month period ending December 31, 2009.

Customer Care Center Satisfaction is the percent of customers satisfied with the service received during a call to the PECO Customer Care Centers. The score is based on the results of telephone-administered surveys of randomly-selected residential and small business customers who recently phoned the company. It is measured as the percent of survey respondents who are "satisfied" (% 6-10 ratings) on a 0-10 scale, where 0 is "extremely dissatisfied" and 10 is "extremely satisfied." The surveys include all types of transactions (e.g., billing, credit, outage, turn on/off) handled by the Voice Response Unit or a Customer Service Representative. The score for each quarter is the average of the residential and small business scores, weighted by each segment's percent of total calls during the quarter. This metric is reported quarterly. Under the 2009 AIP, Customer Care Center Satisfaction scores will be computed quarterly and based on the results of surveys for the twelve-month period ending December 31, 2009.

New Business Satisfaction is the percent of customers satisfied overall with PECO's performance on projects completed by New Business. The score is based on the results of a mail-administered survey. It is measured as the percent of survey respondents who are "somewhat satisfied" and "very satisfied" using a 5-point scale, ranging from "very dissatisfied" to "very satisfied." This metric is reported monthly. Under the 2009 AIP, New Business Satisfaction scores will be computed every three months and based on the results of surveys for the twelve-month period beginning December 1, 2008 and ending November 30, 2009.

Gas All-In Corrective Maintenance Backlog - Year-end 2009 PECO Gas actual backlog of Corrective Maintenance Tasks. The following categories of work are included: #3 leaks, valve and regulator station maintenance, Operational Irregularity Reports (OIR's), bridge maintenance, right-of-way clearing, permanent damage case repairs, and other non-leak corrective maintenance tasks.

Operating Net Income - Generally Accepted Accounting Principles (GAAP) Net Income, excluding Pennsylvania Global Settlement, and other exclusions determined by Corporate Finance.

OSHA Recordable Rate - The criteria for measurement is recordable incidents, including every occupational death and every non-fatal occupational injury which involves one or more of the following: loss of consciousness, restriction of work or motion, transfer to another job, or medical treatment (not first aid). This metric is calculated based on the exposure of 100 full-time workers, using 200,000 hours as the equivalent. (Total of OSHA cases X 200,000 / Total Hours Worked).

PECO Focused Initiatives - These are the collection of specific work plan objectives that are either key to maintaining or improving reliability or are key to improving customer operations. The Focused Initiatives include: 2009 Summer Critical Program, Top Priority Circuit Program, Underground (URD) Cable Injection Program, Distribution Automation, Substation Transformer Maintenance Template Program, PCB Retro-fill and Capacitor Program, Vegetation Management for Distribution and Transmission Programs, and Customer Operations Metering Improvements. A productivity measure will be calculated for each initiative to compare the percentage of work completed and dollars expended versus 100% of the work planned and the dollars budgeted. In addition, a threshold completion level of 90% of planned work for each initiative separately will be imposed before incentives apply to ensure that requisite levels of work are completed during the year on all initiatives. Work plan scope and related

budget change approvals are at the discretion of the Utility President. Changes that solely impact budgeted spend will require approval via the AIP Appeal Process.

SAIFI (IEEE 2.5 Beta Method) - Outage Frequency - System Average Interruption Frequency Index (SAIFI) indicates how often the average customer experiences a sustained interruption over a predefined period of time. A sustained interruption is defined as an outage greater than five minutes. This metric includes secondary and service interruptions while excluding major events, interruptions lasting 5 minutes or less in duration, and planned interruptions. Major events are defined as any day where the SAIDI, which is the product of SAIFI and CAIDI, is greater than or equal to a threshold value. The threshold value is computed using 2.5 standard deviation (beta) above the mean (alpha), based on 5 years of historic SAIDI per day data.

Total Cost (O&M and Capital) - Operating and Maintenance (O&M) Expenses for departments plus capital expenditures, as defined in the capitalization policy. This metric includes functional group costs for embedded functions and BSC transactional costs, but excludes BSC corporate allocation costs (i.e. Executive Services), pensions, other post-retirement employee benefits (OPEB), fringe employee benefits (including incentive payments and severance), bad debt expenses, Pennsylvania Global Settlement costs, incremental weather-related restoration expenses incurred for major storms wherein 10% or more of the System-wide customers are affected, as defined by Procedure OP-ED 1114, and O&M and Capital costs incurred for new energy efficiency (EE), demand response (DR), and smart meter deployment requirements (HB 2200) and other legislative mandates. The exclusion for storm costs may be denied by recommendation of the PECO CEO to the Exelon CEO within 30 days of completion of the storm if the restoration response is deemed to be inadequate. This metric will also exclude costs within O&M and capital that are offset elsewhere within net income or are cash-flow neutral to PECO, including but not limited to: unbudgeted Make Ready and IPP (Independent Power Producer) costs, mutual assistance provided to another company for storm restoration, consulting fees related to tax and legal settlements.

Important Information

- This informational guide is intended to provide an overview of PECO's goals and measures under the 2009 Exelon Corporation Annual Incentive Program. In the event of any inconsistency between this guide and the formal program document, the formal document will control.
- The Exelon CEO and the Compensation Committee of Exelon's Board of Directors, in the exercise of their sole discretion, reserve the right to adjust the amount of awards payable or make modifications to the program, if business circumstances warrant an adjustment. In addition, the program may be amended at any time by action of the CEO, the Compensation Committee and may be terminated at any time by action of the Compensation Committee.
- No portion of an award shall be considered earned prior to final approval of the amount and payment of such award by the Compensation Committee.

Questions?

Contact your Human Resources Generalist.

**ATTACHMENT
SDR-OM-28N**

2009 Annual Incentive Program Summary



Overview for PECO employees represented by IBEW Local 614 *
(includes Supply)

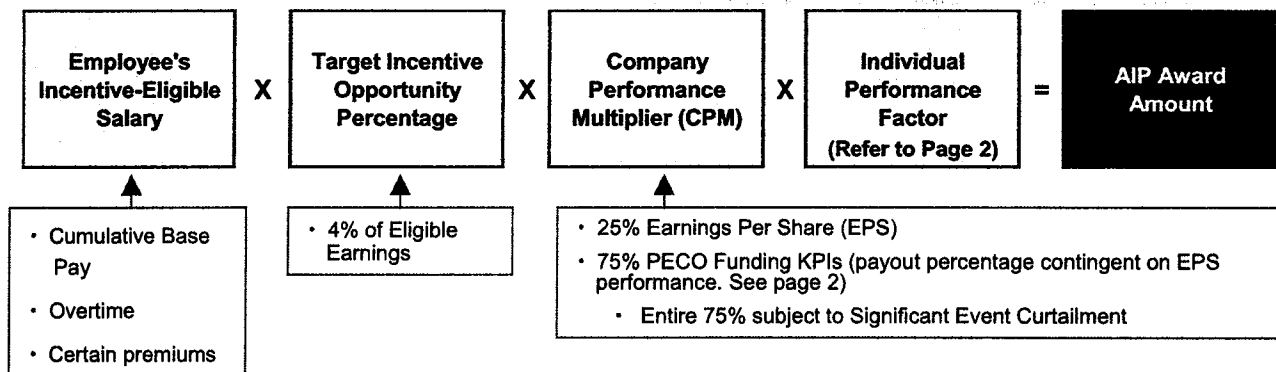
*Eligibility to participate in the AIP is based solely to the extent provided in the applicable collective bargaining agreement.

Funding KPIs ⁽¹⁾ - PECO	Threshold	Target	Distinguished	Goal Weight
Earnings Per Share (EPS)	\$3.65	\$4.15	\$4.45	25%
PECO Operating Net Income (NI) (\$ millions)	\$275	\$334	\$360	20%
PECO Total Cost (O&M and Capital) (\$ millions)	\$912.0	\$868.6	\$842.5	25%
PECO SAIFI (IEEE 2.5 Beta Method) (Customer Outage Frequency)	1.08	0.85	0.76	5%
PECO CAIDI (IEEE 2.5 Beta Method) (Customer Outage Duration)	96	90	87	5%
Gas All-In Corrective Maintenance Backlog	500	475	450	5%
PECO OSHA Recordable Rate	1.68	1.05	0.95	5%
PECO Customer Satisfaction Index ⁽²⁾	77	79	81	5%
PECO Focused Initiatives ⁽³⁾	90%	100%	105%	5%

⁽¹⁾ KPI performance scale is rounded for illustrative purposes. Performance goals and actual achievement may be carried out to additional decimal places to determine final AIP award payout.

⁽²⁾ The Customer Satisfaction Index is the weighted combination of the ACS Index Proxy, Care Center Customer Satisfaction and New Business Customer Satisfaction, each having a one-third weight.

⁽³⁾ Performance is based on productivity level achieved, calculated as the percentage of actual work completed and dollars spent versus 100% of the work planned and dollars budgeted. At a minimum, 90% of each planned initiative work scope must be achieved for any incentive to be paid for this metric. The 10 PECO focused initiatives are 2009 Summer Critical Program, Top Priority Circuit Program, Underground (URD) Cable Injection Program, Distribution Automation Program, Substation Transformer Maintenance Template Program, PCB Phase Down Plan - Retro-fill, PCB Phase Down Plan - Capacitors, Vegetation Management for Distribution, Vegetation Management for Transmission, and Customer Operations Metering Improvements.



Significant Event Curtailment

To ensure continued focus on critical business issues, your AIP payout may be subject to reduction if a significant adverse business event occurs. If PECO has a Significant Event in 2009, payout on the PECO Funding KPIs will be reviewed in light of the event and paid at zero percent to 150 percent of Target.

A significant event is defined as a single high profile outage caused by a failure of PECO owned or managed equipment and determined ultimately to have been caused by a human performance error or poor management attention to maintenance or upkeep of the system. An event in this category will result in negative customer and media impact, as well as significant adverse government and/or regulatory intervention or have a material adverse impact on earnings.

The significant event curtailment determination will be made by the PECO President and CEO. The decision will be made in concert with Exelon's Executive Vice President Finance and Markets, Executive Vice President and Chief Human Resources Officer, and Chief Executive Officer by recommendation to the Compensation Committee of the Board of Directors.

EPS Shareholder Protection Feature

EPS Performance	Before Shareholder Protection Feature Applied Operating Company & Business Unit KPI Composite Payout	After Shareholder Protection Feature Applied Operating Company & Business Unit KPI Composite Payout
< 100%	0 - 200%	Actual up to 100%
≥ 100, but < 150%	0 - 200%	Actual up to 150%
≥ 150%	0 - 200%	Actual up to 200%

Individual Performance Factor

- The individual performance factor is based on the achievement of specific individual and team goals.
- If the goal is achieved, then your AIP award will not be reduced.
- If the goal is not achieved, then your AIP award will be reduced by the percentage shown on the following charts.
- If all goals are missed, your AIP award will be reduced by 60 percent (e.g., multiplier of .40)

PECO Employees Represented by IBEW Local 614 and covered by the PECO Energy Delivery (PED) Collective Bargaining Agreement

	Individual Work Performance	Team Work Performance (VP Area Goal)	Team Attendance (All PED)
Goal	Receive no PUC or Executive level complaint that results in the identification of an individual inappropriate action resulting in discipline <small>(In accordance with the Employee Standards of Conduct definition of discipline as a written reprimand or above)</small>	Achieve Responsible Vehicle Accident (RVA) goal based on Local 614 employee-based target established for each Vice President area	Achieve 35% Callout Response (Threshold)
Potential Reduction Percent	20%	20%	20% <small>(Goal is measured quarterly. A reduction of 5% will be applied for each quarter that the threshold is missed, up to a maximum annual reduction of 20%)</small>

PECO Employees Represented by IBEW Local 614 and covered by the PECO Call Center (PCC) Collective Bargaining Agreement

	Individual Work Performance	Team Work Performance (PCC Level Goal)	Team Work Performance (PCC Level Goal)	Team Attendance (PCC Level Goal)
Goal	Achieve Zero Mishandled Gas Emergency Calls	Achieve PECO CSR Residential Transaction Score ≥ 77% ^[1]	Achieve PECO CSR Commercial Transaction Score ≥ 68% ^[1]	Achieve 2009 Total Unexcused Absence Hours < 10% of the 2008 Unexcused Absence Hours
Potential Reduction Percent	20%	10%	10%	20%

^[1] The scores for the Residential and Small C&I transaction tracking survey will be based on the percent of favorable customer responses for calls taken by CSRs related to emergency, general billing and account maintenance inquiries typically handled within the PECO Care Center.

What Happens if Your Status Changes During 2009

Status change	Impact on your award
New participant	A prorated award will be calculated using the number of days you are an active employee on the payroll, divided by 365, subject to your eligible classification on the Company's payroll for at least 31 days.
Promotion or demotion	Your award is calculated based on the level you are in as of December 31, 2009.
Approved Leave of Absence (e.g., Family Medical Leave, qualifying military leave, paid leave of absence, or short-term disability)	Your award will not be prorated for any period of approved leave of absence while you are receiving pay on the Company's payroll, but will be prorated for any unpaid leave.
Retirement (age 50 or older with 10 or more years of pension service) with no severance plan eligibility, commencement of benefits under a long-term disability plan ⁽¹⁾ and/or unpaid leave ⁽²⁾ , or death	A prorated award will be calculated using the number of days you are an active employee, divided by 365, subject to your eligible classification on the Company's payroll for at least 31 days.
Change in department or Business Unit or Operating Company	Your award is calculated based on the department or Operating Company/Business Unit you are in on December 31, 2009. In the case of a Company and/or pay cycle change that occurs during the final pay period of the year, your award will be calculated based on the department and Operating Company/Business Unit you were in prior to the change.
Termination for cause or resignation	You will not be eligible for any award.
Transfer or change to/from a non-exempt and/or part-time position in the organization	Your award will be calculated using your incentive-eligible earnings in each position for the period you were in that position (e.g., eligible overtime and shift premium) for 2009.
Involuntary separation or qualifying voluntary separation pursuant to a severance plan including retirement eligible employees	Eligibility and amount of award determined under applicable severance plan.
<p>(1) Does not include receipt of partial benefits under a long-term disability plan while continuing to work on a reduced schedule and receive pay as an active employee.</p> <p>(2) Family Medical Leave and qualifying military leave are not used to prorate or otherwise reduce your annual award.</p>	

Important Information

- This informational guide is intended to provide an overview of the 2009 Exelon Corporation Annual Incentive Program. In the event of any inconsistency between this guide and the formal program document, the formal document will control.
- The CEO and the Compensation Committee of Exelon's Board of Directors, in the exercise of their sole discretion, reserve the right to adjust the amount of awards payable or make modifications to the program, if business circumstances warrant an adjustment. In addition, the program may be amended at any time by action of the CEO or the Compensation Committee and may be terminated at any time by action of the Compensation Committee.
- No portion of an award shall be considered earned prior to final approval of the amount and payment of such award by the Compensation Committee.

Questions?

Contact your Human Resources Generalist.

**ATTACHMENT
SDR-OM-280**

2009 Long Term Performance Share Award Program Summary

Program Objectives

- The Long Term Performance Share Award Program is intended to provide rewards to individuals in select strategic positions who play key roles in driving Exelon's financial and operational success. The program is an important component of Exelon's total compensation package for executives, which is benchmarked and aligned with the best practices of high-performing energy services companies and general industry firms.

Eligibility

- Executives approved for participation by the Compensation Committee of the Board of Directors (the "Committee") are eligible for performance share unit awards ("Awards") under the 2009 Long Term Performance Share Award Program.

Targets, Measures and Goal Weights

- The Committee determines the target long-term incentive component of your total compensation based on compensation levels benchmarked with the external market for your position and/or other positions of similar scope and responsibility.
- Awards for 2009 are contingent upon Exelon's performance against two measures:

Dow Jones Utility Total Shareholder Return (60% Weighting)

This performance measure compares Exelon's three-year total shareholder return (TSR) to companies listed in the Dow Jones Utility Index. TSR is measured by the change in stock price plus dividend payments, compounded monthly from January 1, 2007 through December 31, 2009.

S&P 500 Index TSR (40% Weighting)

The S&P 500 Index TSR measures Exelon's performance relative to other companies outside its equity class. Assessing Exelon's TSR performance against this index is important because many of these organizations face the same broad challenges and opportunities as Exelon and compete with us for capital. This performance measure compares Exelon's TSR to companies listed in the S&P 500 Index from January 1, 2007 through December 31, 2009.

Performance Assessment and Allocation of Performance Shares

- Each year, Exelon's annual performance is reviewed and a pool of available performance share units for the year is determined based on a sum of all participants' targets and the composite performance level achieved on all goals.

The Award level is determined by Exelon's percentile ranking among the companies listed in the Dow Jones Utility Index and S&P 500 Index. The chart below applies to both of the index measures.

TSR Position Rankings (Calculated separately for Dow Jones Utility Index and S&P 500 Index)		
Threshold	Target	Distinguished
25 th percentile	50 th percentile	75 th percentile and above
50%	100%	200%
Percentage of target awards for creating total pool of shares		

Interpolation will be used between performance levels

- The Committee reserves the right to reduce or terminate 2009 Awards to address corporate, business unit, or individual performance issues as determined by the Committee in its sole discretion.

How You Will Receive Your Award

Generally, Awards are paid in shares of Exelon common stock and vest incrementally over three years, subject to your continued employment: [one-third vests when your award is finalized as of the date of the Compensation Committee's first meeting in 2010, and one-third as of the dates of the Compensation Committee's first meetings in 2011 and 2012. Awards earn dividend equivalents prior to vesting, which will be reinvested in additional shares. You will receive the net shares after the required taxes are withheld. If stock ownership requirements are met, as described below, Awards are paid in some combination of stock and cash, net of required tax withholding.

PAYOUT EXAMPLE

(Actual Award can range from 0% to 200%)

Step 1	
2009 Target Performance Share Award Opportunity	1,900 shares
Step 2	
Determine Actual Award:	
Target Performance Share Award Opportunity adjusted for TSR rankings	$x \frac{120\%}{2,280 \text{ shares}}$
Step 3	
Award Paid in Accordance with 3-Year Vesting Schedule	760 shares in 2010
	760 shares in 2011
	<u>760 shares in 2012</u>
	<u>2,280</u>

Three-Year Award Payout Schedule

(Assumes prior participation in LTPSA and continuation of program after 2010)

Year Award is Paid	2010	2011	2012
Portion of Award Paid	<ul style="list-style-type: none"> ■ 3rd third of 2007 Earned Award ■ 2nd third of 2008 Earned Award ■ 1st third of 2009 Earned Award 	<ul style="list-style-type: none"> ■ 3rd third of 2008 Earned Award ■ 2nd third of 2009 Earned Award ■ 1st third of 2010 Earned Award 	<ul style="list-style-type: none"> ■ 3rd third of 2009 Earned Award ■ 2nd third of 2010 Earned Award ■ 1st third of 2011 Earned Award

Executives Who Achieved Their Stock Ownership Requirements

If you met or exceeded 125% of your stock ownership requirements as of September 30, 2009, your Awards that vest in 2010 (including any earned but non-vested Awards from prior years) will be paid 50% in cash and 50% in stock. Executive Vice Presidents and above who met or exceeded 200% of their ownership requirements as of September 30, 2009 will receive 100% of their award settled in cash.

What Happens if Your Status Changes

Status change	Impact on your award
New participant (New hire or promotion to an eligible position)	You will be eligible for consideration for a prorated current year Award based on actual results and the number of days you are in an eligible position.
Demotion from an eligible position	Your earned, non-vested Awards vest normally, contingent upon continued employment with the Company; you will be eligible for consideration for a prorated current year Award based on actual results and the number of days you were in an eligible position.
Promotion or demotion within eligible positions with different targets	Your earned, non-vested Awards vest normally, contingent upon continued employment with the Company; you will be eligible for consideration for a current year Award based on actual results and the number of days you worked in each position in which you had a different target.
Termination by reason of long term disability, death or normal or early retirement under the terms of the applicable qualified or non-qualified pension plan (minimum of age 50 and 10 years of service)	Your earned, non-vested Awards become vested and payable, and you will be eligible to receive a prorated (based on the date of your separation) current year Award based on actual results payable in full at the time the first vesting installment is paid to active participants.
Unpaid leave of absence ⁽¹⁾	Your earned, non-vested Awards vest normally, contingent upon continued employment with the Company; you will be eligible for consideration for a prorated current year Award based on actual results and the number of days that you are an active participant in the program.
Involuntary separation, not for cause	Your earned, non-vested Awards become vested and payable, and you will be eligible for a pro-rated (based on the date of your separation) current year Award based on actual results payable in full at the time the first vesting installment is paid to active participants, subject to your timely execution of a general release and compliance with restrictive covenants.
Termination for cause or voluntary separation (other than retirement)	You will forfeit any non-vested Awards; not eligible for a current year Award.
Waiting Period for Certain Payments to "Top 50" Executives	Post-termination payments to executives who are among the fifty highest paid employees will be subject to a six-month waiting period to the extent required by Section 409A of the Internal Revenue Code.

⁽¹⁾ For the current year, your target will not be reduced for any period of approved leave of absence with pay on the Company's payroll, but will be reduced for periods of unpaid leave.

General

The 2009 Long Term Performance Share Award Program is established under, and subject to the terms and conditions of, the Exelon Corporation 2006 Long-Term Incentive Plan ("LTIP"). In the event of any inconsistency between the Program and the LTIP, the LTIP will be controlling.

**ATTACHMENT
SDR-OM-28P**

2009 Stock Option Awards Program

Program Objectives

Stock options awarded under the Exelon Corporation 2006 Long-Term Incentive Plan are intended to provide you with a financial reward for increasing shareholder value by giving you the opportunity to purchase a set number of shares of Exelon Corporation ("Exelon") common stock at a pre-determined price. You are able to share in the increased value of Exelon common stock if the purchase price under your stock option is less than the value of the shares when you exercise your option.

Eligibility

Executives are currently eligible to be considered for a stock option award. Generally, the Compensation Committee of Exelon's Board of Directors (the "Committee") selects the eligible employees who will receive a stock option award. The CEO also has discretion to grant awards in certain circumstances.

How Target Awards are Determined

- The Committee and the CEO have discretion to determine the number of shares granted under a stock option award. In making this determination, the Committee or CEO may consider the employee's position, contribution, competitive practices and the expected value of the award.
- Because the value of Exelon's common stock changes over time, the number of options granted may also change from year to year. For example, as the stock price increases, the *number* of options granted may decrease; however, the *value* of the option grant may remain the same due to standard valuation models that generally assign a higher value to options to purchase stock that has increased in value. The number of options granted each year also reflects competitive practice, which can vary from year to year.

How You Receive Your Award

- Vesting - Generally, stock option awards vest over four years, with one quarter of the award vesting on each anniversary of the grant date, subject to continued employment.
- For information about exercising your stock options and the tax implications of your option award, refer to the *Stock Option Awards Program Participant Guide* and the *Stock Option Awards Program Exercise Guide*, which are available at Computershare's website, www.computershare.com.

Note: The options discussed in these guides were granted under the Exelon Corporation 2006 Long-Term Incentive Plan (the "Plan"). The terms of your 2009 stock option grant under the Plan and the exercise procedures may be different for options you may have been granted in previous years. **Please refer to the applicable materials for information regarding the terms of any stock option grants and any exercise procedures for stock options granted in previous years.**

What Happens if Your Status Changes

Status Change	Impact on Your 2009 Exelon Stock Option Award
New hire into stock option-eligible position	Generally, off-cycle stock option grants are not made.
Promotion to or within stock option-eligible positions	Generally, off-cycle stock option grants are not made.
Demotion from stock option-eligible position	Your non-vested shares vest according to the applicable vesting schedule in the grant instrument, subject to your continued employment with the Company. No future stock option awards will be granted.
Termination by reason of long-term disability, or normal or early retirement under the terms of Exelon's qualified or non-qualified pension plans (minimum of age 50 and 10 years of service).	Your options are subject to accelerated vesting — you must exercise your options within five years of retirement from employment or termination by reason of disability or by the option expiration date, whichever occurs first.
Unpaid leave of absence	Your non-vested shares vest according to the applicable vesting schedule in the grant instrument, subject to your continued employment with the Company.
Death	Your options are subject to accelerated vesting — the estate must exercise options within three years of death or by the option expiration date, whichever occurs first.
Voluntary separation or involuntary separation (other than for "cause")	Generally, your vested options must be exercised within 90 days after the separation date or by the expiration date, whichever occurs first. Non-vested options are forfeited.
Termination for cause or violation of restrictive covenant	Vested and non-vested options are forfeited.

**ATTACHMENT
SDR-OM-28Q**

2009 Key Manager Restricted Stock Award Program Summary

Program Objectives

The 2009 Key Manager Restricted Stock Award Program (the "Program") provides restricted stock units ("Restricted Stock") to individuals in select positions who play key roles in supporting Exelon's financial and operational success and whose retention is critical to long-term succession. This long-term incentive ("LTI") program is an important component of Exelon's total compensation package for key managers, which is benchmarked and aligned with the best practices of high-performing energy services companies and general industry firms.

Eligibility

Directors and managers ("Key Managers") and select other employees are eligible to be considered for awards under the Program.

How Target Opportunities are Determined

At the Compensation Committee's direction, Exelon conducts an annual compensation study to identify competitive market trends and assess the value of the various compensation components provided by the company relative to the value provided for similar positions in high-performing energy services and capital-intensive general industry companies.

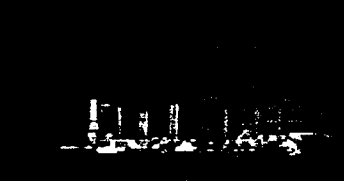
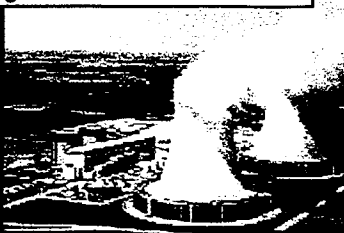
Market trends reflect minimal change to LTI values and participant eligibility. Accordingly, the value of target opportunities for 2009 will be similar to the value of target opportunities in 2008 for all LTI participants. With the decrease in Exelon's stock price, additional target shares are required to deliver the same value.

How You Will Receive Your Award

Restricted Stock grants are awarded based on an employee's position, performance, and the expected value of the award.

Generally, awards issued under the Program are paid in shares of Exelon common stock and vest incrementally over three years, subject to your continued employment. One-third of your award will vest on the date the Compensation Committee holds its first meeting (usually in January) in 2010, 2011 and 2012. Restricted Stock will earn dividend equivalents while vesting, which will be reinvested in additional shares. Upon vesting, you will receive payment in shares, net of tax withholding.

**ATTACHMENT
SDR-OM-28R**



2010 Annual Incentive Program

An informational guide to understanding Exelon's Annual Incentive Program (AIP) for employees not covered by a collective bargaining agreement

Overview

The Exelon Annual Incentive Program (“AIP”) provides an opportunity for you to be rewarded for your contribution to the success of Exelon Corporation and its participating subsidiaries (the “Company”). It serves as an important part of your overall compensation package by linking individual and Company performance. The final amount of your award will be based on how well you, the group that shares your key performance indicators (“Operating Company” and “Business Unit”) and the Company as a whole perform against goals set for the year.

Who is Eligible?

To participate in the 2010 AIP, you must meet each of the following requirements:

- You must be classified as a salaried exempt, salaried non-exempt, or hourly craft regular employee (not temporary or other classification, such as an intern, co-op or contractor) on the Company’s payroll for at least 31 calendar days in 2010 (and not be covered by an incentive plan provided in lieu of the AIP); and
- In most cases, you must be actively employed through the Company’s last business day of 2010. *

This informational guide does not apply to individuals who are covered by a collective bargaining agreement. Also, the guide does not apply to ComEd employees and BSC employees who are embedded in or dedicated to ComEd; they are covered under a separate incentive plan, governed and approved by ComEd.

* Please refer to page 6, “What Happens if Your Status Changes During 2010” for additional information.

How Does the AIP Work?

Generally, 2010 AIP awards will be determined based on the following calculation:

Employee's Incentive-Eligible Salary	X	Target Incentive Opportunity Percentage	X	Company Performance Multiplier (CPM)	X	Individual Performance Multiplier (IPM)*	=	AIP Award Amount																		
<p>Each employee has a target percentage that is determined based on his or her grade level. The following chart applies to most employees (grade level E06 and below)</p> <p style="text-align: center;">2010 Exelon Target Incentive Opportunity</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Grade Level</th> <th>Target %¹ (of Employee's Salary)</th> </tr> </thead> <tbody> <tr><td>E06</td><td>30%</td></tr> <tr><td>E05</td><td>25%</td></tr> <tr><td>E04</td><td>20%</td></tr> <tr><td>E03</td><td>15%</td></tr> <tr><td>E02</td><td>10%</td></tr> <tr><td>E01</td><td>7%</td></tr> <tr><td>Salaried Non-Exempt</td><td>7%</td></tr> <tr><td>Hourly Craft</td><td>4%</td></tr> </tbody> </table> <p><small>¹ Employees in certain Power Team positions have different target incentive percentages.</small></p> <p><small>For exempt employees, your annual base salary in effect on December 31, 2010 generally applies for incentive award calculations. For employees who were non-exempt and/or part-time during any part of 2010, your incentive-eligible salary is based on your incentive-eligible earnings paid while working in each category during 2010 (e.g., includes eligible overtime and shift premium while non-exempt).</small></p>	Grade Level	Target % ¹ (of Employee's Salary)	E06	30%	E05	25%	E04	20%	E03	15%	E02	10%	E01	7%	Salaried Non-Exempt	7%	Hourly Craft	4%				<p>The company performance multiplier (CPM) is based on the achievement of Exelon's Earnings Per Share (EPS) and Operating Company/Business Unit financial and operational Funding Key Performance Indicators (KPIs) and, where applicable, Allocation KPIs for 2010.</p> <p>The EPS and Operating Company/Business Unit scores are weighted and then added together to arrive at a composite of the scores. This composite score is the CPM.</p> <p><small>(See breakout boxes for more information about the EPS and Operating Company/Business Unit measures.)</small></p>		<p>Eligible employees will have an IPM (between 50 and 120 percent²) that is applied to the base award (incentive-eligible salary x target incentive opportunity percentage x CPM) to calculate the final award.</p> <p><small>*Certain employees designated by a business unit (e.g., generally bargaining unit and craft employees) do not have an IPM.</small></p> <p><small>²The IPM range for Corporate and Senior Subsidiary Officers is 50 percent to 120 percent.</small></p>		
Grade Level	Target % ¹ (of Employee's Salary)																									
E06	30%																									
E05	25%																									
E04	20%																									
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E02	10%																									
E01	7%																									
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Hourly Craft	4%																									

What's new for 2010

The 2010 AIP design supports the Company's cost containment objectives established in response to the current economic environment. The Company is experiencing earnings pressure as a result of near-term economic challenges driven by reduced power prices and decreased demand for electricity. The funding available for payout based on our 2010 operating budget and business plan is approximately half the size that it was in 2009. If performance exceeds our business plan, the AIP continues to allow for a maximum payout of 200% of your target incentive opportunity. Following are highlights of the key changes for 2010. Refer to your Operating Company / Business Unit AIP supplement for additional information.

- The basic structure of the AIP, the employee target opportunity percentages, and all of the "rules" remain the same but with a modified performance and payout scale, which impacts the company performance multiplier. In 2010, a performance level called "plan" is created and represents the performance required to achieve a 50% payout. The payout scale, recalibrated under the 2010 cost containment initiatives, is intended to apply to the AIP in 2010 only. Under the 2010 performance and payout scale:
 - Threshold performance leads to a 25% payout, providing the opportunity for some level of payout in a challenging year.
 - Performance between threshold and plan will lead to a payout between 25% and 50%.
 - Performance at plan will lead to a 50% payout, compared to 100% in 2009.
 - Achievement above plan will offer a payout above 50%, up to a maximum of 200%.
- The shareholder protection feature is modified as well. The composite payout on Operating Company / Business Unit KPIs cannot exceed the EPS performance payout level by more than 10 percentage points. For example, if EPS performance is at the 50% payout level, then the Operating Company / Business Unit KPI payout would be limited to 60% payout. If EPS is less than threshold, no payout would occur.

How is Corporate Performance Measured?

Corporate performance will be assessed using Exelon's Earnings Per Share (EPS). EPS measures net income per share of Exelon common stock. It is the value by which we are judged by Wall Street and our shareholders and has a direct impact on our stock price. Achieving EPS goals supports our commitment to shareholders and provides opportunities to reinvest in the business and/or reduce debt. EPS makes up at least 20 percent of every employee's performance measures. Payment levels for Operating Company and Business Unit KPIs are contingent on EPS performance. Below is the EPS performance scale for 2010:

Exelon Key Performance Indicator (KPI)	Performance Scale			
	Threshold: 25% Payout	Plan: 50% Payout	100% Payout	Distinguished: 200% Payout
Earnings Per Share	\$3.35	\$3.70	\$3.90	\$4.30

For purposes of determining AIP awards, achievement of EPS will be determined by the Compensation Committee of Exelon's board of directors. In determining EPS achievement, the compensation committee may make adjustments due to restructuring impairment charges, gains or losses on the sale or other disposition of businesses or assets, changes in accounting or other extraordinary, nonrecurring or unusual items.

BSC employees dedicated to or embedded in ComEd have ComEd Cost KPIs in lieu of EPS.

How are Operating Company and Business Unit Performance Measured?

Operating Company and Business Unit KPIs also are an important component of your overall AIP award. The Company uses financial and operational KPIs to measure the relative financial and operational performance of each Operating Company/Business Unit. Along with EPS, Operating Company/Business Unit KPIs fund the AIP and are called *Funding KPIs*.

For 2010, Exelon Nuclear also has site-specific objectives called *Allocation KPIs*. These objectives have an established target performance level. If target performance is achieved for at least four out of five allocation KPIs, then 100 percent of the weighted funding level is allocated to the site. Performance achievement below target impacts the Operating Company/Business Unit KPI performance and the award allocation for the site is reduced by up to 20 percent.

Your Operating Company/Business Unit AIP Supplement will provide detailed information related to your specific KPIs.

Position	Example ^[1]	Corporate (Exelon)	Operating Company and Business Unit KPIs			
		Earnings Per Share	Operating Company Financial Measure	Cost Measure	Business Unit Operational/Financial Measures	
Exelon	CEO & Direct Staff Reports to the CEO	Rowe, Crane, McLean, Moler, VonHoene, Gillis	100%	-	-	-
	Generation	All Employees	25%	25% ExGen Operating Net Income (NI)	-	50% Adjusted Nuclear, Power, Power Team and ExGen Corp Operating Expense
Exelon Generation	Nuclear	Pardee	50%	25% ExGen Operating NI	-	25% Capacity Factor
		All Employees	25%		25% Direct Operating & Maintenance (O&M)	
	Power	President, Exelon Power (Open)	50%	25% ExGen Operating NI	-	10% Equivalent Forced Outage Rate (Demand) Fossil Fleet 10% Hydro Equivalent Availability Factor 5% Event Free Clock Resets
		All Employees	25%		25% Power Net Operating Expense	
PowerTeam	Comew	50%	50% ExGen Operating NI	-	-	
	All Employees	25%	25% ExGen Operating NI	50% PT Adjusted Operating Margin	-	
PECO	PECO	O'Brien	50%	20% PECO Operating NI	-	5% PECO SAIFI 5% PECO CAIDI 5% Gas Ops KPI
		All Employees	20%	25% PECO Operating NI	25% PECO Total Cost	5% PECO OSHA Recordables 5% PECO Cust Sat Index 5% Focused Initiatives and Environmental Index
Exelon Business Services Company (BSC)	BSC Practice Areas	Zopp, Hilzinger	75%	-	25% BSC Total Cost	-
		Audit, COG, Comm., Strategy, Corp Security, Development, Finance, Gov. Affairs, HR, IT, Legal, Real Estate, and Supply	75%	-	25% BSC Total Cost	-
	BSC Dedicated to or Embedded in an Operating Company	Field Supply, IT, Legal, HR, Finance, Communications	Same KPI Weightings and goal structure as their Operating Company / Business Unit			
		Trans Ops & Planning (governance and shared services), IT or Supply dedicated to BOTH ComEd and PECO	Average of ComEd AIP Payout % and PECO AIP Payout %			
Exelon Transmission Company (TransCo)	TransCo	All Employees	75%	-	25% Exelon TransCo O&M	-

^[1] To comply with IRC Section 162(m), certain officers will participate in the Annual Incentive Plan for Senior Executives instead of the AIP.

Goal Weighting

Generally, the Operating Company/Business Unit component of your Company Performance Multiplier (CPM) is calculated based on the financial and operational KPI performance of the Operating Company/Business Unit in which you are employed on December 31, 2010.

KPI Performance Levels

There are three levels of performance associated with each Operating Company / Business Unit AIP Funding KPI. These levels are:

- **Threshold:** The minimum acceptable level of performance that must be achieved for employees to receive any payout (i.e., 25 percent payout) on a Funding KPI. No payout will occur on a KPI that does not achieve a threshold level of performance.
- **Plan:** The required performance level in order to achieve 50 percent payout on a Funding KPI.
- **Distinguished:** The required performance level in order to achieve 200 percent payout (i.e., two times your target incentive opportunity) and the highest payout level available under the AIP.

In order for an Operating Company/Business Unit to receive a full payout on its Funding KPI results, the group also must achieve any applicable Allocation KPIs. In 2010, Allocation KPIs only apply to employees in Exelon Nuclear, including those BSC employees who are dedicated to or embedded in Nuclear. Allocation KPIs do not have threshold or distinguished levels of performance – the goal is either achieved or it is not. See the Exelon Nuclear AIP Supplement for any applicable Allocation KPIs.

Shareholder Protection Feature

The AIP includes a feature that limits payout for Operating Company and Business Unit KPIs based upon EPS performance. Under this feature:

- The composite payout on Operating Company / Business Unit KPIs cannot exceed the EPS performance payout level by more than 10 percentage points.
- Minimum threshold EPS performance is required for any payout to occur under the AIP.

See examples of how the Shareholder Protection Feature works in the chart below:

Payout Percentage		
	Before Shareholder Protection Feature Applied	After Shareholder Protection Feature Applied
Operating Company and Business Unit KPI Composite	Operating Company and Business Unit KPI Composite	Operating Company and Business Unit KPI Composite
0% (Below Threshold)	60%	0%
25%	75%	35%
50%	100%	60%
100%	130%	110%
150%	140%	140%

Significant Event Curtailment

To ensure continued focus on critical business issues, your Operating Company or Business Unit KPI payout may be subject to reduction if a significant adverse business event occurs. See your Operating Company / Business Unit AIP Supplement for additional information about potential significant event curtailments.

Individual Performance Multiplier and Award Range

Once the Company's and your Operating Company/Business Unit's performance is determined, the amount of your individual award is determined based on your target incentive opportunity and your individual performance multiplier.

- The annual performance review process determines your individual performance multiplier (IPM) based on your individual performance and personal contribution to your team during the year. The IPM can range from 50 percent to 120 percent ⁽¹⁾ or zero percent, relative to your annual performance rating on a five-point rating scale (A, B+, B, B-, C).
- Your total AIP award, after application of Company, Operating Company/Business Unit Funding KPIs and, if applicable, Allocation KPIs, individual performance multiplier, and all other adjustments, can range from zero to 200 percent of your individual target incentive opportunity.
- You will not receive an award if your year-end performance rating is "does not meet expectations" (or its equivalent), or you are placed on but do not successfully complete a performance improvement plan by year end.
- The aggregate payment of individual awards cannot exceed the total funding for all participants' awards, as generated by Corporate and Operating Company/Business Unit performance. ⁽²⁾

⁽¹⁾ The IPM range for Exelon officers and certain senior subsidiary officers is 50% to 110%.

⁽²⁾ This provision does not apply to Exelon officers and certain senior subsidiary officers, since the Compensation Committee of the Board of Directors approves their awards.

When You Will Receive Your Award

You will receive your AIP award, less applicable federal, state and local tax withholding, no later than March 15, 2011.

What Happens if Your Status Changes During 2010

Status change	Impact on your award
New participant	A prorated award ⁽¹⁾ will be calculated subject to your eligible classification on the Company's payroll for at least 31 days.
Promotion, voluntary demotion, and involuntary performance-related demotion	Your award is calculated based on the level you are in as of December 31, 2010.
Involuntary demotion that is not performance-related (e.g., organizational restructuring)	Your current year AIP award is calculated based on the level you were in prior to the demotion. Your AIP target opportunity reverts to that of your new level the following year.
Approved Leave of Absence (e.g., Family Medical Leave, qualifying military leave, paid leave of absence, or short-term disability)	Your award will not be prorated for any period of approved leave of absence while you are receiving pay on the Company's payroll, but will be prorated for any unpaid leave.
Retirement (age 50 or older with 10 or more years of pension service) with no severance plan eligibility, commencement of benefits under a long-term disability plan ⁽²⁾ and/or unpaid leave ⁽³⁾ , or death	A prorated award ^{(1), (4)} will be calculated subject to your eligible classification on the Company's payroll for at least 31 days.

Change in department, or Business Unit, or Operating Company	Your award is calculated based on the department or Operating Company/Business Unit you are in on December 31, 2010. In the case of a Company and/or pay cycle change that occurs during the final pay period of the year, your award will be calculated based on the department and Operating Company/Business Unit you were in prior to the change.
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Termination for cause or resignation

You will not be eligible for any award.

Transfer or change to/from a non-exempt and/or part-time position in the organization	Your award will be calculated using your incentive-eligible earnings in each position for the period you were in that position (e.g., eligible overtime and shift premium) for 2010.
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Involuntary separation or qualifying voluntary separation pursuant to a severance plan including retirement eligible employees

Eligibility and amount of award determined under applicable severance plan. Exelon Corp. Severance Benefit Plan generally provides prorated award ⁽¹⁾, ⁽⁴⁾, subject to elimination if employee is rated "off track" or "does not meet expectations" or has been placed on but has not successfully completed a performance improvement plan (PIP).

- (1) In the case of exempt full-time positions, prorated awards are calculated using the number of days you are an active employee on the payroll, divided by 365. For non-exempt and/or part-time positions, a prorated award is calculated using your incentive-eligible earnings (e.g., base pay, and eligible overtime and shift premium) for the period that you are eligible during the year.
- (2) Does not include receipt of partial benefits under a long-term disability plan while continuing to work on a reduced schedule and receive pay as an active employee.
- (3) Family Medical Leave and qualifying military leave are not used to prorate or otherwise reduce your annual award.
- (4) Prorated award is based on a 100 percent IPM, if applicable.

Important Information:

- This informational guide is intended to provide an overview of the 2010 Exelon Corporation Annual Incentive Program. In the event of any inconsistency between this guide and the formal program document, the formal document will control.
- The CEO and the Compensation Committee of Exelon's Board of Directors, in the exercise of their sole discretion, reserve the right to adjust the amount of awards payable or make modifications to the program, if business circumstances warrant an adjustment. In addition, the program may be amended at any time by action of the CEO or the Compensation Committee and may be terminated at any time by action of the Compensation Committee.
- No portion of an award shall be considered earned prior to the last day of the year.

Questions?

Contact your Human Resources Generalist.

Award Calculation – For Illustrative Purposes Only

Refer to the following page for an example of an AIP calculation for an exempt employee who has an incentive-eligible salary of \$70,000 and a target incentive opportunity of 15 percent. The target incentive opportunity amount is \$10,500 (\$70,000 x 15 percent). The example assumes that the Significant Event Curtailment does not apply and illustrates the impact of the EPS shareholder protection requirement. This sample provides three examples of the Individual Performance Multiplier (IPM) application, under Step 3 of the calculation.

Sample 2010 Award Calculation

Step 1: Determine the company performance multiplier (CPM):

Step 1A - Calculate the performance of Corporate and Operating Company/Business Unit Funding KPIs

25% Funding on Earnings Per Share (EPS)

Corporate Measure	Goal Weight	KPI Performance / Payout %
Exelon EPS	25%	50.0%

25% Funding on Operating Company KPIs

50% Funding on Business Unit KPIs

Operating Company (OC)/ Business Unit (BU) Funding KPIs	Goal Weight	Composite Goal Weight (Individual KPI Goal Wt/OC-BU Goal Wt Total)	X KPI Performance / Payout %	= Weighted Payout % (Composite Goal Wt x Payout %)
Operating Company (OC) Funding KPIs				
Net Income KPI (OC KPI)	25%	33.3%		16.7%
Business Unit (BU) Funding KPIs				
BU KPI # 1	25%	33.3%	75.0%	25.0%
BU KPI # 2	25%	33.3%	85.0%	28.3%
	75%	100%	80.0%*	70.0%

* BU Funding KPI Composite Payout is the sum of the products determined by multiplying each BU KPI Performance / Payout % x each BU KPI's Composite Goal Weight, with the composite considering ONLY the BU KPIs.

BU Composite Payout* = 80.0%
Total OC/BU Composite Payout = 70.0%

Step 1B - Apply Significant Event Curtailment, if applicable, to the Total OC/BU Composite Payout. In this case, no curtailment has occurred.

Step 1C - Assess the impact of the Shareholder Protection Feature (SPF) and apply to the OC/BU Funding KPIs. In this example, EPS is at the 50% payout level (Plan), so payout on the OC/BU KPIs is limited to 60% payout.

Determine Shareholder Protection Feature (SPF) Multiplier	Capped OC/BU Composite Payout	+	Uncapped OC/BU Composite Payout	= SPF Multiplier (Capped / Uncapped Payout %)
	60.0%		70.0%	85.7%

Apply SPF Multiplier to OC and BU KPIs	Pre-SPF Payout %	X SPF Multiplier	= Post-SPF Payout %
Net Income KPI (OC KPI)		85.7%	
Business Unit (BU) Funding KPIs	80.0%	85.7%	68.6%

Total OC/BU Funding = 68.6%

Step 1D - Calculate the performance of Allocation KPIs (if applicable) and apply to the Business Unit portion (50%) Only

This step only applies to Nuclear (including BSC employees who are considered dedicated to or are embedded in Nuclear)

Allocation KPIs modify the Business Unit portion (50%)

Allocation KPIs (Must Achieve at least 4 out of 5 allocation KPIs for full award)	Potential Reduction	Performance	Actual Allocation Reduction
Allocation KPI #1	5%	Did Not Meet	-
Allocation KPI #2	5%	Did Not Meet	5%
Allocation KPI #3	5%	Met Goal	0%
Allocation KPI #4	5%	Met Goal	0%
Allocation KPI #5	5%	Met Goal	0%
Total Allocation Reduction (No reduction for first allocation KPI missed)	20%		5%

Post-SPF BU Payout %age: 68.6%
Allocation Factor = (1 - Total Allocation Reduction): X 95%
Allocation Adjusted BU Composite Payout = 65.1%

Step 1E - Add the Total Weighted Payout of Exelon EPS and the adjusted Operating Company/Business Unit KPIs to determine the Company Performance Multiplier (CPM)

Company Performance Multiplier (CPM)

KPIs	Weighting	X Payout %	= Weighted Payout %
Exelon EPS	25%	50.0%	12.5%
Net Income KPI (OC KPI)	25%		10.7%
Business Unit (BU) Funding KPIs (as a composite)	50%	65.1%	32.6%
	100%		= 55.8%

Step 2: Calculate the base award:

Step 2 - Multiply the target incentive opportunity of \$10,500 by the CPM

Preliminary AIP Award

Example: Employee's AIP eligible earnings is \$70,000 with a 15% target incentive opportunity. The target incentive opportunity amount is \$70,000 x 15% = \$10,500.	Target Incentive Opportunity	X CPM	= Preliminary AIP Award
	\$10,500	55.8%	\$5,858

Step 3: Apply the individual performance multiplier (IPM) to the base award to determine the final AIP award:

Step 3 - Multiply the base award by the IPM. The IPM can range between 50% and 120%.

IPM Example 1 - Final AIP Award

IPM Example 1 - the employee's IPM is 90%	Preliminary AIP Award	X IPM	= Final AIP Award
	\$5,858	90%	\$5,272

IPM Example 2 - Final AIP Award

IPM Example 2 - the employee's IPM is 100%	Preliminary AIP Award	X IPM	= Final AIP Award
	\$5,858	100%	\$5,858

IPM Example 3 - Final AIP Award

IPM Example 3 - the employee's IPM is 110%	Preliminary AIP Award	X IPM	= Final AIP Award
	\$5,858	110%	\$6,443

**ATTACHMENT
SDR-OM-28S**

2010 Annual Incentive Program Summary

For PECO employees and BSC employees who are “dedicated to” or “embedded in” PECO



This is an Operating Company supplement to the Exelon Corporation 2010 Annual Incentive Program (AIP) informational guide. It contains a description of the key performance indicators (KPIs) applicable to non-represented PECO employees and BSC employees who are “dedicated to” or “embedded in” PECO (i.e., Communications, Finance [excluding the Controller group], Human Resources, IT, Legal and Supply).

What’s new for PECO in 2010

The 2010 AIP design supports the Company’s cost containment objectives established in response to the current economic environment. The Company is experiencing earnings pressure as a result of near-term economic challenges driven by reduced power prices and decreased demand for electricity. The funding available for payout based on our 2010 operating budget and business plan is approximately half the size that it was in 2009. If performance exceeds our business plan, the AIP continues to allow for a maximum payout of 200% of your target incentive opportunity. Following are highlights of the key changes for 2010.

- The basic structure of the AIP, employee target opportunity percentages, and all of the “rules remain the same but with a modified performance and payout scale, which impacts the company performance multiplier. In 2010, a performance level called “plan” is created and represents the performance required to achieve a 50% payout. The payout scale, recalibrated under the 2010 cost containment initiatives, is intended to apply to the AIP in 2010 only. Under the 2010 performance and payout scale:
 - Threshold performance leads to a 25% payout, providing the opportunity for some level of payout in a challenging year.
 - Performance between threshold and plan will lead to a payout between 25% and 50%.
 - Performance at plan will lead to a 50% payout, compared to 100% in 2009.
 - Achievement above plan will offer a payout above 50%, up to a maximum of 200%.
- The shareholder protection feature is modified as well. The composite payout on Operating Company / Business Unit KPIs cannot exceed the EPS performance payout level by more than 10 percentage points. For example, if EPS performance is at the 50% payout level, then the Operating Company / Business Unit KPI payout would be limited to 60% payout. If EPS is less than threshold, no payout would occur.
- Weighting on corporate and PECO financial KPIs have been adjusted to increase the overall weight on PECO goals. The PECO Operating Net Income KPI is increased from 20 percent to 25 percent and the Exelon EPS weighting is reduced from 25 percent to 20 percent.
- A new Gas Operations KPI, Reduction in Gas Facility Service Record (GFR) Inaccuracy, is introduced for 2010. This goal replaces the Gas All-In Corrective Maintenance Backlog KPI.
- The Focused Initiative KPI has been expanded to include Environmental Initiatives along with the Operations Focused Initiatives introduced last year. These initiatives are key to maintaining or improving reliability, improving customer operations, and support our environmental commitments.

PECO AIP Design

Funding KPIs

Funding KPIs establish the potential payout available with respect to Exelon and Operating Company performance.

- Exelon performance is assessed using EPS and is weighted 20 percent.
- The remaining weighting is made up of Operating Company financial, cost and operational KPIs. The financial measure is Net Income and the cost measure is Total Costs (Operating and Maintenance (O&M), and Capital). There are six operational KPIs: CAIDI, which measures the average duration of customer outages, SAIFI, measuring the average frequency of customer outages, Reduction in Gas Facility Service Record (GRF) Inaccuracy, OSHA Recordable Rate, measuring PECO employee safety, PECO Customer Satisfaction Index, measuring overall customer satisfaction, and PECO Focused Initiatives & Environmental Index, measuring productivity and environmental commitment.
- The following chart shows the PECO funding KPIs under the 2010 AIP.

Funding KPIs ¹ - PECO	Threshold	Plan	Distinguished	Goal Weight
	25%	50%	200%	
Earnings Per Share (EPS) ²	\$3.35	\$3.70	\$4.30	20%
PECO Operating Net Income (NI) (\$ millions)	\$262	\$291	\$335	25%
PECO Total Cost (O&M and Capital) (\$ millions)	\$991.4	\$944.2	\$849.8	25%
PECO SAIFI (IEEE 2.5 Beta Method) (Customer Outage Frequency)	0.99	0.84	0.75	5%
PECO CAIDI (IEEE 2.5 Beta Method) (Customer Outage Duration)	95	88	84	5%
PECO Reduction in Gas Facility Service Record (GRF) Inaccuracy	50,000	55,000	60,000	5%
PECO OSHA Recordable Rate	1.68	1.04	0.99	5%
PECO Customer Satisfaction Index	79	81	83	5%
PECO Focused Initiatives and Environmental Index	90%	100%	110%	5%

⁽¹⁾ KPI performance scale is rounded for illustrative purposes. Performance goals and actual achievement may be carried out to additional decimal places to determine final AIP award payout.

⁽²⁾ Achievement of EPS is determined by the Compensation Committee of the Exelon Board of Directors. In determining EPS achievement, the Compensation Committee may make adjustments due to certain nonrecurring or unusual items.

Significant Event Curtailment

To ensure continued focus on critical business issues, your AIP may be subject to reduction if a significant adverse business event occurs. If PECO has a Significant Event in 2010, payout on your Operating Company KPIs will be reviewed in light of the event and paid at zero percent to 150 percent.

A significant event is defined as a single high profile outage caused by a failure of PECO owned or managed equipment and determined ultimately to have been caused by a human performance error or poor management attention to maintenance or upkeep of the system. An event in this category will result in negative customer and media impact, as well as significant adverse government and/or regulatory intervention or have a material adverse impact on earnings.

For PECO, the significant event curtailment determination will be made by the PECO President and CEO. The decision will be made in concert with Exelon's EVP Finance & Legal, EVP and Chief Administrative & Diversity Officer and President BSC, and Exelon's Chief Executive Officer by recommendation to the Compensation Committee of the Board of Directors.

Shareholder Protection Feature

Payout on Operating Company/Business Unit Funding KPIs may be capped based on EPS performance. (Refer to the 2010 Exelon AIP guide, page 5 under the section titled Shareholder Protection Feature for an illustration. Also see pages 7 and 8 under the section titled Award Calculation, for a sample incentive award calculation).

Glossary of Terms

CAIDI (IEEE 2.5 Beta Method) - Outage Duration - Customer Average Interruption Duration Index (CAIDI) represents the average time in minutes required to restore service to those customers who experience a sustained outage interruption. A sustained interruption is defined as an outage greater than five minutes. This metric includes secondary and service interruptions while excluding major events, interruptions lasting 5 minutes or less in duration, and planned interruptions. Major events are defined as any day where the SAIDI, which is the product of SAIFI and CAIDI, is greater than or equal to a threshold value. The threshold value is computed using 2.5 standard deviation (beta) above the mean (alpha), based on 5 years of historic SAIDI per day data.

Customer Satisfaction Index - The customer satisfaction goal will be based on PECO's performance on the following three equally-weighted customer satisfaction metrics: ACSI Proxy, Customer Care Center Satisfaction and New Business Satisfaction. The ACSI Proxy is a combined measure of residential, small business and large business customer satisfaction. The residential component of the ACSI Proxy is the University of Michigan ACSI. The small business and large business components are based on telephone and web-administered surveys conducted by PECO's research supplier. The score for each customer segment is based on the results from three survey questions: overall satisfaction, meeting expectations, and closeness to the ideal energy utility company. The score for PECO and for each customer segment represents an index on a 0-100 scale; it is not a percentage. This metric is reported quarterly. Under the 2009 AIP, ACSI Proxy scores will be computed quarterly and based on the results of surveys conducted during the twelve-month period ending December 31, 2009.

Customer Care Center Satisfaction is the percent of customers satisfied with the service received during a call to the PECO Customer Care Centers. The score is based on the results of telephone-administered surveys of randomly-selected residential and small business customers who recently phoned the company. It is measured as the percent of survey respondents who are "satisfied" (% 6-10 ratings) on a 0-10 scale, where 0 is "extremely dissatisfied" and 10 is "extremely satisfied." The surveys include all types of transactions (e.g., billing, credit, outage, turn on/off) handled by the Voice Response Unit or a Customer Service Representative. The score for each quarter is the average of the residential and small business scores, weighted by each segment's percent of total calls during the quarter. This metric is reported quarterly. Under the 2009 AIP, Customer Care Center Satisfaction scores will be computed quarterly and based on the results of surveys for the twelve-month period ending December 31, 2009.

New Business Satisfaction is the percent of customers satisfied overall with PECO's performance on projects completed by New Business. The score is based on the results of a mail-administered survey. It is measured as the percent of survey respondents who are "somewhat satisfied" and "very satisfied" using a 5-point scale, ranging from "very dissatisfied" to "very satisfied." This metric is reported monthly. Under the 2009 AIP, New Business Satisfaction scores will be computed every three months and based on the results of surveys for the twelve-month period beginning December 1, 2008 and ending November 30, 2009.

Focused Initiatives & Environmental Index - These are the collection of specific work plan objectives that are either key to maintaining or improving reliability, are key to improving customer operations or support our environmental commitments. The 2010 Focused Initiatives and Environmental Index include: 5% Top Priority Program, URD Cable Program, Substation Transformer Maintenance Template Program, Hendrix Cable, Distribution Vegetation Management, Transmission Vegetation Management, MV90 >500 KW Installation Completion, GHG Net Emissions, Net MWhs Saved (EEPS) and Dollars/KWh (EEPS).

A productivity measure for the Operations Initiatives will be calculated for each initiative to compare the percentage of work completed and dollars expended versus 100% of the work planned and the dollars budgeted. In addition, a threshold completion level of 90% of planned work for each initiative separately will be imposed before incentives apply to ensure that requisite levels of work are completed during the year on all initiatives.

Achievement of the Focused Initiatives and Environmental Index is measured as a simple average of the percent of each goal to Plan.

Operating Net Income - Generally Accepted Accounting Principles (GAAP) Net Income, excluding Pennsylvania Global Settlement, and other exclusions determined by Corporate Finance.

OSHA Recordable Rate - The criteria for measurement is recordable incidents, including every occupational death and every non-fatal occupational injury which involves one or more of the following: loss of consciousness, restriction of work or motion, transfer to another job, or medical treatment (not first aid). This metric is calculated based on the exposure of 100 full-time workers, using 200,000 hours as the equivalent. (Total of OSHA cases X 200,000 / Total Hours Worked).

Reduction in Gas Facility Service Record (GFR) Inaccuracy - Gas Facility Records (GFRs) are recorded in CIMS, PassPort and GFR Query systems. By comparing the various databases and matching records, there were 240,000 Gas records determined inaccurate (4th Quarter 2009). The discrepancies can be attributed to the following: record is missing; sketch is missing from the record; addresses are inequitable between CIMS

and PassPort; Query tool erred and sketch was detached from record; record exists in PassPort but not in CIMS; premise exists without a service record; meter exists without a service record. Recommendation includes 4.5-year work down plan, beginning in 2010. Current evidence indicates no significant net benefit to accelerating this plan.

SAIFI (IEEE 2.5 Beta Method) - Outage Frequency - System Average Interruption Frequency Index (SAIFI) indicates how often the average customer experiences a sustained interruption over a predefined period of time. A sustained interruption is defined as an outage greater than five minutes. This metric includes secondary and service interruptions while excluding major events, interruptions lasting 5 minutes or less in duration, and planned interruptions. Major events are defined as any day where the SAIDI, which is the product of SAIFI and CAIDI, is greater than or equal to a threshold value. The threshold value is computed using 2.5 standard deviation (beta) above the mean (alpha), based on 5 years of historic SAIDI per day data.

Total Cost (O&M and Capital) - Operating and Maintenance (O&M) Expenses for departments plus capital expenditures, as defined in the capitalization policy. This metric includes functional group costs for embedded functions and BSC transactional costs, but excludes BSC corporate allocation costs (i.e. Executive Services), pensions, other post-retirement employee benefits (OPEB), fringe employee benefits (including incentive payments and severance), bad debt expenses, Pennsylvania Global Settlement costs, incremental weather-related restoration expenses incurred for major storms wherein 10% or more of the System-wide customers are affected, as defined by Procedure OP-ED 1114, and O&M and Capital costs incurred for new energy efficiency (EE), demand response (DR), and smart meter deployment requirements (HB 2200) and other legislative mandates. The exclusion for storm costs may be denied by recommendation of the PECO CEO to the Exelon CEO within 30 days of completion of the storm if the restoration response is deemed to be inadequate. This metric will also exclude costs within O&M and capital that are offset elsewhere within net income or are cash-flow neutral to PECO, including but not limited to: unbudgeted Make Ready and IPP (Independent Power Producer) costs, mutual assistance provided to another company for storm restoration, consulting fees related to tax and legal settlements, and AFUDC. PECO has the option to appeal any excess unplanned Transmission and Fossil separation costs related to the retirement of any Exelon Generation plant (i.e. Eddystone and Cromby). Appeal adjustment is subject to the approval of the AIP Panel Committee.

Important Information

- This informational guide is intended to provide an overview of PECO's goals and measures under the 2010 Exelon Corporation Annual Incentive Program. In the event of any inconsistency between this guide and the formal program document, the formal document will control.
- The Exelon CEO and the Compensation Committee of Exelon's Board of Directors, in the exercise of their sole discretion, reserve the right to adjust the amount of awards payable or make modifications to the program, if business circumstances warrant an adjustment. In addition, the program may be amended at any time by action of the CEO, the Compensation Committee and may be terminated at any time by action of the Compensation Committee.
- No portion of an award shall be considered earned prior to the last day of the year.

Questions?

Contact your Human Resources Generalist.

**ATTACHMENT
SDR-OM-28T**

2010 Annual Incentive Program Summary



Overview for PECO employees represented by IBEW Local 614 * (includes Supply)

*Eligibility to participate in the AIP is based solely to the extent provided in the applicable collective bargaining agreement.

What's new for PECO in 2010

The 2010 AIP design supports the Company's cost containment objectives established in response to the current economic environment. The Company is experiencing earnings pressure as a result of near-term economic challenges driven by reduced power prices and decreased demand for electricity. The funding available for payout based on our 2010 operating budget and business plan is approximately half the size that it was in 2009. If performance exceeds our business plan, the AIP continues to allow for a maximum payout of 200% of your target incentive opportunity. Following are highlights of the key changes for 2010.

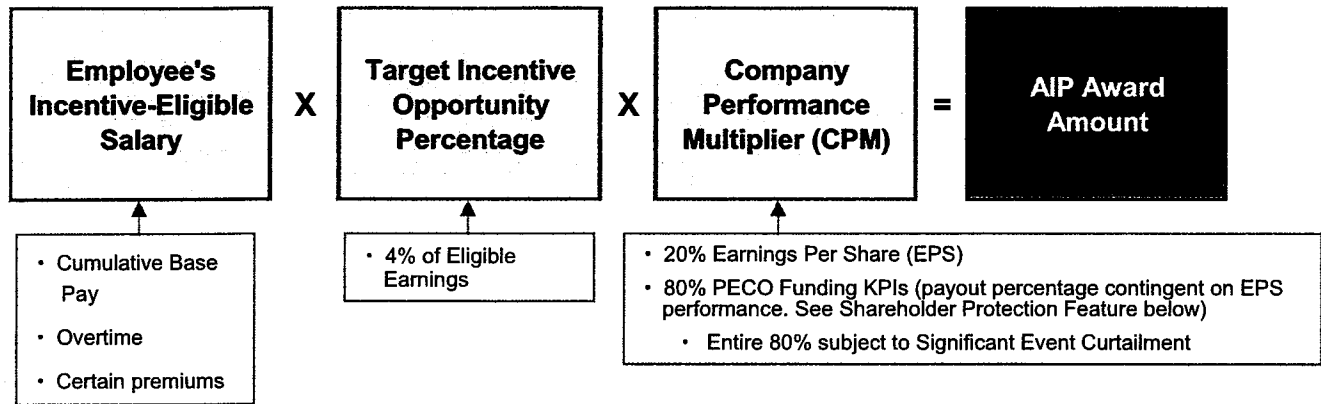
- The basic structure of the AIP, employee target opportunity percentages, and all of the "rules remain the same but with a modified performance and payout scale, which impacts the company performance multiplier. In 2010, a performance level called "plan" is created and represents the performance required to achieve a 50% payout. The payout scale, recalibrated under the 2010 cost containment initiatives, is intended to apply to the AIP in 2010 only. Under the 2010 performance and payout scale:
 - Threshold performance leads to a 25% payout, providing the opportunity for some level of payout in a challenging year.
 - Performance between threshold and plan will lead to a payout between 25% and 50%.
 - Performance at plan will lead to a 50% payout, compared to 100% in 2009.
 - Achievement above plan will offer a payout above 50%, up to a maximum of 200%.
- The shareholder protection feature is modified as well. The composite payout on Operating Company / Business Unit KPIs cannot exceed the EPS performance payout level by more than 10 percentage points. For example, if EPS performance is at the 50% payout level, then the Operating Company / Business Unit KPI payout would be limited to 60% payout. If EPS is less than threshold, no payout would occur.
- Weighting on corporate and PECO financial KPIs have been adjusted to increase the overall weight on PECO goals. The PECO Operating Net Income KPI is increased from 20 percent to 25 percent and the Exelon EPS weighting is reduced from 25 percent to 20 percent.
- A new Gas Operations KPI, Reduction in Gas Facility Service Record (GFR) Inaccuracy, is introduced for 2010. This goal replaces the Gas All-In Corrective Maintenance Backlog KPI.
- The Focused Initiative KPI has been expanded to include Environmental Initiatives along with the Operations Focused Initiatives introduced last year. These initiatives are key to maintaining or improving reliability, improving customer operations, and support our environmental commitments.
- Individual Performance Factor goals do not apply for 2010.

Funding KPIs ¹ - PECO	Threshold	Plan	Distinguished	Goal Weight
	25%	50%	200%	
Earnings Per Share (EPS) ²	\$3.35	\$3.70	\$4.30	20%
PECO Operating Net Income (NI) (in millions)	\$262	\$291	\$335	25%
PECO Total Cost (O&M and Capital) (\$ millions)	\$991.4	\$944.2	\$849.8	25%
PECO SAIFI (IEEE 2.5 Beta Method) (Customer Outage Frequency)	0.99	0.84	0.75	5%
PECO CAIDI (IEEE 2.5 Beta Method) (Customer Outage Duration)	95	88	84	5%
PECO Reduction in Gas Facility Service Record (GFR) Inaccuracy	50,000	55,000	60,000	5%
PECO OSHA Recordable Rate	1.68	1.04	0.99	5%
PECO Customer Satisfaction Index	79	81	83	5%
PECO Focused Initiatives and Environmental Index	90%	100%	110%	5%

⁽¹⁾ KPI performance scale is rounded for illustrative purposes. Performance goals and actual achievement may be carried out to additional decimal places to determine final AIP award payout.

⁽²⁾ Achievement of EPS is determined by the Compensation Committee of the Exelon Board of Directors. In determining EPS achievement, the Compensation Committee may make adjustments due to certain nonrecurring or unusual items.

Award Formula



Significant Event Curtailment

To ensure continued focus on critical business issues, your AIP payout may be subject to reduction if a significant adverse business event occurs. If PECO has a Significant Event in 2010, payout on the PECO Funding KPIs will be reviewed in light of the event and paid at zero percent to 150 percent.

A significant event is defined as a single high profile outage caused by a failure of PECO owned or managed equipment and determined ultimately to have been caused by a human performance error or poor management attention to maintenance or upkeep of the system. An event in this category will result in negative customer and media impact, as well as significant adverse government and/or regulatory intervention or have a material adverse impact on earnings.

The significant event curtailment determination will be made by the PECO President and CEO. The decision will be made in concert with Exelon's Executive Vice President Finance and Legal, Executive Vice President and Chief Administrative & Diversity Officer and President BSC, and Exelon's Chief Executive Officer by recommendation to the Compensation Committee of the Board of Directors.

EPS Shareholder Protection Feature

The composite payout on PECO KPIs cannot exceed the EPS performance payout level by more than 10 percentage points.

Minimum threshold EPS performance is required for any payout to occur under the AIP.

See examples of how the Shareholder Protection Feature works in the chart to the right.

Payout Percentage		
	Before Shareholder Protection Feature Applied	After Shareholder Protection Feature Applied
Earnings Per Share (EPS)	Operating Company and Business Unit KPI Composite	Operating Company and Business Unit KPI Composite
0% (Below Threshold)	60%	0%
25%	75%	35%
50%	100%	60%
100%	130%	110%
150%	140%	140%

2019-2020 2019 2019-2020 Example of Shareholder Protection Feature

What Happens if Your Status Changes During 2010

Status change	Impact on your award
New participant	A prorated award ⁽¹⁾ will be calculated subject to your eligible classification on the Company's payroll for at least 31 days.
Promotion or demotion	Your award is calculated based on the level you are in as of December 31, 2010.
Approved Leave of Absence (e.g., Family Medical Leave, qualifying military leave, paid leave of absence, or short-term disability)	Your award will not be prorated for any period of approved leave of absence while you are receiving pay on the Company's payroll, but will be prorated ⁽¹⁾ for any unpaid leave.
Retirement (age 50 or older with 10 or more years of pension service) with no severance plan eligibility, commencement of benefits under a long-term disability plan ⁽²⁾ and/or unpaid leave ⁽³⁾ , or death	A prorated award ⁽¹⁾ will be calculated subject to your eligible classification on the Company's payroll for at least 31 days.
Change in department or Business Unit or Operating Company	Your award is calculated based on the department or Operating Company/Business Unit you are in on December 31, 2010. In the case of a Company and/or pay cycle change that occurs during the final pay period of the year, your award will be calculated based on the department and Operating Company/Business Unit you were in prior to the change.
Termination for cause or resignation	You will not be eligible for any award.
Transfer or change to/from a non-exempt and/or part-time position in the organization	Your award will be calculated using your incentive-eligible earnings in each position for the period you were in that position (e.g., eligible overtime and shift premium) for 2010.
Involuntary separation or qualifying voluntary separation pursuant to a severance plan including retirement eligible employees	Eligibility and amount of award determined under applicable severance plan.

(1) In the case of represented positions, a prorated award is calculated using your incentive-eligible earnings (e.g., base pay, and eligible overtime and shift premium) for the period that you are eligible during the year.

(2) Does not include receipt of partial benefits under a long-term disability plan while continuing to work on a reduced schedule and receive pay as an active employee.

(3) Family Medical Leave and qualifying military leave are not used to prorate or otherwise reduce your annual award.

Important Information

- This informational guide is intended to provide an overview of the 2010 Exelon Corporation Annual Incentive Program. In the event of any inconsistency between this guide and the formal program document, the formal document will control.
- The CEO and the Compensation Committee of Exelon's Board of Directors, in the exercise of their sole discretion, reserve the right to adjust the amount of awards payable or make modifications to the program, if business circumstances warrant an adjustment. In addition, the program may be amended at any time by action of the CEO or the Compensation Committee and may be terminated at any time by action of the Compensation Committee.
- No portion of an award shall be considered earned prior to the last day of the year.

Questions?

Contact your Human Resources Generalist.

**ATTACHMENT
SDR-OM-28U**

2010 Long Term Performance Share Award Program Summary

Program Objectives

- The Long Term Performance Share Award Program is intended to provide rewards to individuals in select strategic positions who play key roles in driving Exelon's financial and operational success. The program is an important component of Exelon's total compensation package for executives, which is benchmarked and aligned with the best practices of high-performing energy services companies and general industry firms.

Eligibility

- Executives approved for participation by the Compensation Committee of the Board of Directors (the "Committee"), are eligible for performance share unit awards ("Awards") under the 2010 Long Term Performance Share Award Program.

Targets, Measures and Goal Weights

- The Committee determines the target long-term incentive component of your total compensation based on compensation levels benchmarked with the external market for your position and/or other positions of similar scope and responsibility.
- Awards for 2010 are contingent upon Exelon's performance against two measures:

Dow Jones Utility Total Shareholder Return (60% Weighting)

This performance measure compares Exelon's three-year total shareholder return (TSR) to companies listed in the Dow Jones Utility Index. TSR is measured by the change in stock price plus dividend payments, compounded monthly from January 1, 2008 through December 31, 2010.

S&P 500 Index TSR (40% Weighting)

The S&P 500 Index TSR measures Exelon's performance relative to other companies outside its equity class. Assessing Exelon's TSR performance against this index is important because many of these organizations face the same broad challenges and opportunities as Exelon and compete with us for capital. This performance measure compares Exelon's TSR to companies listed in the S&P 500 Index from January 1, 2008 through December 31, 2010.

Performance Assessment and Allocation of Performance Shares

- Each year, Exelon’s annual performance is reviewed and a pool of available Performance Shares for the year is determined based on a sum of all participants’ targets and the composite performance level achieved on all goals.

The Award level is determined by Exelon’s percentile ranking among the companies listed in the Dow Jones Utility Index and S&P 500 Index. The chart below applies to both of the index measures.

TSR Position Rankings (Calculated separately for Dow Jones Utility Index and S&P 500 Index)		
Threshold	Target	Distinguished
25 th percentile	50 th percentile	75 th percentile and above
50%	100%	200%
Percentage of target awards for creating total pool of shares		

Interpolation will be used between performance levels

- The Committee reserves the right to reduce or terminate 2010 Performance Share Awards to address corporate, business unit, or individual performance.

How You Will Receive Your Award

Generally, Awards are paid in shares of Exelon common stock and vest incrementally over three years, subject to your continued employment: one-third vests when your award is finalized in the first quarter of 2011, one-third in the first quarter of 2012, and the final third in the first quarter of 2013. Awards earn dividend equivalents prior to vesting, which will be reinvested in additional shares. You will receive the net shares after the required taxes are withheld. If stock ownership requirements are met, as described below, awards are paid in cash, net of required tax withholding. Award payments are not eligible for deferral.

PAYOUT EXAMPLE

(Actual Award can range from 0% to 200%)

Step 1	
2010 Target Performance Share Award Opportunity	1,900 shares
Step 2	
Determine Actual Award:	
Target Performance Share Award Opportunity adjusted for TSR rankings	$x \frac{120\%}{2,280 \text{ shares}}$
Step 3	
Award Paid in Accordance with 3-Year Vesting Schedule	760 shares in 2011 760 shares in 2012 <u>760 shares in 2013</u> 2,280

© 2010 LTPSA 2011 Payable 2010 Earned Awards Final Settlement

2/15/2010 9:02

Three-Year Award Payout Schedule

(Assumes prior participation in LTPSA and continuation of program after 2011)

Year Award is Paid	2011	2012	2013
Portion of Award Paid	<ul style="list-style-type: none"> ■ 3rd third of 2008 Earned Award ■ 2nd third of 2009 Earned Award ■ 1st third of 2010 Earned Award 	<ul style="list-style-type: none"> ■ 3rd third of 2009 Earned Award ■ 2nd third of 2010 Earned Award ■ 1st third of 2011 Earned Award 	<ul style="list-style-type: none"> ■ 3rd third of 2010 Earned Award ■ 2nd third of 2011 Earned Award ■ 1st third of 2012 Earned Award

Executives Who Achieved Their Stock Ownership Requirements

If you met or exceeded 125% of your stock ownership requirements as of September 30, 2010 your Awards that vest in 2011 (including any earned but non-vested Awards from prior years) will be paid 50% in cash and 50% in stock.

What Happens if Your Status Changes

Status change	Impact on your award
New participant (New hire or promotion to an eligible position)	You will be eligible for consideration for a prorated current year Award based on actual results and the number of days you are in an eligible position.
Demotion from an eligible position	Your earned, non-vested Awards vest normally, contingent upon continued employment with the Company; you will be eligible for consideration for a prorated current year Award based on actual results and the number of days you were in an eligible position.
Promotion or demotion within eligible positions with different targets	Your earned, non-vested Awards vest normally, contingent upon continued employment with the Company; you will be eligible for consideration for a current year Award based on actual results and the number of days you worked in each position in which you had a different target.
Termination by reason of long term disability, death or normal or early retirement under the terms of the applicable qualified or non-qualified pension plan (minimum of age 50 and 10 years of service)*	Your Awards will be subject to accelerated vesting on any earned, non-vested shares; you will be eligible to receive a prorated current year Award based on actual results and the number of days that you are an active participant in the program.
Unpaid leave of absence ⁽¹⁾	Your earned, non-vested Awards vest normally, contingent upon continued employment with the Company; you will be eligible for consideration for a prorated current year Award based on actual results and the number of days that you are an active participant in the program.
Involuntary separation, not for cause*	Your earned, non-vested Awards will become vested and you will be eligible for a pro-rated current year Award based on actual results and the date of your separation, subject to compliance with restrictive covenants.
Termination for cause or voluntary separation (other than retirement)	You will forfeit any non-vested Awards; not eligible for a current year Award.

(1) For the current year, your target will not be reduced for any period of approved leave of absence with pay on the Company's payroll, but will be reduced for periods of unpaid leave.

** Note: If you are a "specified employee" under Section 409A of the Internal Revenue Code, to the extent required by Section 409A, your prior-year awards will be payable 6 months after your termination date, and your current-year award will be payable as of the later of that date or the date when the first third of the award is payable to active participants.*

The 2010 Long Term Performance Share Award Program is established under, and subject to the terms and conditions of, the Exelon Corporation 2006 Long-Term Incentive Plan ("LTIP"). In the event of any inconsistency between the Program and the LTIP, the LTIP will be controlling.

**ATTACHMENT
SDR-OM-28V**

2010 Stock Option Awards Program

Program Objectives

Stock options awarded under the Exelon Corporation 2006 Long-Term Incentive Plan are intended to provide you with a financial reward for increasing shareholder value by giving you the opportunity to purchase a set number of shares of Exelon Corporation ("Exelon") common stock at a pre-determined price. You are able to share in the increased value of Exelon common stock if the purchase price under your stock option is less than the value of the shares when you exercise your option.

Eligibility

Executives are currently eligible to be considered for a stock option award. Generally, the Compensation Committee of Exelon's Board of Directors (the "Committee") selects the eligible employees who will receive a stock option award. The CEO also has discretion to grant awards in certain circumstances.

How Target Awards are Determined

- The Committee and the CEO have discretion to determine the number of shares granted under a stock option award. In making this determination, the Committee or CEO may consider the employee's position, contribution, competitive practices and the expected value of the award.
- Because the value of Exelon's common stock changes over time, the number of options granted may also change from year to year. For example, as the stock price increases, the *number* of options granted may decrease; however, the *value* of the option grant may remain the same due to standard valuation models that generally assign a higher value to options to purchase stock that has increased in value. The number of options granted each year also reflects competitive practice, which can vary from year to year.

How You Receive Your Award

- Vesting - Generally, stock option awards vest over four years, with one quarter of the award vesting on each anniversary of the grant date, subject to continued employment.
- Expiration – Generally, vested stock option awards expire on the tenth anniversary of the grant date, but may cease to be exercisable sooner (see "What Happens if Your Status Changes" below).
- For information about exercising your stock options and the tax implications of your option award, refer to brochure materials posted on Morgan Stanley Smith Barney's website via Exelon's network at <http://employeestock.exeloncorp.com> or outside of the Exelon network at www.benefitaccess.com.

Note: The options discussed in these guides were granted under the Exelon Corporation 2006 Long-Term Incentive Plan (the "Plan"). The terms of your 2010 stock option grant under the Plan and the exercise procedures may be different for options you may have been granted in previous years. Please refer to the applicable materials for information regarding the terms of any stock option grants and any exercise procedures for stock options granted in previous years.

**ATTACHMENT
SDR-OM-28W**

2010 Key Manager Restricted Stock Award Program Summary

Program Objectives

The 2010 Key Manager Restricted Stock Award Program (the "Program") provides restricted stock units ("Restricted Stock") to individuals in select positions who play key roles in supporting Exelon's financial and operational success and whose retention is critical to long-term succession. This long-term incentive ("LTI") program is an important component of Exelon's total compensation package for key managers, which is benchmarked and aligned with the best practices of high-performing energy services companies and general industry firms.

Eligibility

Directors and managers ("Key Managers") and select other employees are eligible to be considered for awards under the Program.

How Target Opportunities are Determined

At the Compensation Committee's direction, Exelon conducts an annual compensation study to identify competitive market trends and assess the value of the various compensation components provided by the company relative to the value provided for similar positions in high-performing energy services and capital-intensive general industry companies.

Market trends reflect minimal change to LTI values and participant eligibility. Accordingly, the value of target opportunities for 2010 will be similar to the value of target opportunities in 2009 for all LTI participants. With the decrease in Exelon's stock price, additional target shares are required to deliver the same value.

How You Will Receive Your Award

Restricted Stock grants are awarded based on an employee's position, performance, and the expected value of the award.

Generally, awards issued under the Program are paid in shares of Exelon common stock and vest incrementally over three years, subject to your continued employment. One-third of your award will vest on the date the Compensation Committee holds its first meeting (usually in January) in each of 2011, 2012 and 2013. Restricted Stock will earn dividend equivalents while vesting, which will be reinvested in additional shares and payable upon vesting. Upon vesting, you will receive payment in shares, net of tax withholding.

What Happens if Your Status Changes

Status change	Impact on your award
New participant (New hire or promotion to an eligible position)	You may receive future Restricted Stock awards.
Demotion from an eligible position	Your non-vested awards vest normally, contingent upon continued employment with the Company. No future Restricted Stock awards will be granted.
Promotion or demotion within eligible positions with different targets	Your non-vested awards vest normally, contingent upon continued employment with the Company. You may receive future Restricted Stock awards based on the target opportunities established for your new position.
Termination by reason of long term disability, death or normal or early retirement under the terms of the applicable qualified or non-qualified pension plan (minimum of age 50 and 10 years of service)	Your non-vested awards will be subject to accelerated vesting and payment upon termination.
Unpaid leave of absence	Your non-vested awards vest normally, contingent upon continued employment with the Company.
Involuntary separation, other than for cause	You will forfeit any non-vested awards, unless your separation occurs within two years after a change in control of Exelon, in which case vesting and payment will be accelerated upon termination.
Termination for cause or voluntary separation	You will forfeit any non-vested awards.
Compliance with Section 409A of the Internal Revenue Code	The program will be administered in compliance with, and the timing of all payments is subject to, any applicable requirements of section 409A of the Internal Revenue Code (e.g., payments to a "specified employee" upon termination of employment will be delayed for six months after the termination date).

General

The 2010 Key Manager Restricted Stock Award Program is established under, and subject to the terms and conditions of, the Exelon Corporation Key Manager Restricted Stock Unit Program under the Exelon Corporation 2006 Long-Term Incentive Plan. In the event of any inconsistency between the formal document and this summary, the formal documents will be controlling.

Q. SDR-OM-29 Please provide the percentage wage rate increases granted by the Company by date and employee classification for the preceding three calendar years and the current year-to-date.

(Specific information by individual should be treated in a confidential manner.)

A. SDR-OM-29

	<u>General Wage Increase for Hourly Employees</u>	<u>Merit Increase Pool for Management Employees</u>
2007	3.5%	3.5%
2008	3.5%	3.75%
2009	3.5%	3.75%
2010 Budget	3.8%	3.0% (a)

(a) 2010 merit increase was only applied to management employees below the Vice President level. Vice Presidents and above did not receive a merit increase for 2010.

Q. SDR-OM-30 Please identify the amount of overtime and show the percent of payroll for each of the two preceding calendar years.

A. SDR-OM-30 The amount of overtime and related percent of payroll for 2008 and 2009 are shown below

	<u>2008</u>	<u>2009</u>
Overtime (\$1,000's)	\$24,504	\$21,259
OT % of Payroll	15%	13%

Q. SDR-OM-31 Provide the average starting salary for union, non-union, and the Company as a whole including the supporting calculations.

A. SDR-OM-31 The average starting annual earnings for unionized employees is as follows:

Union	\$40,786*
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Starting wages and salaries for non-unionized employees may vary depending on the level of experience and market reference range for the appropriate job classification, therefore, a standard starting salary is not available.

Refer to Attachment SDR-OM-31 for supporting calculations of unionized positions.

**ATTACHMENT
SDR-OM-31**

Attachment SDR-OM-31

Title	Grade	Starting Hourly Wage	Starting Annual Earnings
Billing Consultant	NE1	\$ 12.62	\$ 26,250
Customer Service Center Clerk	NE1	\$ 8.35	\$ 17,368
Equipment Update Clerk	NE1	\$ 12.99	\$ 27,019
Mapping Records Clerk	NE1	\$ 12.99	\$ 27,019
Materials Process Clerk	NE1	\$ 12.99	\$ 27,019
Meter Process Clerk	NE1	\$ 12.99	\$ 27,019
Work Process Clerk	NE1	\$ 12.99	\$ 27,019
Corporate Operator (Customer Consultant II)	NE1	\$ 10.82	\$ 22,506
Contractor Liaison	NE2	\$ 15.51	\$ 32,261
Customer Consultant	NE2	\$ 13.35	\$ 27,768
Customer Consultant-PT	NE2	\$ 13.35	\$ 27,768
High Bill Consultant	NE3	\$ 20.00	\$ 41,600
Small Business Consultant	NE3	\$ 16.62	\$ 34,570
Facilities Drafter	NE3	\$ 16.82	\$ 34,986
Engineering Assistant	NE3	\$ 20.02	\$ 41,642
Lab Tech	NE3	\$ 20.72	\$ 43,098
Design & Construction Consultant	NE4	\$ 21.43	\$ 44,574
Metering DCC	NE4	\$ 21.43	\$ 44,574
Designer	NE4	\$ 21.43	\$ 44,574
Maintenance Assistant	NE4	\$ 38.41	\$ 79,893
Designer T&S	NE4	\$ 23.93	\$ 49,774
Line School Apprentice	P2D	\$ 17.05	\$ 35,468
Plant Mechanic B	P2G	\$ 17.05	\$ 35,468
Engineering Tech C	P4I	\$ 22.70	\$ 47,207
Tech Maintenance C	P41	\$ 22.70	\$ 47,207
Energy Tech (Entry)	P2A	\$ 17.05	\$ 35,468
Revenue Protection Technician	P5E	\$ 29.11	\$ 60,559
Tool Mechanic	P4H	\$ 22.26	\$ 46,310
Equipment Operator Helper	P1A	\$ 14.60	\$ 30,372
Truck Driver	P3	\$ 19.39	\$ 40,334
Equipment Operator Transportation	P5	\$ 24.94	\$ 51,882
General Utility Worker	P2	\$ 14.59	\$ 30,356
General Facilities Mechanic	P4	\$ 31.75	\$ 66,048
Facilities PM Technician	P5	\$ 34.92	\$ 72,643
High Rise Mechanic	P6	\$ 38.41	\$ 79,884
Union Average		\$ 19.61	\$ 40,786

- Q. SDR-OM-32 Provide the operation and maintenance expense allocation percentage for payroll and benefits.
- A. SDR-OM-32 Refer to Attachment SDR-OM-32.

**ATTACHMENT
SDR-OM-32**

PECO Energy Company

Presentation Basis: Electric Distribution Only

Payroll Data
(In Thousands)

	2009
Operating and Maintenance Expense	\$ 109,701
Capital	58,365
Balance at end of year	<u>\$ 168,066</u>
Percentage Charged to Operation and Maintenance Expense	65.27%

Benefits Data
(In Thousands)

	2009
Operating and Maintenance Expense	\$ 32,600
Capital	19,096
Balance at end of year	<u>\$ 51,696</u>
Percentage Charged to Operation and Maintenance Expense	63.06%

Notes: (1) Benefits include fringe benefits (Medical, Dental, Vision, 401K, and other benefit plans) and Pension/Post-Retirement benefits.
(2) The operation and maintenance expenses exclude the amortization of Regulatory Assets - NonPension Postretirement Benefits (SFAS 106) of approximately \$4.6 million.

Q. SDR-OM-33 Provide an explanation of the budgeting process for payroll.

A. SDR-OM-33 The budget process for payroll begins by entering headcount into the budget system based on the approved corporate staffing plans, net of headcount vacancies that are estimated from historical headcount data. The headcount is entered by department and position level. The next step is to enter the current average labor rates by job level, plus assumed wage increases, into the budget system. The headcount and labor rates create the total payroll. The net headcount is then assigned to projects based on the budgeted work plan. This assures the total use of all labor and splits the payroll between capital, O&M, and other.

- Q. SDR-OM-34 Please identify the amount of postretirement benefits expenses under SFAS No. 106 which were recorded in the historical test year and are projected for the future test year. Please identify the total amount and the portion charged to O&M. Explain how the future test year expense was projected.
- A. SDR-OM-34 Refer to Attachments SDR-OM-34A and SDR-OM-34B for 2009 and 2010 information, respectively.

**ATTACHMENT
SDR-OM-34A**

PECO Energy
2009 ACTUALS - ASC 980-715 (formerly SFAS 106)
Bridge - Actuarial Assumptions to Final Budget
(in thousands)

BENEFIT	SFAS 106 Costs
---------	----------------

Operating and Maintenance Expense

Electric Distribution SFAS 106	\$ 14,613	B
Electric Transmission SFAS 106	2,587	B
Gas SFAS 106	4,811	B
Non-utility SFAS 106	<u>77</u>	B

Total Operating and Maintenance Expense SFAS 106

	\$ <u>22,088</u>
--	------------------

Total Capital SFAS 106

	\$ <u>11,843</u>	B
--	------------------	---

PECO Energy Total Post Retirement (ASC 980-715)

	\$ <u>33,931</u>	A
--	------------------	---

A - PECO's SFAS 106 costs are determined by actuarial studies performed by Towers Watson
 B - Total PECO SFAS 106 Costs were allocated to expense for PECO Electric Distribution based on PECO's labor profile

**ATTACHMENT
SDR-OM-34B**

PECO Energy
2010 BUDGET - SFAS 106
Bridge - Actuarial Assumptions to Final Budget
(in thousands)

BENEFIT	SFAS 106 Costs
Operating and Maintenance Expense	
Electric Distribution SFAS 106	13,975
Electric Transmission SFAS 106	1,580
Gas SFAS 106	<u>3,708</u>
	\$ 19,263
Total Operating and Maintenance Expense SFAS 106	
Total Capital SFAS 106	\$ <u>11,084</u>
PECO Energy Total Post Retirement (ASC 980-715)	\$ <u>30,347</u>

A - PECO's SFAS 106 costs are determined by actuarial studies performed by Towers Watson
B - Total PECO SFAS 106 Costs were allocated to expense for PECO Electric Distribution based on PECO's labor profile

Q. SDR-OM-35 Please provide a copy of the Company's most recent SFAS No. 106 actuarial report.

A. SDR-OM-35 The Company's most recent ASC 980-715 (formerly SFAS No. 106) plan actuarial study is as of December 31, 2009 and dated January 15, 2010. Refer to Attachment SDR-OM-35A for the letter accompanying the actuarial study and Attachment SDR-OM-35B for the sections of the study showing PECO's 2010 costs and contributions as of December 31, 2009.

PECO's 2010 test year claim is based on information in Attachment SDR-OM-35B. PECO's 2010 budget was prepared prior to the availability of the most recent actuarial study using data as of September 30, 2009. The budget information is also supported by an actuarial analysis. Refer to Attachment SDR-OM-35C for the sections of the actuarial analysis as of September 30, 2009, that shows PECO's costs and contributions.

**ATTACHMENT
SDR-OM-35A**

SENT VIA E-MAIL

January 15, 2010

Mr. Matthew Galvanoni
Vice President and Assistant Controller
Exelon Corporation
10 South Dearborn, 51st Floor
Chicago, IL 60603

Dear Matt:

EXELON CORPORATION DECEMBER 31, 2009 PENSION AND RETIREE WELFARE DISCLOSURE

We have completed the December 31, 2009 FASB ASC 715-30-25 and ASC 715-60-25 (formerly FAS 158) disclosure for the following plans:

Pension Plans

- Exelon Corporation Retirement Program (ECRP)
- Exelon Corporation Cash Balance Pension Plan (CBPP)
- Exelon Corporation Pension Plan for Bargaining Unit Employees (PPBU)
- Exelon New England Union Employees Pension Plan (New England)
- Exelon Corporation Supplemental Pension Benefit Plan and 2000 Excess Plan (SPBP)
- Exelon Corporation Supplemental Management Retirement Plan (SMRP)
- Exelon Pension Plan for Employees at OYC, TMI and Clinton (AmerGen)

Retiree Welfare Plans

- Exelon East Postretirement Welfare Plan (East)
- Exelon West Postretirement Medical, Dental, Life Insurance and Vision Plans (West)
- AmerGen Energy Company Postretirement Welfare Plan (AmerGen)

The following information and enclosed exhibits provide the financial statement and disclosure information needed for Exelon's year-end 2009 financial reporting. This information was prepared in accordance with FASB ASC 715-30-25 and ASC 715-60-25, *Employers' Accounting for Defined Benefit Pensions and Other Postretirement Plans*, and FASB ASC 715-20-50 (formerly FAS 132(R)), as amended by FASB ASC 715-30-25 and ASC 715-60-25, as appropriate. Our valuation was performed in accordance with generally accepted actuarial principles and practices.

Exhibits

We have attached the following exhibits in support of the year-end information needed by Exelon:

- Pension/retiree welfare footnote information for all plans, including benefit obligation reconciliation, plan asset reconciliation, balance sheet entries, funded status, expected cash flows, 2009 net periodic cost components and expected 2010 amortizations. These exhibits also include the sensitivity information for one percentage point changes in the health care cost trend rate for the retiree welfare plans.

- Detailed exhibits for all 10 benefit plans showing an allocation by operating company of year-end funded status and the balance sheet entries, including amounts recognized in Accumulated Other Comprehensive Income (AOCI) and Regulatory Asset (RA).
- MD&A sensitivity showing 50 basis point discount rate and expected return on assets impact on benefit liability and 2009 cost. Per Exelon's direction, we have provided the impact on cost for the fiscal year ended 2009 rather than for the next fiscal year.
- MD&A sensitivity showing the impact of 2009 trust returns on 2010 and 2011 costs.
- A summary of the 2009 average future service for the pension and postretirement welfare plans.
- Medicare Part D 2009 ASC 715-60-35 cost savings by component.
- The impact of Medicare Part D on year-end APBO.
- MD&A sensitivity to extending by five years the period in which current healthcare trend rates reach ultimate levels.

Measurement of Benefit Obligations

The benefit obligations were measured as of the December 31, 2009 measurement date and are based on the census data collected for the January 1, 2009 actuarial valuations. We have projected forward the benefit obligations to the end of the year, adjusting for benefit payments, expected growth in the benefit obligations, changes in key assumptions and changes in plan provisions.

As we have discussed, for prior LRP calculations we have assumed year-end losses by plan due to demographics and claims that were consistent with current expectations. Per our January 7, 2010 email, we received data from Exelon regarding 2009 experience on retirements, terminations, new hires, rehires, base pay increases and retiree medical claims. Based on this data and our high-level assessment, we did not reflect any adjustments to year-end obligations other than for retiree medical claims. Based on our review of 2009 medical claim data as confirmed by Exelon, we have assumed claims gains which resulted in a composite 1.50% gain for retiree welfare obligations at year-end 2009.

Assumptions and Methods

The 2009 pension and retiree welfare year-end benefit obligations and 2010 estimated costs are based on the following key assumptions:

Assumption	2009 Year-End Disclosure
Discount rate	5.83% for all pension and retiree welfare plans
Cash balance investment crediting rate	7.41% for amounts accrued before January 1, 2008 6.18% for amounts accrued after December 31, 2007
Expected return on assets	8.50% for 2009 pension costs 8.10% weighted average for 2009 retiree welfare costs
	8.50% for 2010 pension costs 7.83% weighted average for 2010 retiree welfare costs
Salary increase rate	4.00% average
Mortality	IRS required mortality table for 2010 funding valuation

Assumption	2009 Year-End Disclosure	
Health care cost trend	2009	7.5%
	2010	7.5%
	2011	7.0%
	2012	6.5%
	2013	6.0%
	2014	5.5%
	2015+	5.0%
Retiree welfare 2009 claims gain	4% for East and 0% for West and AmerGen	
Demographic loss for 2009	0% of benefit obligations	

All other assumptions and methods are the same as those included in the 2009 valuation reports.

The exhibits have been prepared assuming Exelon will contribute the minimum required contributions plus any discretionary amounts to avoid benefit restrictions to its qualified pension plans and \$150 million annually to the retiree welfare trusts plus the expected West life insurance and AmerGen benefit payments paid from corporate assets. The \$150 million contributed to the retiree welfare trusts is allocated to the East based on the minimum required contributions under the PECO rate order, with the remaining amounts allocated to the West trusts. At Exelon's request, we have shown the estimated postretirement welfare contributions for 2010 and the following four fiscal years.

The allocation of the year-end regulatory asset and accumulated other comprehensive income was prepared in accordance with Exelon's methodology for allocating pension and retiree welfare costs to the operating companies. We have recorded regulatory assets for the deferred costs attributable to ComEd pension and retiree welfare and PECO retiree welfare plans.

Plan Provisions and Data

For the pension disclosures, the plan provisions are the same as those included in the 2009 valuation reports, except for the following:

- Obligations reflect an increase in cash balance pay credits from 5.75% to 7.00% for the following groups:
 - Local 614 CBPP active participants (retroactive to January 1, 2008)
 - Oyster Creek and TMI active bargained participants in the AmerGen pension plan (effective January 1, 2010)

For the retiree welfare disclosures, we have valued the substantive plans as described in summary plan descriptions and other detailed summaries provided by Exelon. We have reflected the effect of Medicare Part D legislation for all retiree welfare plans. The plan provisions are the same as those included in the 2009 valuation reports, except for the following:

- Obligations reflect the changes required as part of the Local 15 Settlement agreement signed in March 2009
- Obligations reflect the age and service bridging from the 2009 separation program (see our August 18, 2009 e-mail for details)

Pension and postretirement welfare costs for 2009 reflect the following one-time events recognized during 2009:

- SMRP settlements recognized
- East and West welfare contractual termination benefits

The pension and retiree welfare obligations are based on data as of January 1, 2009, actuarially adjusted to the end of the year, including an adjustment for year-end gains or losses by plan. For the SMRP, the benefit obligations have also been adjusted for the settlements recognized in 2009 (as detailed in our emails dated September 28, 2009 and December 30, 2009) and the special termination benefit accruals (as detailed in our email dated August 18, 2009).

Year-end plan asset information was provided by Northern Trust and Mellon Bank and reviewed by Exelon.

Actuarial Certification

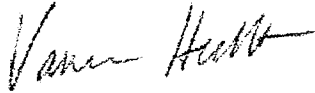
The consulting actuaries are members of the Society of Actuaries and other professional actuarial organizations and meet their "General Qualification Standard for Prescribed Statements of Actuarial Opinions" relating to pension and other postretirement benefit plans.

In preparing the results presented in this letter (including the attached exhibits), we have relied upon information provided to us regarding plan provisions, postretirement welfare plan costs, plan participants and demographic data, and plan assets. We have reviewed this information for overall reasonableness and consistency, but we have neither audited nor independently verified this information. The accuracy of the results presented in this letter is dependent upon the accuracy and completeness of the underlying information.

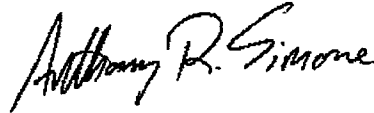
The actuarial assumptions and the accounting policies and methods employed in the development of the benefit costs have been selected by the plan sponsor, with the concurrence of Towers Watson. ASC 715-30-35 and ASC 715-60-35 require that each significant assumption "individually represent the best estimate of a particular future event." The results shown in this letter have been developed based on actuarial assumptions that are considered to be reasonable and within the "best-estimate range" as described by the Actuarial Standards of Practice. Other actuarial assumptions could also be considered to be reasonable and within the best-estimate range. Thus, reasonable results differing from those presented in this report could have been developed by selecting different points within the best-estimate ranges for various assumptions.

Please call either of us if you have any questions about these results

Sincerely,



Vanessa C. Hecht, F.S.A., E.A.
Consultant



Anthony R. Simone, F.S.A., M.A.A.A
Consultant

Attachments

cc: William Bergman — Exelon Corporation
Doug Brown — Exelon Corporation
Shelby Collins — Exelon Corporation
Duane DesParte — Exelon Corporation
Christopher Grant — Exelon Corporation
Brian Hansel — Exelon Corporation
Jill Lescohier — Exelon Corporation
Susan Pachera — Exelon Corporation
Robyn Randa — Exelon Corporation
Alex Scarpelli — Exelon Corporation
George Shicora — Exelon Corporation
John Allen — Towers Watson
Ryan Carney — Towers Watson
Pierre Charette — Towers Watson
John Crist — Towers Watson
Tania Staffen — Towers Watson

**ATTACHMENT
SDR-OM-35B**

Exelon Corporation
2010 Pension & Postretirement Welfare Cost by Plan and

	PECO
Exelon Corporation Retirement Program	
Service Cost	6,096,384
Interest Cost	50,156,491
Expected return on assets	(70,822,126)
Amortization of:	
Actuarial (gain)/loss	13,513,053
Prior service (credit)/cost	620,072
Transition (asset)/obligation	-
Net Periodic Benefit Cost	(434,126)

Exelon Corporation Cash Balance Pension Plan	
Service Cost	9,501,583
Interest Cost	26,113,522
Expected return on assets	(29,993,081)
Amortization of:	
Actuarial (gain)/loss	8,417,653
Prior service (credit)/cost	3,921,134
Transition (asset)/obligation	-
Net Periodic Benefit Cost	17,960,811

Pension Plan for Bargaining Unit Employees	
Service Cost	-
Interest Cost	-
Expected return on assets	-
Amortization of:	
Actuarial (gain)/loss	-
Prior service (credit)/cost	-
Transition (asset)/obligation	-
Net Periodic Benefit Cost	-

Exelon New England Union Employees Pension Plan	
Service Cost	-
Interest Cost	-
Expected return on assets	-
Amortization of:	
Actuarial (gain)/loss	-
Prior service (credit)/cost	-
Transition (asset)/obligation	-
Net Periodic Benefit Cost	-

Assumptions	
Discount rate	5.83%
Salary increases (average)	4.00%
Expected return on assets	8.50%
Mortality	IRS Required Mortality

Note: Costs do not reflect the estimated 2010 one-time:

Exelon Corporation
2010 Pension & Postretirement Welfare Cost by Plan and

	PECO
AmerGen Employee Pension Plan	
Service Cost	-
Interest Cost	-
Expected return on assets	-
Amortization of:	
Actuarial (gain)/loss	-
Prior service (credit)/cost	-
Transition (asset)/obligation	-
Net Periodic Benefit Cost	-

Qualified Pension Subtotal	
Service Cost	15,599,967
Interest Cost	76,270,013
Expected return on assets	(100,815,207)
Amortization of:	
Actuarial (gain)/loss	21,930,706
Prior service (credit)/cost	4,541,206
Transition (asset)/obligation	-
Net Periodic Benefit Cost	17,526,685

Exelon Corporation Supplemental Pension Benefit F	
Service Cost	36,613
Interest Cost	107,335
Expected return on assets	-
Amortization of:	
Actuarial (gain)/loss	166,817
Prior service (credit)/cost	47,202
Transition (asset)/obligation	-
Net Periodic Benefit Cost	357,967

Exelon Corporation Supplemental Management Reli	
Service Cost	125,488
Interest Cost	303,495
Expected return on assets	-
Amortization of:	
Actuarial (gain)/loss	162,176
Prior service (credit)/cost	(5,341)
Transition (asset)/obligation	-
Net Periodic Benefit Cost	585,818

Assumptions	
Discount rate	5.83%
Salary increases (average)	4.00%
Expected return on assets	8.50%
Mortality	IRS Required Mor

Note: Costs do not reflect the estimated 2010 one-time :

Exelon Corporation
2010 Pension & Postretirement Welfare Cost by Plan and

	PECO
Non-Qualified Pension Subtotal	
Service Cost	162,101
Interest Cost	410,830
Expected return on assets	-
Amortization of:	
Actuarial (gain)/loss	328,993
Prior service (credit)/cost	41,881
Transition (asset)/obligation	-
Net Periodic Benefit Cost	<u>943,785</u>

Exelon East Postretirement Welfare Plan	
Service Cost	15,665,889
Interest Cost	33,029,712
Expected return on assets	(14,448,911)
Amortization of:	
Actuarial (gain)/loss	5,714,829
Prior service (credit)/cost	(13,836,480)
Transition (asset)/obligation	4,222,205
Net Periodic Benefit Cost	<u>30,347,224</u>

Exelon West Postretirement Medical, Dental, Life Int	
Service Cost	-
Interest Cost	-
Expected return on assets	-
Amortization of:	
Actuarial (gain)/loss	-
Prior service (credit)/cost	-
Transition (asset)/obligation	-
Net Periodic Benefit Cost	<u>-</u>

AmerGen Energy Company Postretirement Welfare	
Service Cost	-
Interest Cost	-
Expected return on assets	-
Amortization of:	
Actuarial (gain)/loss	-
Prior service (credit)/cost	-
Transition (asset)/obligation	-
Net Periodic Benefit Cost	<u>-</u>

Assumptions	
Discount rate	5.83%
Salary increases (average)	4.00%
Expected return on assets	6.50%
Mortality	IRS Required Mor

Note: Costs do not reflect the estimated 2010 one-time :

Exelon Corporation
2010 Pension & Postretirement Welfare Cost by Plan and

	<u>PECO</u>
Postretirement Welfare Subtotal	
Service Cost	15,665,869
Interest Cost	33,029,712
Expected return on assets	(14,448,911)
Amortization of:	
Actuarial (gain)/loss	5,714,829
Prior service (credit)/cost	(13,836,480)
Transition (asset)/obligation	4,222,205
Net Periodic Benefit Cost	<u>30,347,224</u>

Grand Total	
Service Cost	31,427,937
Interest Cost	109,710,555
Expected return on assets	(115,264,118)
Amortization of:	
Actuarial (gain)/loss	27,974,528
Prior service (credit)/cost	(9,253,413)
Transition (asset)/obligation	4,222,205
Net Periodic Benefit Cost	<u>48,817,694</u>

Assumptions	
Discount rate	5.83%
Salary increase (average)	4.00%
Expected return on assets	6.50%
Mortality	IRS Required Mo

Note: Costs do not reflect the estimated 2010 one-time :

**ATTACHMENT
SDR-OM-35C**

Exelon Corporation
 All Plans Combined- FAS 87 & FAS 106 Cost Forecasts by Operating Company (\$ Thousands)

Retiree Welfare Costs	
Calendar Year	PECO
2009	33,930
2010	38,296
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	

Total Costs	
Calendar Year	PECO
2009	46,778
2010	59,724
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	

	2009	2010
Assumptions (for fiscal year)^[1]		
Discount rate (Pension)	6.09%	5.45%
Discount rate (OPEB)	6.09%	5.45%
Salary increases (average)	4.00%	4.00%
Expected return on assets	8.50%	8.50%
Cash Balance investment crediting rate (pre-2008 account balances)	7.65%	7.62%
Mortality		

IRS Required Mortality Table for 2009-2019

	2009	2010
Assumed Experience (for fiscal year)^[2]		
Actual return on assets (Pension)	20.05%	20.05%
Actual return on assets (OPEB)	21.15%	21.15%
Cash Balance investment crediting rate (pre-2008 account balances)	12.96%	12.96%

[1] All other assumptions are consistent with the January 1, 2009 valuation
 [2] Plan experience is the same as the actuarial assumption for all other assumptions.
 Note: Costs reflect estimated 2009 FAS 88 events of \$6M for SMRP, \$1M for PRW-East and \$3M for PRW-West, 2010 FAS 88 event of \$5M for SPBP and 2012 FAS 88 event of \$13M for SMRP.

Exelon Corporation
 Postretirement Welfare Plans - Contribution Forecasts by Operating Company (\$ Thousands)

Retiree Welfare Contributions West	
Calendar Year	PECO
2009	0
2010	0
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	

Retiree Welfare Contributions East	
Calendar Year	PECO
2009	25,949
2010	25,949
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	

Assumed Experience (for fiscal year)^[2]
 Actual return on assets

Assumptions for all years of forecast period^[1]
 Expected return on assets 8.50%
 Medical trend 7.5% in 2009 and 2010, grading down to 5.0% in 2015
 Mortality IRS Required Mortality Table for 2009-2019

[1] All other assumptions are the same as those used in the January 1, 2009 valuation.
 [2] Plan experience is the same as the actuarial assumption for all other assumptions.

Retiree Welfare Contributions Amergen

Calendar Year	PECO
2009	0
2010	0
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	

Retiree Welfare Contributions - All Plans

Calendar Year	PECO
2009	25,949
2010	25,949
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	

Assumptions for all years of forecast period^[1]

Expected return on assets 8.50%
 Medical trend 7.5% in 2009 and 2010, grading down to 5.0% in 2015
 Mortality IRS Required Mortality Table for 2009-2019

[1] All other assumptions are the same as those used in the January 1, 2009 valuation.
 [2] Plan experience is the same as the actuarial assumption for all other assumptions.

Assumed Experience (for fiscal year)^[2]

Actual return on assets 2009 21.15%

- Q. SDR-OM-36 Please reconcile the historical and future test year SFAS No. 106 expense levels with the amount identified in the actuarial report.
- A. SDR-OM-36 Refer to Attachment SDR-OM-36 for 2009 and 2010 information.

**ATTACHMENT
SDR-OM-36**

PECO Energy
ASC 980-715 (formerly SFAS 106) Costs
Bridge between Actuarial Costs and Expense
(in thousands)

Resource	2009	2010
<i>Operating and Maintenance</i>		
Electric Distribution SFAS 106	\$ 14,613	\$ 13,975
Electric Transmission SFAS 106	2,587	1,580
Gas SFAS 106	4,811	3,708
Non-utility SFAS 106	<u>77</u>	<u>-</u>
Total Operating and Maintenance SFAS 106	\$ 22,088	\$ 19,263
Total Capital SFAS 106	\$ 11,843	\$ 11,084
Towers Watson Actuarial Report	\$ 33,931	\$ 30,347

(A) The costs were allocated to Expense and Electric Distribution based on PECO's Labor profile.

- Q. SDR-OM-37 Please identify the actual or projected amounts contributed to SFAS No. 106 funds for the historic and future test years. Identify the actual or projected dates and amounts of the contributions.
- A. SDR-OM-37 Refer to Attachment SDR-OM-37 for total Company contributions.

**ATTACHMENT
SDR-OM-37**

**2009 Total Actual Post Retirement (OPEB) Contributions
(in 000's)**

Date	Medical/Dental Trust	401(h)	Life Insurance Trust
January	2,093	0	0
February	2,071	0	0
March	2,354	0	0
April	1,576	0	0
May	1,502	0	0
June	1,883	0	0
July	1,913	0	0
August	1,742	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	6,752	0	0
Total 2009	21,886	0	0

**2010 Total Forecast Post Retirement (OPEB) Contributions
(in 000's)**

Date	Medical/Dental Trust	401(h)	Life Insurance Trust
December	20,384	0	0
Total 2010	20,384	0	0

Q. SDR-OM-38 Please explain the funding options or plans which are being used for SFAS No. 106 costs. Identify the portion of the costs which are eligible for tax preferred funding.

A. SDR-OM-38 The three post retirement trusts are the Medical/Dental Trust, Life Insurance Trust, and 401(h) Account under the Service Annuity Plan. The Life Insurance Trust is used to pay life insurance benefits. The Medical/Dental and 401(h) Account are used to pay medical and dental benefits. The 401(h) covers retirees that retired after 1/1/2000.

Allocations to the trusts are determined by first contributing to the most tax-advantageous vehicles. The 401(h) account and Life Insurance trust are more tax-advantageous than the Medical/Dental trust. The Medical/Dental trust is subject to unrelated business income tax on investment earnings whereas the others are not if they remain within certain funding limits.

- Q. SDR-OM-39 Is the Company studying and/or anticipating any changes to its postretirement benefits offered to employees as a result of SFAS No. 106 or for other reasons? If yes, please provide such study and/or explain the anticipated change.
- A. SDR-OM-39 At this time, the Company is not anticipating any changes to its post-retirement benefits offered to employees. The Company periodically reviews the competitiveness and cost of its postretirement benefits and has been monitoring health care reform legislation as part of a continuing effort to assess whether changes should be made to these benefits; however, no changes are being considered by senior management at this time.

Q. SDR-OM-40 Identify the total revenues for the year in which bad debt write-offs for the preceding three calendar years are associated. If the Company relates bad debts to other than total sales to ultimate customers, please specify what revenues are utilized.

A. SDR-OM-40

	Billed Tariff Revenues (\$000)		
Type	2009	2008	2007
Retail	4,280,479	4,462,534	4,478,502

- Q. SDR-OM-41 Provide the following information, for the future test year and the three previous years, by customer class:
- a. Total gross write-offs of uncollectible accounts.
 - b. Total recoveries of uncollectible accounts.
 - c. Net write-offs of uncollectible accounts.
 - d. Total revenues.
- A. SDR-OM-41 Refer to Attachment SDR-OM-41.

**ATTACHMENT
SDR-OM-41**

	Gross Write-Offs	Recoveries	Net Write-Offs	Total Tariff Revenue
Residential¹	79,570,838	13,421,605	66,149,232	1,954,270,149
<u>Commercial</u>				
LC&I	616,413	358,580	257,833	1,306,698,654
SC&I	7,109,176	617,148	6,492,028	1,062,091,742
<u>Other</u>				
Railroads	61,176	11,867	49,309	59,561,887
Street Lighting	52,838	5,254	47,584	32,143,126
Total of Rate Schedules	87,410,441	14,414,454	72,995,987	4,414,765,557

1 - Includes Pre Program Arrearage (PPA) amounts.

	Gross Write-Offs	Recoveries	Net Write-Offs	Total Tariff Revenue
Residential¹	88,826,318	12,935,561	75,890,757	1,852,916,041
<u>Commercial</u>				
LC&I	200,550	215,744	(15,194)	1,306,296,007
SC&I	7,901,708	925,598	6,976,110	1,031,463,206
<u>Other</u>				
Railroads	35,959	16,547	19,412	59,409,377
Street Lighting	76,333	18,938	57,395	30,394,719
Total of Rate Schedules	97,040,868	14,112,388	82,928,481	4,280,479,350

1 - Includes Pre Program Arrearage (PPA) amounts.

	Gross Write-Offs	Recoveries	Net Write-Offs	Total Tariff Revenue
Residential¹	74,977,796	19,767,782	55,210,014	1,916,702,172
<u>Commercial</u>				
LC&I	167,061	84,706	82,355	1,406,293,462
SC&I	6,049,496	617,979	5,431,517	1,052,055,346
<u>Other</u>				
Railroads	86,538		86,538	57,157,379
Street Lighting	56,614	171	56,443	30,325,951
Total of Rate Schedules	81,337,506	20,470,639	60,866,867	4,462,534,310

1 - Includes Pre Program Arrearage (PPA) amounts.

PECO - Electric
Year 2007

	Gross Write-Offs	Recoveries	Net Write-Offs	Total Tariff Revenue
Residential¹	63,647,311	18,444,908	45,202,402	1,940,363,581
<u>Commercial</u>				
LC&I	1,373,735	1,066,060	307,675	1,381,482,547
SC&I	6,261,930	808,305	5,453,624	1,067,255,892
<u>Other</u>				
Railroads	47,502	28,675	18,828	58,317,986
Street Lighting	14,122	911	13,211	31,081,649
Total of Rate Schedules	71,344,599	20,348,859	50,995,740	4,478,501,655

1 - Includes Pre Program Arrearage (PPA) amounts.

Q. SDR-OM-42 Please provide a comparison of the actual and budgeted vegetation control/tree trimming costs for the preceding two calendar years. Explain any variance in excess of 10%.

A. SDR-OM-42 Shown below is a comparison of the 2008–2009 actual and budgeted vegetation control/tree trimming costs. The Company has not historically budgeted separately for Transmission and Distribution services; therefore the amounts represent the combined cost of these services.

	Actual	Budget	Variance	% Var
2008	\$29,901,945	\$31,630,447	\$1,728,502	5%
2009	\$33,409,065	\$35,200,657	\$1,791,592	5%

- Q. SDR-OM-43 Please identify the budgeted level of tree trimming costs for the FTY.
- A. SDR-OM-43 The budgeted Electric Distribution vegetation control/tree trimming costs for 2010 are \$28,455,087.

- Q. SDR-OM-44 Please provide all workpapers and supporting documentation, to the extent not otherwise provided, for the adjustments to rate base and operating income reflected in the Company's filing.
- A. SDR-OM-44 Refer to Exhibit RLO-1, Exhibit RLO-2, and PECO Statement No. 3, the direct testimony of Robert L. O'Brien.