



environment

safety

community

sustainable value
2007 Exelon Corporation Progress Report



Table of Contents

ifc	About Exelon
ifc	Our Performance Dashboard
1	Executive Messages
2	Sustaining Environmental Leadership
3	Climate Change
4	Air Quality
5	Renewable Energy
6	Energy Efficiency and Resource Conservation
8	Land Quality
9	Biodiverse Habitats
10	Water Quality and Quantity
12	Sustaining a Healthy and Safe Work Environment
13	A Fallen Colleague
13	Safety Governance
13	Contractor Safety
13	Community Outreach
13	Radiation Dose
14	Performance
15	Employee Engagement
16	Sustaining Strong Communities
17	Emphasis on Education
18	The Environment
19	Arts and Culture
20	Neighborhoods
21	Diversity
22	Economic Development
22	Reliable Service
23	Appendix – Plant Data, TRI Emissions and Map
ibc	Abbreviations and Acronyms

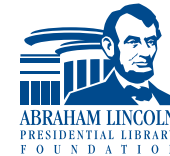
Report Scope

The information contained in the 2007 *Exelon Corporation Progress Report: Environment, Safety, Community* covers performance, programs and activities for the calendar year 2007 and significant events in the first quarter of 2008. In some cases, data and discussion of activities from prior years are provided as context for dialogue on the progress made in 2007. Information and data related to Exelon Generation in this report are limited to its owned generating capacity. Data related to contracted power are outside the scope of this report.

Exelon is proud to work with these organizations.



World Business Council for Sustainable Development



Metropolitan Family Services
150 years of amazing strength



About Exelon

our vision

Exelon will be the best group of electric generation and electric and gas delivery companies in the United States – providing superior value for our customers, employees, investors and the communities we serve.

our goals

- > Keep the lights on and the gas flowing
- > Run the nuclear fleet at world-class levels
- > Capitalize on environmental leadership and clean nuclear energy
- > Create a challenging and rewarding workplace
- > Enhance the value of our generation
- > Build value through disciplined financial management

our values

Safety – for our employees, our customers and our communities

Integrity – the highest ethical standards in what we say and what we do

Diversity – in ethnicity, gender, experience and thought

Respect – trust and teamwork through open and honest communication

Accountability – for our commitments, actions and results

Continuous improvement – stretch goals and measured results

Powered by over 17,000 dedicated employees, Exelon Corporation is one of the largest electric and gas utilities in the United States. Exelon, headquartered in Chicago, Ill., provides service to more than 5.4 million retail electric customers in northern Illinois and southeastern Pennsylvania, as well as approximately 480,000 natural gas customers in the Philadelphia suburbs. With over 32,000 megawatts (MW) of generating resources, our company has one of the nation's largest portfolios of electricity generation.

In 2006 and 2007, Exelon's revenues were \$15.7 billion and \$18.9 billion, respectively. Exelon's earnings were \$1,592 million or \$2.35 per diluted share in 2006 and \$2,736 million or \$4.05 per diluted share in 2007. Our continuing success has again made us the most highly valued company in the industry, with a year-end market capitalization exceeding \$54 billion. Our overall stock price rose nearly 32 percent during 2007 and our total return, as measured by stock appreciation plus dividend reinvestment, was 35 percent. Over the past five years, our total return has exceeded 250 percent. Exelon trades on the NYSE under the ticker symbol EXC.

Our Main Businesses

Exelon Generation Company, LLC (Exelon Generation) owns electric generating assets with a capacity of over 24,800 MW and controls over 7,500 MW of capacity through long-term contracts. Exelon Nuclear operates the largest nuclear fleet in the country. Exelon Power operates fossil and renewable plants. Exelon Power Team manages the risk and maximizes the economic value of Exelon's electric generating capacity and related assets in several regions in the United States – Midwest, Mid-Atlantic, Southern and New England – and engages in retail electric and gas marketing in the Midwest.

Commonwealth Edison Company (ComEd) engages in the purchase and regulated retail and wholesale sale of electricity and the provision of transmission and distribution services to retail customers in northern Illinois, including the city of Chicago. With nearly 5,900 employees, ComEd serves over 3.8 million electric customers in an approximately 11,300 square-mile territory encompassing Chicago and northern Illinois. ComEd's electric distribution system includes over 43,000 circuit miles of overhead lines and more than 35,000 cable miles of underground lines.

PECO Energy Company (PECO) engages in the purchase and regulated retail sale of electricity and the provision of transmission and distribution services to retail customers in southeastern Pennsylvania, including the city of Philadelphia, as well as the purchase and regulated retail sale of natural gas and the provision of distribution services in the Pennsylvania counties surrounding the city of Philadelphia. PECO and its 2,300 employees serve nearly 1.6 million electric customers and 480,000 natural gas customers in a combined service territory of approximately 2,100 square miles. PECO's electric distribution system includes close to 13,000 circuit miles of overhead lines and over 15,000 cable miles of underground lines. PECO's natural gas distribution system includes 29 gate stations and nearly 13,000 miles of pipeline.

Exelon Business Services Company (EBSC) provides Exelon's business units with high-quality products and services at the lowest cost. EBSC's 1,600 employees work in the practice areas of Communications, Corporate Governance, Corporate Strategy, Finance, Government & Environmental Affairs and Public Policy, Human Resources, Information Technology, Legal, Real Estate, Supply, and Commercial Operations such as accounts payable and payroll.



Additional information regarding Exelon's financial performance and corporate governance as well as environment, safety, and community policies and initiatives can be found at our Web site, www.exeloncorp.com.

Our Performance Dashboard

AREA	2007 INITIATIVES	2007 RESULTS	2008 INITIATIVES
energy + environment	Assess GHG reduction program performance	Exelon is on track to meet or exceed reduction target based on plant shutdowns and other GHG reduction programs	Achieve Climate Leaders goal of reducing Exelon's GHG emissions by 8% from 2001 levels by year-end 2008; launch Exelon's low-carbon strategy
	Approve funding for Exelon Generation's share of the new Keystone SO ₂ scrubbers	Exelon Generation approved approximately \$150 million for Keystone scrubbers; installation began	Continue installation of Keystone scrubbers
	Address upcoming air regulations: Pa. mercury regulation in 2010 and federal CAIR NO _x emissions rule changes in 2009	Exelon Power procured and began installation of mercury CEMS and began optimization review of existing NO _x controls at its coal units	Complete installation and start-up of mercury CEMS; complete review of mercury reduction strategies and NO _x control optimization
	Gain regulatory approval for PECO's early AEPS procurement of 240 MW of wind power	PECO early AEPS procurement approved December 2007	Award PECO early AEPS contracts to successful bidders
	Seek opportunities to expand Exelon's renewables portfolio and to increase sales of renewables products	Exelon Generation signed 20-year PPA for output of 3 MW solar plant and sold 924,000 RECs; PECO Wind sold 155,000 MWh of wind RECs to over 38,000 customers	Exelon Generation – sell electricity and solar RECs from Exelon-Epuron Solar Energy Center; ComEd – buy renewable energy for 2% of its supply
	Support efforts to improve customer energy efficiency	ComEd, through its CARE program, voluntarily distributed more than 1 million CFL bulbs	ComEd to launch energy efficiency programs pursuant to 2007 Illinois legislation it supported
	Improve internal energy efficiency	Saved close to 12 million kWh for the year through internal energy efficiency projects, including process modifications	Further improve Exelon facilities' energy efficiency
	Advance recycling and reuse programs across the company	Generated over \$10.6 million in value from recycling 2,100 tons of office waste, 8,900 tons of scrap metal and 812,000 gallons of used oil; reused over 90% of 150,000 tons of coal and scrubber byproduct	Establish goals to increase recycling and reuse programs
	Pursue voluntary phase-out of PCB-contaminated equipment by year-end 2012	Replaced over 1,420 PCB capacitors; retrofilled or replaced more than 180 pieces of equipment	Continue voluntary phase-out of PCB-contaminated equipment by year-end 2012
	Achieve ISO 14001 certification of the EMS at four Nuclear sites, two Power sites, and two ComEd and PECO operating units	Achieved 2007 certification goal; now have certified EMS at 60% of Exelon's operating sites/organizations	Complete EMS certification for 100% of Nuclear, ComEd and PECO
health + safety	Complete environmental awareness training for targeted employees and contractors	Delivered environmental awareness training to 97% of the targeted 22,000 Exelon employees and contractors	Deliver environmental awareness training to new hires and contractors
	Zero NOVs, permit noncompliances, reportable spills, and Level 1 and Level 2 audit findings	NOVs (4); permit noncompliances (18); reportable spills (57); Level 1 findings (0); Level 2 findings (1)	Zero NOVs, permit noncompliances, reportable spills, and Level 1 and Level 2 audit findings
	Implement the corporate industrial SMS to guide continuous improvement	Established Exelon Safety Council; initiated contractor safety management process; completed the first management review of the SMS	Initiate audits of SMS; assess effectiveness of governance; develop benchmarking plan; develop industrial hygiene program
	Assess safety awareness training and develop recommendations for improvement	Completed safety awareness training; evaluated safety training programs; evaluated minimum requirements for safety professionals	Implement new employee safety awareness training for office workers; update safety management instruction module for supervisors
community + economics	Zero accidents, injuries and fatalities; achieve top decile performance for OSHA recordable, DART and severity rates	Suffered 1 employee and 2 contractor fatalities; achieved first decile for the OSHA recordable and DART rates; and first quartile for the severity rate	Zero accidents, injuries and fatalities; achieve top decile performance for OSHA recordable, DART and severity rates
	Continue Energy for the Community program; establish and fund Exelon Foundation	Contributed more than \$21 million through nearly 3,000 grants to NGOs and \$50 million to found the Exelon Foundation	Continue Energy for the Community program; launch Exelon Foundation
	Increase VolunteerMatch participation	Nearly 1,900 employees logged 3,000 more hours of community service than in 2006, for a total of over 33,000	Increase VolunteerMatch participation
	Enhance Diverse Business Enablement Initiative	Increased diverse supplier procurement by 40% for a total of \$476 million	Enhance Diverse Business Enablement Initiative

Message from the Chairman



2007 was a year in which we made significant progress in our environmental performance and in our work in the communities where we operate. However, we did not see the same progress in our safety performance. The tragic loss of an employee on the job at ComEd, coupled with two losses suffered by our contractors, reminds us that our work has hazards and risks, and of the importance of engaging all our employees and contractors in working safely. Work is underway in both ComEd and PECO to

improve safety practices and processes and to engage our employees and contractors in improving safety performance.

Exelon also took further action to address climate change. We are well on our way to achieving our voluntary greenhouse gas goal under the U.S. EPA Climate Leaders program. We continued to be a leading industry voice for federal enactment of greenhouse gas regulation through our work on the National Commission on Energy Policy; on the U.S. Climate Action Partnership, which we joined in 2007; and through our ongoing work with the Pew Center on Global Climate Change and others. We also recently initiated a corporate-wide effort to develop a comprehensive low-carbon energy strategy for the company. This strategy will focus on our own operations, our customers and suppliers, and the markets in which we operate. Our efforts were again recognized this year by the Dow Jones Sustainability Index as well as by the Carbon Disclosure Project.

Contributing to the success of the communities in which we operate is critical to our own success. It is about building stronger communities whether through our corporate contributions programs, financial support for minority- or women-owned businesses, the taxes we pay, or our employees' volunteer hours. In 2007 we provided over \$21 million of grants to close to 3,000 civic organizations and our employees logged over 33,000 hours of volunteer service. We were very proud to receive the Ron Brown Award for Corporate Leadership from the White House for The Exelon-United Way Stay in School Initiative, a program near and dear to our hearts. We also increased our 2007 spending with diversity suppliers by 40 percent from 2006, to a company high of \$476 million.

We are committed to sustaining the value our constituents have entrusted to us. We have a well-positioned generation business, able to respond to increasing environmental and economic challenges. We have delivery businesses with a strong commitment to safe, reliable and affordable service for their customers. All of this is only possible through the sustained commitment of our employees, at all levels, to environmental leadership, safety and the communities in which we operate.

John W. Rowe
Chairman, President and CEO

In Our Words

One of the hallmarks of leadership is being open and honest about one's performance – in environment, safety and in our communities. In this report we celebrate the progress we have made through year-end 2007. But we also see opportunities for improvement that still lie ahead.

We recognize that to protect today's value and to grow long-term value, we must also achieve and sustain superior environmental, safety and community performance.

We thank our employees who passionately pursue a commitment to meeting all of our regulatory requirements and who identify areas where we can do more. In doing so, they add value to Exelon.

Elizabeth A. Moler
Executive Vice President, Government
and Environmental Affairs & Public Policy

Helen A. Howes
Vice President, Environment,
Health and Safety



Sustaining Environmental Leadership

Exelon generates sustainable value for our stakeholders through a strategy and culture rooted in integrity, accountability and a drive for continuous improvement. We diligently manage our environmental impact on the air, land and water we use. We constantly work to enhance our low-carbon generation output and improve our energy and resource efficiency – and that of our customers – through improved technology, conservation and education. We focus on delivering renewable energy options and energy efficiency tools to our customers. And we respect the biodiversity of the ecosystems in which we operate.

Climate Change

In 2007, Exelon pursued a disciplined, three-pronged climate program focused on creating sustainable value. First, we called on U.S. policy-makers to establish a mandatory national climate policy. Second, we continued our voluntary program to reduce our greenhouse gas (GHG) emissions. Finally, we disclosed our climate risks and opportunities on a consistent basis.

Exelon believes that the need to cap and then reduce human-generated GHG emissions has grown urgent – due to their role in accelerating climate change. To this end, Exelon signed the Global Roundtable on Climate Change’s “The Path to Climate Sustainability” statement, issued in February 2007. This statement supports the creation of an international, market-based system of GHG reduction that accounts fairly for the different compliance challenges faced by individual countries.

A month later, Exelon joined 64 institutional investors and leading U.S. companies, brought together by Ceres, a partnership of investors and companies committed to addressing sustainability challenges, in issuing another statement, “Imperatives of Climate Risk and Opportunity,” which outlines the economic rationale for strong federal climate legislation that sets GHG-reduction targets recommended by climatologists. This statement also calls on U.S. lawmakers to institute a mandatory economy-wide policy that employs market-based compliance mechanisms while seeking enhanced disclosure guidance from the Securities and Exchange Commission in the interim.

Then, in September, Exelon joined the United States Climate Action Partnership (USCAP), which proposes a blueprint for a national, economy-wide, market-driven cap-and-trade program aimed at reducing GHG emissions. We also continued our involvement with the Business Environmental Leadership Council of the Pew Center on Global Climate Change – another USCAP member.

In addition to these efforts, Exelon also participated in climate efforts at the state and local levels in 2007. At the invitation of the Pennsylvania Environmental Council (PEC), we served as a stakeholder advisor in the development of the “Pennsylvania Climate Change Roadmap” issued in June. We worked with the Clinton Foundation and other business, civic and community leaders as part of the Chicago Climate Change Task Force. We also supported the efforts of various Pennsylvania municipalities as well as the Delaware Valley Regional Planning Commission in the development of GHG-emission inventories, reduction strategies and programs.

Exelon achieves low GHG emissions through our hydroelectric, land-fill-gas and nuclear assets. In 2007, our hydroelectric fleet maintained a near-record equivalent availability factor of 94.7 percent, generating over 2.4 million megawatt-hours (MWh). The Fairless landfill-gas station

generated over 240,000 MWh of electricity using the methane emissions from the adjacent Waste Management-owned landfill. Exelon-operated nuclear plants achieved an average capacity factor of 94.5 percent, an all-time record for the company, marking the fifth consecutive year of a factor greater than 93 percent. The industry average capacity factor in 2007 was 90.4 percent. In addition, Exelon-operated nuclear plants produced a total of 132,341 gigawatt-hours (GWh) of electricity in 2007, their highest annual production ever. Had this electrical output been provided by existing fossil-fired generation in the regions of the country where Exelon’s nuclear plants are located, national carbon dioxide (CO₂) emissions would have been about 121 million metric tons higher – an increase of almost 5 percent.

“Time is not our friend with respect to global climate change. We must begin a long journey to address climate change, and the usual D.C. approach – doing too much, too late – will not work. In the meantime, as a member of the EPA’s Climate Leaders program, we are on track to meet our voluntary goal of reducing our own greenhouse gas emissions by 8 percent from 2001 levels by the end of 2008.”
John W. Rowe, Exelon chairman, president and CEO.

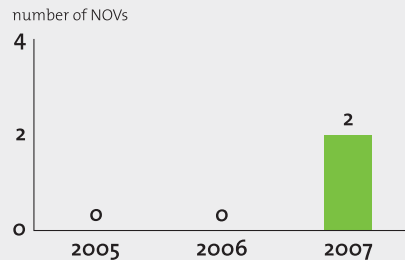
ComEd and PECO contributed significantly to our Climate Leaders progress by reducing emissions of sulfur hexafluoride (SF₆), a gas with a global warming potential of close to 24,000 times that of CO₂. As members of the U.S. Environmental Protection Agency’s (EPA) Sulfur Hexafluoride Emission Reduction Partnership, both companies kept their 2007 leak rates below 9 percent – lower than the average rate for EPA partnership members nationwide.

Exelon also continued to remove CO₂ from the atmosphere through sequestration projects such as the PowerTree Carbon Company, LLC and TreeVitalize. In September 2007, Exelon, in partnership with the PEC and others, installed a forested riparian buffer along a tributary to the Little Conestoga River in Lancaster, Pa. The project will improve water quality and air quality, as well as increase habitat for fish and wildlife. In addition, the project is expected to yield nutrient and carbon-reduction credits as part of the Chesapeake Bay watershed’s nutrient-trading program, and will sequester approximately one metric ton of carbon per acre, per year once the trees mature.

We take pride in our climate accomplishments – many more of which are detailed in the renewables and energy efficiency sections that follow – and the recognition they have garnered. In 2007, Exelon was named to the Dow Jones Sustainability North America Index for the second time, based on our economic, social and environmental performance. For the third consecutive year, the Carbon Disclosure Project named Exelon to the Climate Disclosure Leadership Index 2007.



Exelon Notices of Violation (NOV) – Air



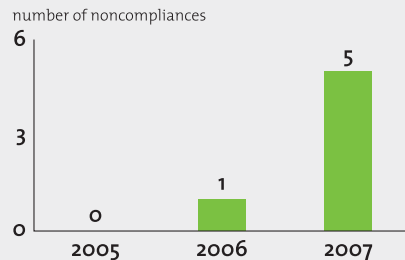
NOVs are issued when a company is believed to have violated a permit condition or regulatory requirement.

Exelon Power received two air-related NOVs from the PADEP for failure to submit the annual Title V operating permit compliance certifications for Croydon and Fairless on time; these also resulted in permit noncompliances.

No other Exelon business unit received air-related NOVs.

2006 NOVs decreased from one to zero due to rescission of an NOV previously issued to PECCO.

Exelon Permit Noncompliances – Air



Exelon reports violations of regulations and regulatory agency-specified permit conditions when they are identified.

Exelon Nuclear had two: at Byron for exceeding the maximum fuel burn limit in an auxiliary boiler; and at Peach Bottom, where a failed oxygen sensor led to exceeding the auxiliary boiler opacity limits.

Exelon Power had three: at Eddystone for exceeding the reportable SO₂ quantity; and one each at both Croydon and Fairless for failure to submit the annual Title V operating permit compliance certifications to the PADEP on time; the latter two also resulted in NOVs.

No other Exelon business unit reported air-related permit noncompliances.

Air Quality

Exelon's investment in and commitment to low-carbon technologies for the majority of our owned generating capacity enables us to keep our annual air emissions well below industry averages.

In 2007, Exelon's nitrogen oxide (NO_x), sulfur dioxide (SO₂) and CO₂ emission rates were, respectively, 88 percent, 87 percent and 89 percent lower than national electric utility averages. Overall, Exelon's total NO_x and CO₂ emissions declined by 4.6 percent and 7.0 percent, respectively, from 2006. These reductions were driven primarily by an overall 9.3 percent decrease in fossil generation production in 2007 versus 2006. SO₂ emissions increased by 2.8 percent due primarily to the slightly higher sulfur content of the coal we burned in 2007 versus 2006.

At all three coal-fired units operated by Exelon Power, wet magnesium oxide scrubbers remove more than 90 percent of SO₂ emissions. In 2007, the installation of wet limestone scrubbers began at the two-unit Keystone coal-fired station to assist in compliance with the federal Clean Air Interstate Rule (CAIR). Exelon Generation owns 20.99 percent of Keystone; its share of capital costs is approximately \$150 million. When these new scrubbers go on line in 2009, they will have a 98 percent SO₂ removal capability. In conjunction with the existing selective catalytic reduction NO_x controls, the new scrubbers will also remove mercury, which will help the plant to comply with Pennsylvania's mercury regulation, which takes effect in 2010. In addition, Power is also working to optimize the performance of existing selective non-catalytic reduction post-combustion NO_x controls at the two Eddystone coal-fired units.

During 2007, Exelon Power began to install continuous emission monitoring systems (CEMS) for mercury on the smokestacks of the three coal-fired units at Cromby and Eddystone. These CEMS will be operational early in the second quarter of 2008. To satisfy the Pennsylvania mercury rule, Exelon Power began preliminary design of systems to sample and analyze the mercury content of its coal feedstock at each unit. The sampling systems will be procured and installed mid-2008. Exelon will then compare the data from the monitoring system and coal sample analyses to ascertain the degree of mercury removed by the existing pollution-control equipment. In addition, we have initiated discussions with our coal providers to develop information to submit to the Pennsylvania Department of Environmental Protection (PADEP) to determine what amount of mercury removal from pretreatment washing of coal at the mine will qualify under the rule's removal requirement. While the national Clean Air Mercury Rule was vacated by a federal appeals court in early 2008, and remanded to the EPA for further rulemaking consideration, Exelon expects that the Pennsylvania mercury rule will take effect in 2010 as planned.

Exelon Power's Toxics Release Inventory (TRI) emissions (including our share from the Keystone and Conemaugh facilities) decreased in 2006 to 4.9 million pounds – 15.7 percent below the previous year's TRI reporting totals. (2007 TRI reporting is not due until after the publication date of this report.) Most of this reduction is due to lower acid-gas emissions associated with decreased fossil generation. About 70 percent of Exelon's TRI emissions are associated with acid gases at the Keystone plant; these should be significantly reduced once the SO₂ scrubbers become operational. Changes in our aggregate TRI emissions generally correspond to annual variations in generation output and to the intricacies of the reporting requirements. A complete listing of our TRI emissions can be found in the Appendix on Page 24.

Information on radiation releases from our nuclear plants can now be found in the Health and Safety section of this report.

Renewable Energy

Exelon supports renewable energy development in competitive markets and offers renewable energy products to our customers – consistent with our commitment to low-carbon energy.

As part of this commitment, Exelon in 2007 signed a 20-year power purchase agreement with what will be the nation's fourth largest solar photovoltaic (PV) generation project – the first agreement of its kind in the PJM Interconnection. The 3 MW solar plant, expected to open in the third quarter of 2008, will occupy a 20-acre parcel at Waste Management's GROWS Landfill in Morrisville, Pa., and will include about 17,000 solar panels. Exelon Generation and its partners in the agreement, Epuron and SunTechnics, earned the Green Power Generators Award from PennFuture for their efforts. Exelon Generation will market the solar renewable energy credits (RECs) earned by the Epuron-SunTechnics agreement to retail electric providers, electric distribution companies and other load-serving organizations. During 2007, Generation sold 924,000 RECs from its portfolio, which currently includes wind, landfill gas, hydro and municipal solid waste RECs.

In December 2007, PECO obtained approval from the Pennsylvania Public Utility Commission to act early to procure alternative energy credits (AECs). These credits are required to comply with the Pennsylvania Alternative Energy Portfolio Standard provision requiring that 3.5 percent of the energy consumed by PECO customers be provided through alternative resources by 2011. PECO will meet the initial requirement by purchasing the equivalent of 240 MW of AECs for five years. This early action will secure the renewable energy at a lower cost – a financial benefit that will flow directly to PECO's customers.

“By purchasing these energy credits now and banking them to meet future requirements we can take advantage of current market prices while also helping to increase the demand for renewable resources and reduce our dependency on fossil fuels.” Denis O'Brien, PECO president and CEO.

In March 2007, the National Renewable Energy Laboratory within the U.S. Department of Energy (DOE) ranked PECO WindSM as the nation's fifth largest utility green power program based on total number of customers. In 2007, more than 38,000 customers purchased nearly 155,000 MWh of PECO Wind RECs to meet all or a portion of their electricity needs.

From 2005 to 2007, PECO also purchased wind RECs equal to 10 percent of its headquarters' annual electricity usage. PECO is currently developing plans to extend and improve upon this environmental commitment through 2010. In addition, 170 customers participate in PECO's net metering program. Most participants employ residential solar PV units with an average capacity of about 3 kilowatts (kW) each – for a program total of about 600 kW.

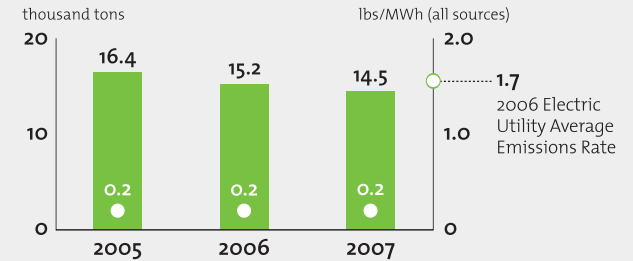
In Illinois, ComEd purchased the electric output of, but not the RECs from, 130 MW of wind, 111.6 MW of landfill gas and 18.5 MW of small hydropower from suppliers in its service territory. Pursuant to a state energy law enacted in August 2007, ComEd will begin purchasing 2 percent of its power supply from renewable energy sources in 2008, increasing to 10 percent by 2015, and 25 percent by 2025.

Also in 2007, the Illinois Clean Energy Community Foundation, working from an initial endowment of \$225 million from Exelon, awarded \$200,000 in grants to support the installation of 1 kW solar PV electric generation systems at 14 schools and two education-focused nonprofit community organizations in northern Illinois. Finally, ComEd also supported the use of renewable energy through educational initiatives, which included a Web-based renewable energy curriculum that incorporates the use of real-time production data from solar installations located in Chicago.

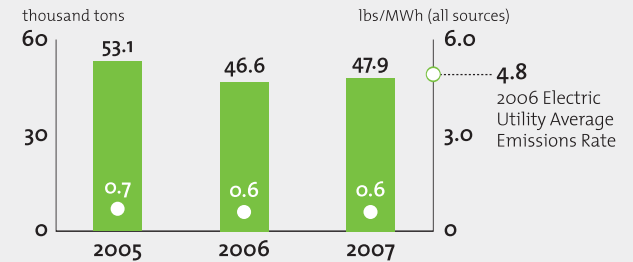
Air Emissions

These charts summarize air emissions as of Dec. 31, 2007, from Exelon Generation's fossil and renewable generation portfolio, which consists of plants in Illinois, Massachusetts, Pennsylvania and Texas, including our shares of the Keystone and Conemaugh plants in Pennsylvania. Exelon's major plants and their emissions are listed in the Appendix.

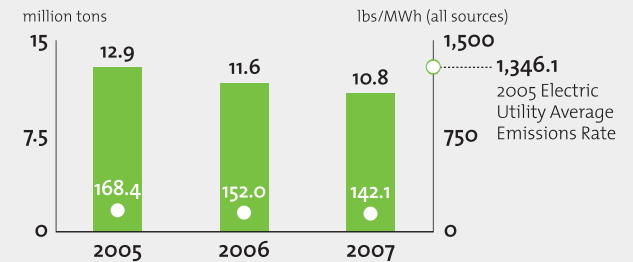
NOx Emissions



SO₂ Emissions



CO₂ Emissions



■ emissions ○ emissions rate

Ensuring Adequate and Affordable Water Resources

In commenting on our participation in the efforts to refine water-use policy in Illinois (see Page 11), Jim Meister, vice president, Operations Support, Exelon Nuclear, said: "Exelon realizes that the Mississippi and its tributaries are valuable not only to us, but also to our communities. That's why we are taking part in this multi-jurisdictional, multifaceted review of water sources and uses. We want to help develop a sustainable water plan for our region."

Energizing Efficiency and Savings

In November, ComEd capped a very active year of advocating for energy efficiency by announcing a new portfolio of programs that could save customers more than \$155 million on their electricity bills. Once implemented, the programs will place ComEd among the top three utilities in the nation in terms of annual electric energy-efficiency savings. The portfolio includes residential programs such as Lighting, Appliance Recycling, Multi-Family "All-Electric" Sweep and Nature First Demand Response as well as solutions for our commercial and industrial customers.

If the plan's targets are met, ComEd customers would reduce their electricity consumption by a cumulative total of about 1.2 million MWh by the end of the three-year program – an amount equal to the annual electricity needs of about 140,000 homes. "Our portfolio of programs will raise awareness about climate change, lead to positive changes in our customers' electricity consumption habits and reduce their bills," said Anne Pramaggiore, ComEd executive vice president of Customer Operations, and Regulatory and External Affairs. The announcement of these programs came on the heels of ComEd's advocacy of a new Illinois energy law, enacted in August, that sets high standards for renewable energy, energy efficiency and demand response programs. ComEd is committed to reducing overall electricity usage in its service territory by 0.2 percent in 2008, escalating to 2 percent by 2015.

Energy Efficiency and Resource Conservation

Exelon believes that improved energy efficiency and increased resource conservation serve as complementary tools for the cost-effective reduction of energy consumption and GHG emissions.

That's why Exelon joined the National Action Plan for Energy Efficiency's Leadership Group in 2007. Comprising over 60 electric and gas utilities, utility regulators, and partner organizations, the group is pursuing an aggressive national commitment to long-term energy efficiency. To support this effort, our two energy delivery companies, ComEd and PECO, have aligned some of their most successful customer-focused efficiency and conservation programs with the group's action plan.

ComEd educates customers on the practical steps they can take to significantly reduce energy consumption through its Customers' Affordable Reliable Energy (CARE) program. Via its Web site, www.ComEdCARE.com, this program offers no-cost and low-cost energy savings tips, a home and small business energy audit, the ComEd Energy Doctor to answer questions, and an online energy store that offers a 20 percent discount on energy-efficient products.

Through one popular CARE program, ComEd customers purchased at a discount or received free of charge more than 1 million ENERGY STAR®-qualified compact fluorescent light (CFL) bulbs in 2007. The promotion, now in its second year, has been the largest privately funded energy-efficiency lighting promotion in the Midwest. By using the CFL bulbs, ComEd residential customers collectively could reduce their overall electric use by about 27 million gross kWh in the coming year (the amount of electricity needed to power about 3,100 average homes in the area) and save up to \$2.6 million annually on their electric bills.

In another unique program, called Residential Real-Time Pricing (RRTP), ComEd customers are billed for the electricity they consume based on wholesale market prices, which vary from hour to hour. RRTP provides customers the information they need to reduce their energy costs by shifting their use of energy-intensive appliances like laundry machines and dishwashers to lower-priced hours – usually during evenings, nights and mornings. While there is no guarantee customers will save money while enrolled in the program, the majority of customers who participated for all of 2007 experienced an annual cost savings of between 7 and 12 percent compared with the fixed rate.

Like ComEd, PECO also provides its customers with access to energy-saving programs and products through its Web site. The company's EasySave Energy Kit, available at www.PECOWinter.com, includes an array of energy-efficient and weatherization products. The kit – which PECO provides at cost plus shipping charges – can save customers anywhere from \$140 to \$280 per year, depending upon on the user's home water-heating system.

PECO assists its low- and fixed-income customers through its Low Income Usage Reduction Program, which focuses on teaching homeowners and renters how to reduce their energy usage through remediation measures and conservation. In 2007, the program earned recognition from the American Council for an Energy-Efficient Economy (ACEEE) as one of the nation's most exemplary energy efficiency programs.

Both ComEd and PECO provide customers with a financial incentive to curtail energy use through their Smart Returns programs. Under Smart Returns, customers agree to reduce energy consumption during extreme peak demand events. In 2007, ComEd customers had the potential to contribute over 1,100 MW of demand response – earning the Peak Load Management Alliance's Outstanding Achievement in Demand Response award. PECO had 337 MW of customer capacity contracted under Smart Returns in 2007. The company actually drew upon 179 MW of that capacity during a full-scale event last summer, exceeding PECO's goal of 150 MW for such events.

ComEd Energy Efficiency Services (EES) helped Chicago expand its Industrial Rebuild Program (CIRP) to include a food industry component in July 2007. CIRP aims to improve the competitiveness of the city's industrial firms and strengthen overall economic growth by educating and motivating the major industrial market sectors to invest in energy- and process-efficiency improvements. In 2007, ComEd and the CIRP team identified potential annual savings of 6 million kWh of electricity, 50 million British thermal units (Btu) of natural gas, 4.5 million cubic feet per year of water, as well as the avoidance of 18.9 million pounds of air and GHG emissions.


ComEd EES also lent its expertise this past year to the Chicago Public Schools' (CPS) effort to achieve Leadership in Energy and Environmental Design (LEED) Certification from the U.S. Green Building Council for every new school building it designs and constructs going forward. Specifically, EES has provided CPS with both fundamental and advanced commissioning services. Currently, CPS hopes to earn LEED ratings for more than 10 schools.

Also in 2007, ComEd shared in the ACEEE's Champion of Energy Efficiency award for the company's participation in the Manufacturing Energy Efficiency Program (MEEP). Developed and managed by the Illinois Department of Commerce and Economic Opportunity, the program helps larger manufacturing firms identify best practices in energy management. To date, ComEd has administered 13 free diagnostic sessions as part of MEEP. Ten firms have contracted with ComEd for follow-on services under the program.

Of course, Exelon continuously pursues energy-efficiency improvements in its own operations. Based on evaluations conducted across its fleet in 2007, Exelon Nuclear completed 12 projects that reduced internal energy use by 4.3 million kWh annually. Exelon Power has similarly reduced its internal energy consumption by over 7.5 million kWh annually through the installation of more efficient equipment and innovative operating practices. ComEd and PECO are pursuing a goal to improve internal energy efficiency in their commercial facilities by a cumulative 9 percent (as compared to 2005 levels) by the end of 2008. As of the end of 2007, combined they have achieved a 5.8 percent energy-use reduction when compared to 2005. All of these efforts are in addition to the 50 percent improvement in energy efficiency realized in the first full year in our new platinum LEED-certified headquarters.

Exelon Fleet Services continues to implement alternative fuel technology solutions aimed at improving vehicle fuel economy and reducing our GHG emissions. In 2007, Exelon added 28 Ford Escape gasoline-electric hybrids to the fleet, bringing the company-wide hybrid vehicle total to 130. In partnership with Ford, our Supply and Fleet Services put two E85 ethanol flex fuel-based electric hybrids (out of only 10 available nationwide) into service in 2007. Exelon also replaced 15 gasoline-powered vehicles with E85 flex fuel minivans. In addition, biodiesel remains the primary fuel for ComEd and PECO diesel vehicles.

Throughout 2007, Exelon continued to move coal combustion products (CCP) into beneficial applications that help to minimize disposal costs while preserving natural resources and valuable landfill space. One hundred percent of our CCP – totaling over 127,400 tons – was used to help stabilize other waste streams and to reclaim retired anthracite coal mine sites. In addition, more than half of the 23,500 tons of scrubber byproduct we produced was used to stabilize other waste streams and to produce fertilizing agents.

 For additional energy efficiency information:
www.ComEdCARE.com and www.PECOWinter.com

Leading by Example

When it comes to efficiency and conservation, Exelon leads by example through reducing, reusing and recycling as much from our various waste streams as possible. In 2007, EBSC's Information Technology group facilitated the collection and recycling of approximately 254,000 pounds of obsolete electronic equipment such as computers and peripheral equipment, aka e-waste. Exelon contracted with a vendor who will recycle or reuse 100 percent of this equipment. To increase participation and awareness, Exelon conducted three e-waste pilot events to encourage employees to identify equipment in their homes or work areas for recycling. More than 300 employees attended, leading to the collection of more than 24,000 pounds of this e-waste. Based on these results, additional employee events are planned for 2008.

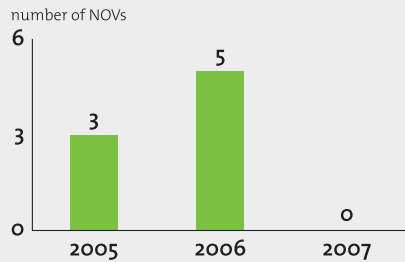
In addition, Exelon's Investment Recovery department recycled more than 812,000 gallons of used transformer oil and more than 8,900 tons of scrap metal – including more than 2,200 tons of lead. These initiatives yielded more than \$10.5 million in revenue during 2007. In our office environments, Project HERE, Exelon's program to recycle paper, cardboard, glass, aluminum and plastic, added six sites – pushing the companywide total to 89. The program recycled more than 2,100 tons of material – saving Exelon an estimated \$125,000 in landfill costs – and avoided over 6,200 tons of GHG emissions.

ecotalk

Sustaining Fish Populations

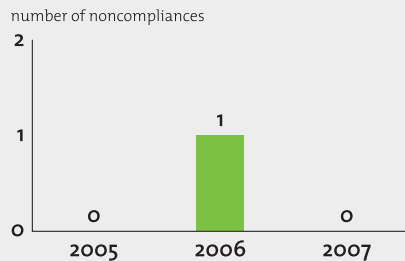
In commenting on the project to construct fish passages on the Schuylkill River at both the Norristown and Black Rock dams (see Page 9), Vicky Will, Exelon Power vice president of Regulatory, Environmental and Safety, said, "We recognize the value of bringing up the next generation to appreciate the environment. This project will help restore the shad population in the Schuylkill."

Exelon Notices of Violation (NOV) – Land



There were no land-related NOVs in 2007.

Exelon Permit Noncompliances – Land



No Exelon business unit reported land-related permit noncompliances in 2007.

Protecting Endangered Species



Hine's Emerald Dragonfly (*Somatochlora hineana*). When the dragonfly, which is on the federal endangered species list, was discovered, ComEd stopped injecting insecticide into power poles along Illinois Highway 53. ComEd is currently working with industry partners and government agencies, including the U.S. Fish and Wildlife Service (USFWS), to develop a habitat conservation plan (HCP) for the dragonfly.

Photo by Region 3 Ecological Services / U.S. Fish and Wildlife Service

Land Quality

Recognizing the value that the land provides both as a habitat and a resource, Exelon works to sustain its quality by addressing historical impacts, reducing present risks and impacts, and minimizing future threats.

Regarding historical impacts, Exelon continues to remediate and close former manufactured gas plant (MGP) sites within its territories. During 2007, PECO completed this process at sites in Doylestown and Phoenixville. In Illinois, the Electric Power Research Institute recently recognized ComEd's MGP team for its participation in a joint study that helped revise Illinois soil cleanup standards. ComEd and PECO expect the majority of remediation at these sites to continue through at least 2015 and 2013, respectively.

Exelon also continued its proactive evaluation of current and former company properties that may have been exposed to material releases during operations prior to the 1970s, when modern environmental laws were enacted. Over the course of 2007, ComEd and PECO together evaluated the risk at 100 substations and 26 service centers; no high-risk sites were identified.

During 2007, Exelon made significant progress on its voluntary phase-out of equipment containing polychlorinated biphenyls (PCBs). ComEd completed 106 equipment retrofills/replacements and 930 PCB capacitor replacements, while PECO removed 490 PCB capacitors and retrofilled or removed 75 pieces of equipment. These were in addition to replacements completed by Exelon Nuclear and Exelon Power. Exelon remains on track to eliminate known PCB-contaminated equipment from its operations by year-end 2012.

Exelon Nuclear cut its 2007 volume of low-level radioactive waste (LLRW) by 2 percent from 2006 through continued improvements in recycling and workforce education. These reductions were driven in part by the imminent loss of the Barnwell Disposal Facility in South Carolina as an option for storing Nuclear's LLRW. Exelon has on-site LLRW storage capacity at all of its nuclear plants.

In 2007, Exelon's nuclear plants produced approximately 400 tons of used nuclear fuel. Exelon stores this fuel at our nuclear plants – both in water-filled pools and in dry storage systems. Exelon continues to call upon lawmakers to develop and implement a cogent strategy for used nuclear fuel management. The company's interest in constructing new plants, such as the one we have proposed for Victoria County, Texas, remains contingent upon a satisfactory resolution of this issue. Meanwhile, progress on such efforts as the DOE's proposed national fuel repository in Yucca Mountain, Nev., remains slow. In the interim, Exelon will continue to store our used fuel at our sites – something we can do safely through the extended operating lives of our plants.

In December 2007, Exelon Nuclear announced that it will seek to accelerate the decommissioning of the company's Zion Station in Illinois. The company has contracted with Utah-based EnergySolutions to dismantle the nuclear plant, which stopped producing power in 1998, contingent upon approvals from the U.S. Nuclear Regulatory Commission (NRC) and the Internal Revenue Service. Used nuclear fuel currently stored at Zion would be moved to a dry cask storage facility at least 400 feet farther from the lakeshore than the station's current fuel pool. Such independent fuel storage facilities are licensed by the NRC and exist at 39 plants nationwide, including five of Exelon's nuclear stations.

"This is a unique opportunity to make hundreds of acres of lakefront property available for other uses at least a decade earlier than we thought possible." Tom O'Neill, Exelon Nuclear vice president of New Plant Development and the executive leading the Zion project.

Biodiverse Habitats

By managing the impact of our facilities within their ecosystems, Exelon generates sustainable value for more than just the human species.

Working with the Wildlife Habitat Council (WHC), a long-time partner, Exelon Nuclear completed eight biodiversity projects at Byron, Clinton, LaSalle, Oyster Creek, Peach Bottom and Quad Cities. In fact, Quad Cities Station earned WHC's Wildlife at WorkSM certification for implementing a comprehensive wildlife habitat management program.

In the spring of 2007, Byron Station's environmental stewardship team placed several nesting boxes for various bird species throughout plant property. So far, bluebirds, sparrows and chickadees have nested in the boxes. At Clinton, Exelon Nuclear partnered with the Illinois Department of Natural Resources (IDNR) and Ducks Unlimited during the past year to create over 35 acres of wetlands habitat at the station.

Both PECO and ComEd continue to maintain and restore native species in rights of way (ROW) under their transmission lines. PECO tended to over 350 such acres in 2007, bringing its total acreage maintained or restored to more than 1,000 acres since 2005. In Illinois, ComEd Vegetation Management completed two large land clearing projects on transmission ROW to comply with Federal Energy Regulatory Commission (FERC) and North American Electric Reliability Corporation regulations. In Rockford's Alpine Park, the company worked with land owners to replant a ROW in a residential neighborhood. ComEd's Buffalo Grove prairie received WHC certification and its West Chicago prairie won an award from the Illinois Landscape Contractors Association.

Both ComEd and PECO participate in the Municipal Tree Replacement Program (MTRP). Through this program, ComEd replaced 126 trees at a cost of \$21,100 in 2007, producing a 12-year total of more than \$79,000 in matching grants to municipalities. For Arbor Day 2007, ComEd assisted nine towns in planting 25 trees. In Rockford, the company supported the "Re-Forest the Forest City" campaign to buy and plant native trees. PECO, which maintained its status as a Tree Line USA utility, directed nearly \$19,000 to MTRP and donated both trees and time to five Arbor Day tree-planting events in 2007.

Moving from land to water, Exelon Power sustained its extensive effort to help American shad and other fish species in resuming their natural migratory journeys. On the Susquehanna River in Maryland, the fish lift at Conowingo Hydroelectric Generating Station has helped almost 1.2 million American shad over the dam since 1991. On the Schuylkill River in Pennsylvania, Exelon's construction of a fish passage at the Norristown Dam will bring the shad one step closer to migrating upriver for its springtime spawning – something it hasn't been able to do for over 200 years – when the passage is completed in 2008. Exelon is also planning the construction in 2008 of a fish passageway at Black Rock Dam, the next dam upstream from Norristown.

Protecting Endangered Species (continued)



Bald Eagle (*Haliaeetus leucocephalus*). A pair of bald eagles has nested on the cooling lake at our Clinton nuclear plant. The bald eagle is a threatened species in Illinois, so the area around the nesting eagles has been cordoned off by buoys. Exelon donated the full cost of the buoys, which were then installed by the IDNR. The rest of the lake remains open for fishing and recreation.

Bald eagles also nest on power line towers at Conowingo Dam on the Susquehanna River. The pond created by our hydroelectric generating station – which straddles the border between Maryland and Pennsylvania – and the adjacent 9,000 acres of uplands provide ideal habitat for the birds, which are listed as threatened in both states.



Peregrine Falcon (*Falco peregrinus*). Peregrines, an endangered species in New Jersey, nest in the vicinity of our Oyster Creek nuclear plant. The plant's staff has worked with the New Jersey Endangered and Nongame Species Program to band and track the falcons' migration. Also, since the spring of 2002, a pair of peregrine falcons has made the side of the Three Mile Island-1 Containment Building their home. The PADEP reports on their status in its Peregrine Falcon Page publication.



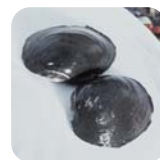
Osprey (*Pandion haliaetus carolinensis*). In the spring of 2004, a pair of young osprey built a nest in the weather tower at Three Mile Island. After mating season, the plant's staff developed a plan with several state and federal agencies to construct a new nesting location there. Observers counted four eggs in the nest; unfortunately they never hatched – a common occurrence when the parent birds are young and inexperienced. Experts say that the birds, which are a threatened species in Pennsylvania, will likely return to try again.

Photo by John J. Mosesso / National Biological Information Infrastructure



Kemp's Ridley Sea Turtle (*Lepidochelys kempii*). These turtles, which are on the federal endangered species list, visit New Jersey's Barnegat Bay and sometimes enter the cooling water intake canal at Oyster Creek. The plant monitors the intake and transfers the rescued turtles to the Marine Mammal Stranding Center in Stone Harbor, N.J., to be rehabilitated and returned to their natural habitat. In 2007, the plant's staff rescued two sea turtles from the intake channel.

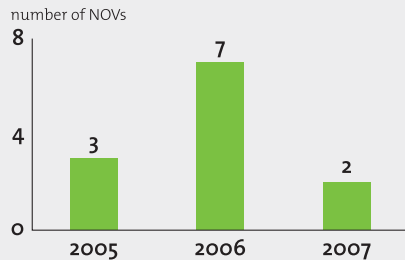
Photo by Randall Schorp / U.S. Fish and Wildlife Service



Higgins' Eye Mussel (*Lampsilis higginsii*). Scientists continually survey the freshwater mussel beds near our Quad Cities nuclear plant for the Higgins' eye, which is on the federal endangered species list. Preliminary data and field observations suggest that the mussel communities are stable and have not been adversely impacted by plant operations.

Photo by Tom Strelak / U.S. Fish and Wildlife Service

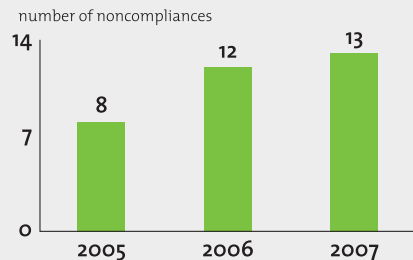
Exelon Notices of Violation (NOV) – Water



Exelon Nuclear received one NOV for exceeding the 12-month rolling average limit for total trihalomethanes for the drinking water at Clinton. PECO received one NOV for an unpermitted discharge from the wastewater treatment plant at Oregon Shop; this was also a permit noncompliance. No other Exelon business unit received water-related NOVs.

2006 NOVs increased from five to seven due to the inadvertent exclusion of NOVs for water management at Clinton.

Exelon Permit Noncompliances – Water



Exelon Nuclear had five: two at Limerick for exceeding the total suspended solids (TSS) limit for discharges from a water storage tank and its holding pond; two at Oyster Creek for exceeding the thermal discharge limits and for a dilution pump power supply failure; and at Peach Bottom for failing to submit an NPDES discharge monitoring report on time.

Exelon Power had five: two at Eddystone for an uncontrolled and unpermitted release of lube oil to the river and for release of wastewater and sludge; at Fairless for an unpermitted release of soft water and brine solution; at Cromby for failure to obtain a condenser discharge system sample; and at Conowingo for a sanitary system wastewater overflow.

ComEd had two at the Joliet Sewage Treatment Plant for exceeding NPDES permit limits for both Biological Oxygen Demand and TSS.

PECO had one at Oregon Shop for an unpermitted discharge from the wastewater treatment plant; this also resulted in an NOV.

In Illinois, Quad Cities is the only power plant on the upper Mississippi River to operate a fish hatchery. The facility produced more than 12,600 fingerling and yearling hybrid striped bass during the 2007 spawning season – successfully stocking them in the Mississippi River. With assistance from the Genoa Federal Fish Hatchery and Quad Cities’ staff, the hatchery also released more than 2 million walleye fry into the canal surrounding the station for fingerling production – yielding more than 235,000 advanced fingerlings for release into the Mississippi and Rock rivers.

Water Quality and Quantity

Exelon employs water in nearly all of its operations – from generating hydroelectric power to supplying employees in its offices. On average, Exelon uses approximately 8.5 billion gallons of water per day.

Regulatory matters took center stage in 2007, as the 2nd U.S. Circuit Court of Appeals rendered its long-awaited decision on the Phase II Rule of Section 316(b) of the Clean Water Act. This section requires that the location, design, construction and capacity of any cooling water intake structure at existing large power plants reflect the best technology available for minimizing adverse environmental impact – primarily the entrainment and impingement of aquatic species. Exelon supported the Phase II Rule that had been in effect since 2004.

The decision, known as Riverkeeper II, remanded significant provisions of the Phase II Rule to the EPA. The court invalidated both the use of restoration as a compliance option and site-specific variances based on cost-benefit analyses. As a result, the EPA formally suspended the Phase II Rule in July. Until the EPA finalizes the rule (which could take years), state permitting agencies will continue the current practice of applying their best professional judgment to address impingement and entrainment requirements at plant cooling water intake structures. Exelon will continue to participate in the regulatory process while meeting the conditions in its National Pollutant Discharge Elimination System (NPDES) permits until such time as new rules are issued.

In another challenging development, over 5,300 bluefish were killed by rapidly cooling water during a forced plant shutdown at Oyster Creek in December. Despite extraordinary efforts taken by the plant to prevent these deaths, the event marked the third loss of fish in the creek due to plant operations since 2004. The plant closely monitors its discharge temperatures in order to allow the fish to migrate out of the channel when necessary, but in this instance, cool ambient temperatures prompted the fish to stay put. AmerGen, a subsidiary of Exelon that operates the plant, is in the process of negotiating a settlement with the New Jersey Department of Environmental Protection (NJDEP).

Despite this event, through a coastal zone management agreement reached with the NJDEP, AmerGen will enhance habitats and recreational access in Barnegat Bay near the Oyster Creek facility. Planned improvements include granting public access to previously cordoned-off land (known as Finninger Farms) on which AmerGen will build a boat launch, a parking area and a nature center, as well as upgrade 5.4 miles of walking trails there. In addition, AmerGen will provide funding to restore approximately 100 acres of adjacent land by correcting tidal flows and removing invasive species to allow the salt marsh in the area to thrive, and restore 50 acres of clam beds in Barnegat Bay known as the Sedge Islands Marine Conservation Zone.

During 2007, Exelon obtained regulatory relief in Illinois from the thermal discharge limits imposed by its NPDES permits. Although the Illinois Environmental Protection Agency has granted provisional variances to deal with summer-related thermal discharge in four of the last five years, Exelon has only used the additional variance hours once (in 2006). Exelon is pursuing a permanent solution by performing thermal modeling and monitoring species in the Mississippi River to evaluate the potential impacts associated with implementing an adjusted thermal standard. Exelon is preparing a HCP in consultation with the USFWS.

In the winter months, the thermal discharge from our nuclear plants aids in addressing freezing conditions on the Kankakee River. The cooling pond at our Dresden station is a source of warm water provided to the Illinois Emergency Management Agency for use in preventing ice jams on the river. The warm water melts the ice – alleviating flood conditions and preventing the ice from being deposited on shore and damaging nearby homes.

In 2007, Exelon Nuclear also worked with stakeholders on the development of goals and principles for the Regional Water Supply Plan for northeastern Illinois. This work is being done under the aegis of the Regional Water Supply Planning Group, a representative body operating under the IDNR, to refine water-use policy in Illinois. The goal is to address both groundwater and surface water use in a way that will provide adequate and affordable water for all users, while supporting economic development, agricultural growth and the protection of natural ecosystems.

In Pennsylvania, Exelon initiated a number of projects that will help treat abandoned mine drainage and improve the overall quality of the Schuylkill River, which Cromby and Limerick use for water. As part of the most significant project, Exelon Power will work with the state to construct a mine drainage treatment facility. Together, these projects will prevent polluted surface water from the abandoned mines from discharging into the headwaters of the river.

Also in 2007, Exelon's relicensing team began the process of renewing the FERC licenses for Exelon's Conowingo Hydroelectric Project and Muddy Run Pumped Storage, both on the Lower Susquehanna River, which expire in 2014. The team is following FERC's integrated licensing process, which requires consultation with various stakeholders prior to the issuance of the license application. This public process has been designed to address operational, economic and environmental issues such as power generation, fish and wildlife resources, recreation and energy conservation. Exelon will file its license application in August 2012.

Exelon Nuclear's fleet-wide monitoring of tritium risk continued in 2007. The Radiological Groundwater Protection Program has sampled its monitoring wells twice since the fall of 2006 – identifying issues before offsite releases could occur. Each station has also reviewed the risk mitigation matrix developed in 2006 and has begun to monitor and mitigate major risk items.

Exelon made significant progress toward addressing the EPA's revised regulations related to the Spill Prevention, Control and Countermeasure (SPCC) program, which become effective July 1, 2009. All Exelon Nuclear and Exelon Power SPCC plans meet the revised regulations. PECO completed SPCC plans for 150 substations in 2007 (short of its internal goal of 172), and revised eight service building plans (which exceeded its goal). ComEd achieved its goal of completing 146 SPCC plans in 2007; all 775 of its substation SPCC plans are now complete.

As part of the SPCC review at our Peach Bottom nuclear plant, Bruce Wargo, environmental specialist/ chemist, earned the Chairman's Environment Performance Improvement and Operational Excellence Award for his efforts to improve spill prevention and control there. In addition to his regular duties, Bruce undertook a comprehensive study of the facility's spill hazards, identified a commercially available control measure, made the case for requisition, and supervised its installation on nine drains at the site.

Sustaining Future Environmental Leadership

Looking forward to 2008, Exelon will continue to generate sustainable value by launching a new low-carbon energy strategy that demonstrates an increased commitment to address the challenge of climate change. We will focus on expanding the renewable energy options we deliver. We will continue our drive to improve energy efficiency – both ours and our customers' – through increased conservation initiatives. We will work with business groups and government agencies to advocate and enact market-based solutions for addressing climate change. And we will continue to address ecosystems where we operate – all so that we can maintain the optimal balance between society's economic needs and its environmental responsibilities.



Sustaining a Healthy and Safe Work Environment

Sustaining a safety-driven workplace requires both diligence and engagement on the part of all Exelon stakeholders. We encourage these values in every aspect of our operations – from corporate governance to community outreach – by fostering dialogue about and sharing ownership of our safety policy and programs with those whom they affect most. These practices focus on the identification and control of workplace hazards to minimize risks. Through this culture of personal awareness, responsibility and accountability, Exelon pursues continuous safety improvement.

A Fallen Colleague

We begin our 2007 safety reporting on the most somber of notes: the loss of Dan Yost, an overhead electrician at ComEd. On Aug. 21, 2007, Dan was killed by an electrical contact while working as part of a three-man crew transferring a secondary conductor from an old pole to a new one in Lombard, Ill. Following this event, ComEd conducted a thorough review and implemented corrective actions that have improved safety processes going forward.

Dan's passing – along with our loss in 2006 of PECO lineman Michael Killian – provides a tragic reminder of the vigilance required to keep our employees safe. To underscore our commitment to preventing future tragedies and their wide-reaching impact, PECO is sponsoring the development of a children's playground in Michael's honor.

In addition, we also report with sadness that Exelon contractors suffered two fatalities – one working for PECO and the other for ComEd – in 2007. In each case, we analyzed the reasons for the fatality and implemented corrective actions both within ComEd and PECO as well as in how we work with contractors.

Safety Governance

Corporate Environment, Health and Safety (EH&S) partnered with Exelon's business units to assess the effectiveness of specific training programs in communicating safety awareness to employees. As a result of the assessment, Exelon will add general safety awareness information to each business unit's regular safety training and develop a general safety awareness training program for office workers in 2008.

In December 2007, Exelon implemented a corporate program for managing contractor safety. Developed by a cross-functional team led by EH&S, the plan responded to a 2006 assessment recommending that Exelon develop a single document describing the safety-related roles and responsibilities of the various groups involved in managing contractors.

Contractor Safety

With the tragedies that occurred fresh in mind, Exelon developed a long-term plan to address contractor safety. Key elements of this plan include increased oversight of contractors and other utilities that work on or near our facilities and are closely affiliated, as well as oversight and public outreach to contractors who are untrained and may work in proximity to our facilities.

PECO's U.S. Occupational Safety and Health Administration (OSHA) recordable incidence rate for contractor safety was 0.97 for 2007 – an increase from 0.76 in 2006. PECO expects that the long-term contractor safety plan it has implemented in response to the contractor fatality will strengthen every aspect of contractor safety management and yield improved performance going forward.

Contractors working for ComEd had an OSHA recordable rate of 0.77, an improvement over the 2006 rate of 0.89 and the lowest since ComEd began tracking contractor performance. To improve performance, ComEd developed a Web site to provide contractors with access to company procedures, safety alerts, field notes and training material. The company also conducted orientation sessions for select contractors and provided instructional materials regarding hazards. Finally, it enhanced its safety audit database to accept audits of contractors by ComEd personnel.

Exelon Power's OSHA recordable incidents for contractors declined modestly in 2007. This past year, Power reinvigorated its contractor safety council, which meets on a monthly basis with all key contractors and subcontractors. Power revised its contractor safety orientation process and issued a contractor safety pocket guide and site-specific "Greet Sheet," a document designed to quickly orient contractors to site-specific safety expectations. In addition, contract companies are encouraged to comment on new or changing Power procedures.

Achieving a new fleet record, Exelon Nuclear's contractors achieved an Industrial Safety Accident (ISA) rate – a nuclear industry metric used by the Institute of Nuclear Power Operations that is similar to the OSHA days away, restricted and transfer (DART) rate – of 0.24 for the year. This was the result of Nuclear's comprehensive contractor oversight program, which engages both contract workers and contracting companies.

Community Outreach

In addition to its robust complement of safety-focused direct mail, online and presentation campaigns, ComEd signed up more than 20,700 children as Exelon Safety Rangers. This free club teaches children of all ages about electricity and safety.

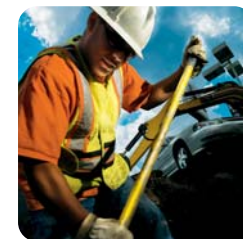
In 2007, PECO spent \$450,000 for community safety activities. This included over 130 safety presentations to local elementary schools, camps, scout troops, municipalities and public business fairs. These presentations reached over 5,000 people in the company's service territory.



For information on how electricity works and the principles of electrical safety, and to sign up to become a Safety Ranger: www.ceco.electricuniverse.com

Radiation Dose

In May 2008, Exelon Nuclear will submit its 2007 report of radiation dose to the public, which is monitored by the NRC and documented in each nuclear site's annual radioactive effluent release and radiological environmental operating reports. For 2006, Nuclear reported radiation dose to the public that was well below established regulatory limits. Based upon current data, Nuclear expects to report similar levels for 2007. Our reports are publicly available on the NRC Web site at www.nrc.gov.

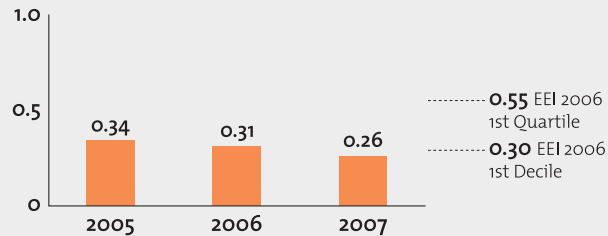


Exelon OSHA Recordable Incidence Rate



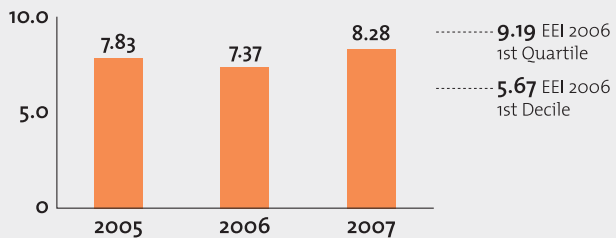
The number of work-related injuries or illnesses requiring more than first-aid treatment, per 100 employees.

Exelon OSHA Days Away, Restricted and Transfer Rate



The number of work-related injuries or illnesses that result in either days away from work, restricted work or transfer, per 100 employees.

Exelon OSHA Severity Rate



The number of days away from work, per 100 employees, as a result of work-related injuries or illnesses.

2006 severity rate increased from 736 to 737 due to the inadvertent exclusion of three lost work day cases by ComEd.

With regard to worker exposure to radiation, Exelon Nuclear in 2007 achieved a 26 percent reduction (as compared to 2006) in collective person rem (a unit of radiation dose). This reduction in collective worker exposure was achieved through various physical and process modifications to plant operations as well as through implementation of employee-led teams' recommendations to improve efficiency.



For a summary of performance indicators (including radiological effluents and occupational exposure control effectiveness) for Exelon and all regulated U.S. nuclear plants, see the NRC's "Reactor Oversight Process Performance Indicators Summary" at www.nrc.gov/NRR/OVERSIGHT/ASSESS/pi_summary.html

Performance

The only acceptable goals in a safety-driven workplace are zero accidents, injuries and fatalities. Despite our best efforts, Exelon fell short of these goals in 2007. In terms of corporate performance, Exelon experienced slightly more OSHA recordable incidents in 2007 than 2006, but fewer DART cases. While Exelon reduced its overall number of DART cases from 2006, there were 1,449 lost workdays – an increase of 168 from 2006. Despite the setbacks mentioned above, Exelon achieved first-decile performance for its OSHA recordable and DART rates and first-quartile performance for its injury severity rate when compared with data from the Edison Electric Institute's (EEI) Annual Safety Survey for companies of similar size. Exelon also reduced its number of responsible vehicle accidents (RVA), a measure of motor vehicle accidents determined to be caused by an Exelon employee, to 102 in 2007 – a steep drop from the 162 experienced in 2006.

At Exelon Nuclear, November marked the first time in company history that employees completed a 12-month period with just one ISA. Nuclear also set new fleet performance records by working 294 days without an ISA and 69 days without an OSHA recordable incident to an employee. Exelon Nuclear has reduced its ISA rate by almost 90 percent over the past five years. In addition, Peach Bottom employees completed their 10th consecutive year without a lost-time accident – extending their fleet record to over 15 million work-hours. Finally, Exelon Nuclear ranked first in the nation among all nuclear fleet operators with a rolling 24-month ISA rate of 0.06. Despite these successes, Nuclear sustained 24 OSHA recordable incidents during 2007 – up from 18 in 2006.

For the third year in a row, Exelon Power achieved top-decile performance (relative to its peer group reporting in the EEI Annual Safety Survey) for OSHA recordable incidence rate. 2007 saw a reduction in OSHA recordable incidents. Among its facilities, Mountain Creek Station suffered its first OSHA recordable incident since Exelon purchased the plant in 2002, while the Peaking Division has completed nearly four years without an OSHA recordable incident.

In 2007, ComEd surpassed its target goals for every major OSHA metric. The company's total of 73 OSHA recordable events for the year represents a 70 percent decrease over the past six years. ComEd's DART rate has decreased 88 percent over the same period. The company also reduced its RVA rate by 44 percent from 2006.

Elsewhere within Exelon, PECO achieved top-decile safety performance among its utility peers for its OSHA recordable incidence and DART rates. Increases in the number and severity of injuries, however, have caused concern. This has resulted in a renewed effort to re-engage all employees in preventing accidents. EBSC showed a reduction in injuries in 2007 from 2006 – thanks in part to exceptional efforts like those of their Supply team at Peach Bottom, which completed its 13th year without an OSHA recordable incident.

Employee Engagement

Exelon sustains its safety-driven culture by engaging our employees directly in the design and implementation of our workplace safety programs. Such efforts took place across the company's business units in 2007.

Responsiveness proved decisive at Exelon Nuclear this past year when the company's OSHA recordable incidence rate began to outpace its 2006 numbers by spring. After recognizing the spike, Nuclear responded in June by implementing a "focus area of the week" safety program, which brought Nuclear's recordable rate in line with 2006 performance at mid-year and helped reduce the number of injuries going forward.

In February 2007, Exelon Power rolled out its Recognize & Award Performance to Optimize Results (RAPTOR) program to help identify and correct safety hazards and unsafe behaviors before they become safety incidents. The employee-developed program helped Power to lower its number of DART and first aid cases, and created a buzz throughout the fleet by providing a means for employee recognition and by generating more participation than previous programs.

In 2007, ComEd maintained its executive, regional and local safety councils while also continuing its Target Zero program to develop department-specific plans to improve safety performance. In November, the company instituted a Safely Home for the Holidays campaign that focused on keeping employees injury-free to enjoy the holiday season at home with their families. As a result of this campaign, ComEd experienced its lowest injury rate on record for the holiday season.

In October, PECO and Local 614 of the International Brotherhood of Electrical Workers launched a multi-tiered structure – including local, regional and executive safety councils – whose purpose is to help resolve safety issues within the company. In addition, the company launched a cultural initiative to cultivate a safer, more constructive and performance-driven work environment. PECO also continued to implement its Target Zero program, which focuses on accident prevention activities that are positive, proactive and designed to target the underlying causes of failure.

At EBSC, members of the Safety Council began conducting more field observations to ensure that crews are following proper safety procedures, as well as to identify issues that may need to be addressed through coaching, peer learning or organizational awareness. As part of the process, employees have been invited to share their knowledge and experiences in accident prevention more openly.

Sustaining Health and Safety into the Future

Looking forward to 2008, Exelon will continue to pursue safety programs that heighten employee and contractor awareness of risks and provide the knowledge and training necessary to adequately assess and mitigate those risks. Working with government and civic groups, we will assess outside threats to our employees, our operations and the public, and take appropriate action to protect against such threats. Due to the essential nature of the services that we provide, we will continue to develop and adjust our series of business continuity plans, which are designed to ensure that we can "keep the lights on and the gas flowing" in the event of a natural disaster or national emergency. And we will renew our vigilance in driving toward a workplace with zero accidents, injuries and fatalities – which remains the only acceptable goal.

safetalk

Protecting Utility Workers

ComEd worked with Illinois state legislators to enact the Utility Worker Protection Law, which defines threats and attacks on utility workers as "aggravated" offenses subject to five- to 10-year jail terms. In response, ComEd President and COO J. Barry Mitchell said, "This law sends a strong message that our front-line employees deserve the same level of safety consideration and protection as other first responders like firefighters when doing their jobs."

Strengthening Security from Within

Plant security remains one of the most critical components of Exelon's safety-driven culture – and thus the subject of continuous internal evaluation. That's why the company acted swiftly in September to evidence of lapses in on-the-job attentiveness by contract security personnel at our Peach Bottom nuclear generating station. While this behavior did not threaten public safety, it was nonetheless unacceptable and prompted Exelon Nuclear to terminate its contract at Peach Bottom with Wackenhut Nuclear Services (the guards' employer) as well as launch a comprehensive assessment of the security environments at all 10 of the nuclear plants we operate, which were also served by Wackenhut at the time.

While the assessment found no significant deficiencies beyond those at Peach Bottom, Exelon concluded that an in-house security force provides the best solution for meeting the facilities' future security requirements. Accordingly, the company dismissed Wackenhut and created Exelon Nuclear Security LLC in December 2007.

Exelon began taking over security responsibilities from Wackenhut in February 2008. Exelon expects no lapses in security during the coordinated transition, as the security officers – many with backgrounds in the military and law enforcement – are highly trained and have specialized skills.



Sustaining Strong Communities

Vibrant and successful communities fire on many cylinders: volunteerism, diversity, arts and culture, economic development, reliable infrastructure. Each, however, is sustained by a common source: a skilled and educated workforce. That's why Exelon has invested nearly \$13 million over the past three years and since 2006 has dedicated more than 17,000 volunteer hours to enhance the quality of education available, provide enriching experiences, and encourage students in the communities we serve to stay in school. In 2007, the White House recognized our commitment to the latter by honoring The Exelon-United Way Stay in School Initiative with its Ron Brown Award for Corporate Leadership (shown here).

Emphasis on Education

Exelon believes that educational achievement provides the difference between economic isolation and opportunity for all citizens. Yet in Chicago's public schools, nearly half of all freshmen were not making it to graduation day. To reverse this trend, Exelon partnered with the United Way of Metropolitan Chicago (UWMC) in 2004 to launch the Stay in School Initiative.

With assistance from three community agencies (B.U.I.L.D., Centers for New Horizons and Youth Guidance), Stay in School delivers a comprehensive menu of programs for students and their families. It involves parents directly, coordinates program elements with participating schools, and provides a range of services from intervention outreach, after-school tutoring, study groups and social services to the development of problem-solving, communication and relationship-building skills. The goal of this comprehensive effort is to enable students to develop the skills to compete for 21st-century jobs.

This past year, the UWMC issued its first-ever report card measuring the program's impact on those students who are accessing its broadest range of services. Over the last four years, 85 percent of core participants earned diplomas or GEDs – compared with the city-wide average of 54 percent. Three-quarters of core participants achieved a 90 percent attendance rate (a key predictor of graduation likelihood), while 92 percent earned promotion to the next grade level. During this same four-year period, Exelon has invested \$1 million in the program and our employees have provided 2,000 hours of direct student mentoring.

The Stay in School Initiative serves as just one spoke in Exelon's commitment to enhancing education opportunities in our service territories. In August 2007, the company helped welcome the first-ever class of students – 150 in all – to the newly built Rowe-Clark Math & Science Academy. The high school, which is part of the Noble Street Charter School network, offers intensive and advanced instruction in mathematics and science. Founded to encourage students to pursue college majors and careers in science and engineering, the academy also offers after-school and summer programs to local junior high students.

To generate interest in the field of nuclear science and technology, Exelon Nuclear sponsors a chapter of the North American Young Generation in Nuclear (NA-YGN) organization. At work, the NA-YGN provides support for career and personal development to employees new to the nuclear business. Our NA-YGN members support communities near our nuclear generating stations by judging science fairs, teaching grade-school students about energy, and helping Girl and Boy Scouts earn merit badges. In addition, these young professionals help to develop the nuclear industry's future workforce by performing an active role in our recruitment process.

In 2007, Exelon Power and Exelon Nuclear created an arrangement with Delaware County (Pa.) Community College under which the college will teach the basic skills needed to work in the company's power plants. Exelon Nuclear also sponsors a technical training program along with scholarships for radiation technicians at Linn State Technical College in Missouri. To encourage more women to consider careers in science and engineering, this year Exelon Power created a scholarship for a summer program at Widener University in conjunction with the Society of Women Engineers.

In Illinois, ComEd continued its efforts to engage students in math and science programs and careers. For the second year in a row, ComEd partnered with the Lake County Forest Preserves to sponsor Science First. Through this four-week summer program, at-risk students in grades seven through nine had the opportunity to experience hands-on learning in environmental science. The program provided presentations and field work in the areas of wildlife biology, environmental education and horticulture – ranging from testing water quality to touring a seed nursery. The curriculum also introduced the students to the many careers related to natural science.

PECO's education grants support programs, like FIRST Robotics, that encourage young people to pursue studies in science and technology. The company also supports after-school education programs like Lighting the Way in partnership with the United Way and the After School Activities Partnerships. These programs provide a safe haven for students while motivating them to stay in school and improve their study skills. To encourage students from low-income families to attend college, PECO provides grants to various scholarship programs including ASPIRA, the United Negro College Fund and Philadelphia Futures.

In all, Exelon contributed \$4.1 million to educational efforts in 2007, which is just a portion (20 percent) of our total corporate giving for the year. Through our Energy for the Community program, we gave more than \$21 million through almost 3,000 grants to nonprofit organizations in the areas of education, environment, arts and culture, and neighborhood development. Nearly 1,900 employees logged more than 33,000 hours of community service on environmental projects, United Way volunteer activities, student mentoring and recognition programs, cause-related walks and races, and renovation and refurbishing projects in our neighborhoods through www.VolunteerMatch.org. The following pages provide some insights into the sustainable value created through this giving of time and money.



To find out where you might volunteer in your community:
www.VolunteerMatch.org





Energizing Young Minds for Renewables

Exelon Power will soon generate educational opportunities as well as electricity from a landfill. Power will open the Exelon Renewable Energy Education Center at its Fairless Hills power plant in Bucks County, Pa., in 2008 (rendering above). The center will provide local students with an up-close look at how the plant converts methane gas, a by-product from the adjacent landfill owned by Waste Management, into electricity.

Using state-of-the-art interactive exhibits, visitors will learn about plant processes, as well as other renewable energy sources such as wind, solar and hydropower. The center also will explain the environmental benefits of energy conservation and provide practical tips for reducing electric consumption and increasing recycling.

The education center has designed its field trip experiences to align with the Pennsylvania Department of Education's standards concerning the environment and ecology for students in grades four through eight. The education center will feature an eight-station computer lab, an experimentation lab for group exercises, and a 60-person classroom/multimedia presentation area.

Along with class trips, the education center also expects to host troops of Boy Scouts and Girl Scouts, high school environmental and science clubs, teacher certification programs, and workshops.

The Environment

In 2007, Exelon put more than \$1 million, or 5 percent of our total contributions, toward working with government and civic groups to provide sound environmental stewardship and educate the public on environmentally friendly behaviors.

At the corporate level, Exelon sponsored the 2007 Chicago Humanities Festival, themed "The Climate of Concern," as part of our commitment to working with local government to promote energy efficiency. Chicago's chief environmental officer, Sadhu Johnston, recognized Exelon's leadership on climate change when he shared his inspiration for creating Chicago's environmental strategy.

Inspiration has also driven Gregg Vines, a chemical technician at Handley Generating Station, to coordinate Earth Day trash clean-up efforts on Lake Arlington (in Texas) for the past two years. Taking the initiative, Gregg reached out directly to local officials from Arlington, Fort Worth and other area communities, the Arlington Lake Patrol, and the Tarrant County Regional Water District to coordinate the events, which Exelon Power sponsored exclusively. These efforts earned Gregg the Exelon Corporation 2007 Chairman's Environmental Stewardship Award.

Exelon Nuclear undertook a five-year demonstration project, conducted in cooperation with the Delaware River Basin Commission, to allow Limerick Generating Station to pump water from the Wadesville Mine and Still Creek Reservoir when the temperature or flow limits preclude withdrawals from the Schuylkill River. The savings generated from using these alternate sources for the plant's cooling water enabled Nuclear to partner with the Schuylkill River Greenway Association to establish the Schuylkill River Restoration Fund. In just two years, Exelon has contributed \$429,000 to the fund.

As part of its ongoing commitment to inform customers that energy efficiency not only lowers bills but also respects the environment, ComEd reached out to teachers in northern Illinois during 2007 to provide them with conservation and efficiency-focused instructional materials. The company also partnered with Keep Chicago Beautiful (KCB), which develops grassroots programs to teach residents about the impacts of their actions on community health, to design curriculum on solar energy and other renewables. During the course of 2007, KCB brought together 150 teachers at workshops to share curriculum and in-classroom tips on how to engage students on conservation and environmental issues.

ComEd also supports the Morton Arboretum in Lisle, Ill. The arboretum celebrates nature, gardening and tree planting with activities, programs, tours, walks and themed events. These interactive programs aim to increase appreciation for the diversity, wonder and beauty of nature.

In Pennsylvania, the PECO Green Region program has awarded \$250,000 in grants since its inception to help protect and preserve open space in southeastern Pennsylvania. Working with Natural Lands Trust, a respected environmental partner, PECO has developed a program that can be used with other funding sources to pay for environmental assessments, land surveys, habitat improvements and other project costs associated with open space initiatives.

PECO has also been a major partner in the Pennsylvania Department of Conservation and Natural Resources' TreeVitalize program, which seeks to replace millions of trees lost to commercial and residential development. In the environmental education area, PECO supports a number of organizations that serve as major resources for their communities, including the Schuylkill Center for Environmental Education and its educational partner, Green Woods Charter School; Green Valleys Association in Chester County; and Churchville Nature Center in Bucks County, which received a major grant for incorporating "green design" features in the expansion of its facilities.

Arts and Culture

Exelon's energy for arts and culture led to over \$5 million in contributions during 2007, accounting for 24 percent of its total give for the year.

In 2007, Exelon partnered with the Chicago Department of Cultural Affairs, the Field Museum and an individual activist to mount the "CoolGlobes: Hot Ideas for a Cooler Planet" exhibit. Placed in parks and avenues throughout the city, the exhibition's 70 globes (each measuring 5 feet in diameter) educated Chicagoans about their imprint on climate change by illustrating ideas for addressing this pressing environmental challenge.

Exelon Power spread its cultural giving across a number of initiatives in 2007. For the second consecutive year, Power sponsored an exhibit at the Amon Carter Museum in Fort Worth, Texas. This year's exhibit, "Accommodating Nature," featured the work of Frank Gohlke, a native Texan and one of America's leading landscape photographers. For more than 30 years, Gohlke has taken photographs that depict how Americans build their lives within a natural world that rarely matches the pastoral ideal.

Exelon Power also provided support to activities near its headquarters in Kennett Square, including the region's symphony orchestra, the Delaware Museum of Natural History and the Brandywine Conservancy. Power also continues to support the Havre de Grace Maritime Museum, which is located where the Susquehanna River meets the Chesapeake Bay (near the Conowingo Hydroelectric facility), and the Oak Cliff Coalition for the Arts in Texas.

2007 saw ComEd continue its 15-year partnership with the Discovery Center Museum in Rockford. Attendance at the museum, which offers 250 interactive exhibits that teach visitors about science and art, grew from 213,000 in 2006 to 239,000 in 2007. The Discovery Center also offers live science shows, focused field trips and outreach programming to educate the general public, schools and youth groups about science and electricity.

"Through the years ComEd has generously supported our nonprofit hands-on science museum. ComEd's continued commitment ensures that our community has a place where children can play, explore and create. Every day both children and adults benefit from the ComEd Powerhouse Exhibit by exploring lightning, static electricity, polarization and other interesting facts about energy." Sarah Wolf, executive director, Discovery Center Museum.

ComEd also sponsored the Chicago Symphony Orchestra's "Classical Tapestry" series, which is designed for African-Americans and showcases programs with contemporary American sounds and rhythms. Each performance in the series offers a pre-concert reception where attendees can mingle, enjoy free hors d'oeuvres, listen to a lecture from local radio personality Richard Steele, and participate in a question-and-answer session with guest performers.

Through its giving, PECO focuses on increasing access to arts and culture for nontraditional audiences. The company distributes tickets for the events it sponsors to schools, senior centers and community organizations. For example, the PECO Power Hour underwriting program provides unsold tickets for the world-renowned Philadelphia Orchestra's performances for \$10 each.

In 2007, PECO continued its support of performing and visual arts organizations, which collectively have a \$1 billion impact on the regional economy. Highlights included PECO's sponsorship of "Tutankhamun and the Golden Age of the Pharaohs" at the Franklin Institute, which attracted over 1 million visitors; and continuing support for the PECO Multicultural Series at Penn's Landing. The company is also the principal corporate sponsor of the Greater Philadelphia Cultural Alliance's 5 County Arts Fund, which makes grants to individual artists and developing organizations.

Shooting for the Moon

ComEd has supported the Adler Planetarium in Chicago for more than 20 years, but the partnership reached new heights in 2007 through the ComEd-sponsored "Shoot for the Moon" exhibit and essay contest. To encourage students to think about careers in space exploration, ComEd and the Adler asked junior-high students to write about what job they would want to do on a space mission and why. More than 1,000 students sent essays, with ideal jobs ranging from aerospace engineers to spacesuit fashion designers. Kayla Ladner (shown below receiving her prize from former astronaut Capt. James Lovell), an eighth-grade student at St. Angela on Chicago's West Side, wrote the winning essay about being a nutritionist for NASA and won a trip to Space Camp* at the U.S. Space and Rocket Center in Alabama.

"When we opened Shoot for the Moon, the Adler's goal was to educate young people about space exploration and encourage them to imagine what part they will play in future missions," explained Dr. Paul H. Knappenberger Jr., president, Adler Planetarium. "The tremendous response by these students is very gratifying and makes us committed to our mission - inspiring the next generation of explorers. We are grateful to our sponsor ComEd and our outstanding panel of judges for their dedication to and support of our mission."

"I had a wonderful experience at Space Camp," said Kayla. "I learned what it takes to be an astronaut."





Empowering Young Women in North Philly

When it comes to role models for young women, few surpass Dawn Staley (far right above): Olympic gold medalist, former WNBA star, women's basketball coach at Temple University, philanthropist. That's why PECO has been a proud supporter of the Dawn Staley Foundation in North Philadelphia. The organization has helped more than 600 young women (ages 11 to 18) from low-income communities realize their full academic, social and physical potential.

The foundation provides program participants with computer and reading skills training at the PECO Readiness Lab, homework assistance, mentoring, tutoring, field trips, health and fitness workshops, and community outreach projects. Programs run each day from after school to early evening – providing a safe haven when young people need supervision most.

During the 2007 school year, students in the program improved their math, science and English grades by 50 percent or more while doubling their reading proficiency. School attendance also rose significantly.

"A nurturing and safe environment can open up a world of opportunities for young people," said PECO Contributions Manager Wade Colclough.

At its 10th annual gala, the foundation presented PECO with its Outstanding Corporate Sponsor Award in recognition of its volunteer and funding support.

Neighborhoods

In 2007, Exelon directed 51 percent, or close to \$11 million, of its total giving to sustain the health and vitality of the neighborhoods we live in and serve.

Exelon helped kick off the AIBA World Boxing Championships in Chicago this past year by sponsoring a dynamic light show at the event's opening ceremony. Using the Field Museum as a backdrop, the light show employed technology never used before in the U.S. and presented the visual history of Chicago and its ties to the sport of boxing. The event served as a first step in the city's plan to drive economic development through its pursuit of the 2016 Olympics.

Exelon Nuclear continued its commitment to keeping the community informed through its "open-door" initiatives, which include community information nights, a community speaker's bureau, personal outreach to key stakeholders, contributions and sponsorships within plant communities, and a site tour program. In place at all 10 stations, Nuclear's tour program escorts community groups, news media and elected officials on plant walk-throughs. By demonstrating each station's extensive security measures, creating personal connections with plant employees, and explaining plant operations, Nuclear aims to demystify nuclear energy.

For the sixth consecutive year, Braidwood Generating Station sponsored the Fishing for a Cure tournament at Braidwood Lake in Illinois. In all, 146 fishermen cast their lines in the contest, raising an event-record \$21,400 for Citizens United for Research in Epilepsy. 2007's event was held in memory of Braidwood employee Brian Daniels' daughter, Ashlyn, who suffered from epilepsy.

At Exelon Power, Eddystone Generating Station donated coats and gloves to every child at Eddystone Elementary School in Delaware County, Pa., this winter. The donation prompted over 20 children to send personal thank-you letters. The station also provided financial assistance to several families during the Thanksgiving season.

This past summer, ComEd sponsored the Chicago Public Library's 30th Summer Reading Program for children as well as programs exploring Chicago's history. Months later, ComEd supported holiday lighting festivals – from the Brookfield Zoo to Rockford, including ZooLights at Chicago's Lincoln Park Zoo and Winter Wonderfest at the Chicago Botanic Garden – while promoting energy efficiency. At Wonderfest, ComEd highlighted the environmental and financial benefits of the energy-efficient light-emitting diode (LED) lights, which were used for the first time in the event's history. At ZooLights, the first 500 people to bring in two sets of incandescent holiday lights could exchange them for two free sets of LED lights. ComEd also offered a \$2 discount on each set of LED lights purchased at the company's online store.

PECO logged an exceptionally active 2007 within its communities. The company paired with colleagues at Exelon to support the Mantua Community Center, which was founded by Exelon's Richard Purdie (who earned Exelon's Outstanding Volunteer award in 2007). PECO and Exelon employees "adopted" the center, which is the only educational and recreational facility in one of Philadelphia's most underprivileged neighborhoods, and participated in several volunteer renovation projects, including the United Way's Day of Caring. The company also partnered with the Philadelphia Corporation for Aging on the "Seniors Celebrate the Arts" exhibit, a senior wellness day at the Philadelphia Zoo, and the distribution of electric fans during a summer heat alert. Working with the Philadelphia district attorney's office, PECO continued its support of Urban Genesis, a crime- and drug-free program that provides at-risk youth with positive lifestyle and career alternatives.



For more regarding Exelon's Energy for the Community program and to apply online for charitable funding from Exelon: www.exeloncorp.com/corpresponsibility/community

Diversity

At Exelon we value diversity and inclusion on our board of directors, in the workplace, and in our external relationships with suppliers, civic and community organizations, and customers. This commitment was recognized in 2007 when Black Enterprise magazine named Exelon as one of its 40 Best Companies for Diversity; Latin Business magazine named Exelon to its Corporate Diversity Honor Roll; and the Chicago Council on Urban Affairs awarded Exelon its Corporate Diversity Award.

“This year, we weighed senior management diversity and supplier diversity more heavily because we believe those are the two biggest factors in terms of impact. Companies had to do well across the board to make the list, and Exelon did extremely well in senior management.” Alfred Edmond Jr., editor-in-chief, Black Enterprise.

In 2007, Exelon’s corporate diversity and recruiting organizations established two roles that are jointly accountable for designing and implementing diverse-talent recruiting strategies. We continued diversity-awareness education by completing diversity workshops with 100 percent of the craft employees at ComEd and PECO. To enhance retention, we continue to support our employee networks for female, African-American, Asian-American, Latino, gay, lesbian, bisexual and transgender employees. Through the PECO Pipeline program, we work with community partners like Congreso de Latinos Unidos and the Greater Philadelphia Urban Affairs Coalition to encourage minority candidates to train and apply for operations and customer service positions.

Exelon’s Diverse Business Enablement initiative focuses on building relationships with certified businesses owned by minorities and women. In 2007, the company purchased \$476 million in goods and services from these diverse suppliers – representing a 40 percent increase from 2006 and constituting more than 8 percent of all our purchases. We also have targeted programs focused on the inclusion of diverse suppliers in professional-service categories. By the end of 2007, the company’s legal department had increased its annual spend with law firms certified by Minority and Women Business Enterprises (MWBE) by 145 percent since the program’s inception in 2005.

During 2007, Exelon also committed nearly \$250 million in funding to four additional minority investment managers, bringing assets under management with minority firms to \$625 million or about 5.5 percent of applicable trust assets – up from approximately \$350 million at year end 2006. We were grateful to be awarded the 2007 Corporation of the Year (for top large corporation supplier diversity program) by both the Chicago and Philadelphia regional affiliates of the National Minority Supplier Development Council.

In an effort to spur both diversity and community economic development, Exelon Generation and PECO each renewed credit agreements totaling \$50 million with minority and local banks in their service territories, while Exelon expanded its depository program with minority and local banks to \$18.5 million.

Finally, Exelon maintained its commitment to civic and social diversity through active participation on the boards of numerous diversity-focused organizations, including the Equal Employment Advisory Council, the National Urban League, the Chicago Urban League, the Spanish Coalition for Jobs and Chicago United.

“We simply cannot realize our ambition to be the best electric and gas company in the country unless an inclusive culture is fundamental to our value proposition. It’s why Exelon’s workforce is diverse from our front line to our senior management. We also ensure supplier diversity – thereby making a significant impact on the economic development of our communities.” Peggy Davis, Exelon vice president, Diversity.

Giving: It’s the Law For Legal

In recognition of our legal department’s commitment to providing free legal services, the American Bar Association Section of Litigation honored Exelon with its 2007 Pro Bono Award. This award recognizes corporate law departments that provide exemplary free legal services to the poor and, by example, encourage greater corporate pro bono service. “As attorneys, we’re in a unique position to give back to the communities in which we live and work,” said Yuri Mikulka, the ABA’s co-chair of the Committee on Corporate Counsel. “We are very impressed by the commitment to pro bono and public service shown by the legal team at Exelon.”

In 2007, Exelon also received the Association of General Counsel (the world’s largest organization of in-house counsel) Pro Bono Award as the best program in the nation and the Louis J. Goffman Award from the Pennsylvania Bar Foundation as the best pro bono program in the state. Our pro bono services were provided in conjunction with organizations including the Center for Disability and Elder Law in Chicago, the Support Center for Child Advocates in Philadelphia, Chicago-based Family Rescue Inc., the Homeless Advocacy Project in Philadelphia, the SeniorLAW Center in Philadelphia, the Midwest Immigrant & Human Rights Center, and the Spanish Coalition for Jobs.

Below, Bill Von Hoene, Exelon executive vice president and general counsel, talks with students at Cuffee Public School about the legal profession.



Exelon Corporation

(\$ million, unless otherwise stated)

	2005	2006	2007
For Governments			
Income Taxes, Federal and State	994	1,206	1,446
Property Taxes	121	154	139
Payroll Taxes	103	106	108
Utility Taxes	477	484	527
Other Taxes	27	27	23
For Community			
Contributions	24	34	71 ⁽¹⁾
Employee Volunteerism (hours)	not tracked	~30,000	33,403
For Suppliers			
MWBE Spend	252	341	476
MWBE Managed Assets	170	350	625
For Shareholders			
Annual Dividend Per Share (\$) ⁽²⁾	1.60	1.60	1.76
Share Buyback (millions of shares)	6.8	3.2	15.7
Diluted Earnings Per Share (\$)	1.36	2.35	4.05
Total Return (%) (Stock Appreciation plus Dividend Reinvestment)	24.6	19.8	35.1
Share Price (\$)			
At Dec. 31, 2007	53.14	61.89	81.64
Range during the year	41.77– 57.46	51.13– 63.62	58.74– 86.83
For Employees and Retirees			
Payroll	1,970	2,038	2,236
Health Benefits	218	223	240
Pension and Other Postretirement Benefits	222	258	320

Notes:

(1) Includes \$50M funding of Exelon Foundation

(2) On Dec. 19, 2007, Exelon announced a dividend increase to \$2 per share for 2008

Economic Development

In Philadelphia, PECO's economic development department started a business retention program in 2007, targeting large commercial and industrial customers that are considering relocating or expanding and offering them customized information services and confidential site selection assistance. In a major success, PECO worked with a variety of stakeholders to help influence Unisys, a large information-technology service provider, to relocate to Philadelphia's Center City district. PECO also successfully identified a development site in Montgomery County for Almac, a pharmaceutical company that decided to consolidate two divisions already in the region and transfer three more from the United Kingdom. PECO is a charter sponsor of Select Greater Philadelphia, which markets the Greater Philadelphia region to businesses seeking to relocate or expand.

In northern Illinois, ComEd continued its business outreach and retention program, which it runs in conjunction with local municipalities and economic development organizations to help preserve jobs and spur investment. ComEd also played a key role this past year in attracting a 550,000-square-foot Microsoft data center to the Chicago area. This state-of-the-art facility, which is being developed by Ascent Corporation and The Koman Group, will implement several energy-efficient technologies and will ultimately become one of ComEd's largest customers. Finally, the Metro Economic Growth Alliance of Chicago, a new regional economic development organization that ComEd helped to develop, received an endorsement from the Metropolitan Mayors Caucus, an organization representing 275 municipal elected officials in Chicago and its suburbs.

Reliable Service

In July 2007, ComEd and Exelon Generation, Illinois policymakers, and other stakeholders settled a long-standing debate over the most effective way to serve customers after the expiration of a 10-year rate freeze. The resulting legislation provides \$1 billion in statewide rate relief over three years, promotes a competitive market structure and customer choice, and supports the launch of a new portfolio of environmental programs in the summer of 2008.

Since 2000, ComEd has invested nearly \$6 billion – more than \$1 billion in 2007 alone – to expand, upgrade and maintain the reliability of its system. Despite the most active storm year in a decade, ComEd's outage frequency improved by 6 percent over the previous year, while outage duration improved by 7 percent. In January 2008, the EEI honored ComEd with the association's Emergency Recovery Award for outstanding efforts to restore power following an August 2007 storm, the most damaging ComEd has seen in 10 years.

PECO invested \$700 million in system improvements and new technology as part of its 2007 capital investment plan, an increase of 13 percent over 2006 investments. In terms of performance, PECO responded to 23 percent fewer outage events in 2007, while the number of customers affected by outages declined by 25 percent. For those affected, sustained outages lasted an average of 106 minutes, compared with an average of 135 minutes during 2006. The typical customer experienced only one service interruption in 2007 – down from an average of 1.33 interruptions in 2006.

Sustaining Thriving Communities into the Future

Already, Exelon has taken steps to expand our Stay in School Initiative beyond Chicago to communities like Rockford and Freeport in Illinois, as well as to the Philadelphia area. We look forward to enhancing our community commitment through the Exelon Foundation, which we funded in 2007 with \$50 million and whose mission will focus on environment, education, diversity and tolerance.

Appendix: Exelon Electric Generation by Major Station ^{1,7}

Circles refer to plant locations (map inside back cover)

Fossil and Renewable	CAPACITY [MW] ²	GENERATION [MWh] ³			EMISSIONS [tons]		
		2005	2006	2007	2005	2006	2007
Conemaugh [New Florence, Pa.] ¹⁵ 2 coal units (baseload), SO ₂ scrubbed. Data reflect Exelon Generation's 20.72% plant ownership.	352	2,681,176	2,960,319	2,683,593	SO₂ 1,487 NO_x 4,074 CO₂ 2,612,601	1,665 4,842 2,898,948	1,406 4,170 2,512,503
Cromby [Phoenixville, Pa.] ¹⁶ 1 coal unit (intermediate), 1 oil/gas steam unit (intermediate). Coal unit utilizes SO ₂ scrubber and SNCR NO _x reduction technology.	345	1,010,799	733,272	831,079	SO₂ 4,990 NO_x 2,105 CO₂ 1,221,416	3,613 1,693 970,953	3,445 1,972 1,061,525
Eddystone [Eddystone, Pa.] ¹⁷ 2 coal units (intermediate), 2 oil/gas steam units (intermediate). Coal units utilize SO ₂ scrubbers, SNCR NO _x reduction technology and low NO _x burners with separate overfire air.	1,348	3,748,334	2,925,962	2,960,675	SO₂ 8,675 NO_x 6,378 CO₂ 4,617,722	6,494 5,409 3,720,295	6,864 5,453 3,855,827
Fairless Hills [Falls Township, Pa.] ¹⁸ 2 landfill gas units (peaking).	60	237,821	236,938	248,759	SO₂ 56 NO_x 54 CO₂ 200,162	207 58 201,301	58 57 207,102
Handley⁵ [Fort Worth, Texas] ²⁵ 3 gas steam units (2 peaking and 1 intermediate). Units 3, 4 and 5 utilize SCR NO _x reduction technology.	1,265	803,986	715,028	263,530	SO₂ 3 NO_x 56 CO₂ 654,284	3 57 564,301	2 22 216,619
Keystone [Shelocta, Pa.] ¹⁹ 2 coal units (baseload), SCR NO _x reduction technology. Data reflect Exelon Generation's 20.99% plant ownership. SO ₂ scrubbers planned for 2009.	357	2,827,950	2,671,192	2,576,600	SO₂ 37,523 NO_x 2,938 CO₂ 2,718,347	34,497 2,684 2,575,707	35,910 2,575 2,497,520
Mountain Creek⁶ [Dallas, Texas] ²⁷ 3 gas steam units (2 peaking and 1 intermediate). Units 6 and 7 utilize induced flue gas recirculation technology. Unit 8 utilizes SCR NO _x reduction technology.	805	660,123	530,147	378,202	SO₂ 2 NO_x 97 CO₂ 489,586	2 82 377,003	2 32 280,522
New Boston [South Boston, Mass.] ¹¹ 1 gas steam unit (intermediate). Unit deactivated in 2007.	355	246,860	211,461	13,259	SO₂ 1 NO_x 132 CO₂ 163,798	1 115 138,129	0 8 8,987
Schuylkill [Philadelphia, Pa.] ²³ 1 oil steam unit (peaking).	166	129,260	27,204	76,976	SO₂ 359 NO_x 180 CO₂ 140,475	95 43 32,445	221 101 81,024

¹ Owned generation as of 12/31/07. Table does not include station auxiliary equipment or peaking combustion turbines.

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

³ Net generation available for sale.

⁴ All nuclear stations are boiling water reactors except Braidwood, Byron, Salem and Three Mile Island, which are pressurized water reactors.

⁵ Handley Units 1 and 2 were deactivated in 2005. These units represented a combined 125 MW of capacity.

⁶ Mountain Creek Units 2 and 3 were deactivated in 2005. These units represented a combined 103 MW of capacity.

⁷ Information on all U.S. generation plants can be found in EPA's Emissions & Generation Resource Integrated Database (eGRID) at www.epa.gov/cleanenergy/egrid/.

Appendix (continued)

Circles refer to plant locations (map inside back cover)

	CAPACITY [MW] ²	GENERATION [MWh] ³		
		2005	2006	2007
Hydroelectric				
Conowingo [Harford County, Md.] ⁹ 11 units (baseload).	548	1,689,863	2,086,191	1,629,690
Muddy Run [Lancaster, Pa.] ²¹ 8 pump storage units (intermediate).	1,070	1,692,194	1,707,254	1,812,589
Nuclear⁴				
Braidwood [Braidwood, Ill.] ¹ 2 units (baseload).	2,360	19,796,383	19,570,534	19,657,849
Byron [Byron, Ill.] ² 2 units (baseload).	2,336	19,110,755	19,475,771	18,852,767
Clinton [Clinton, Ill.] ³ 1 unit (baseload).	1,048	8,692,069	8,232,304	9,250,608
Dresden [Morris, Ill.] ⁴ 2 units (baseload).	1,742	13,622,452	14,445,148	14,530,781
LaSalle County [Seneca, Ill.] ⁵ 2 units (baseload).	2,288	18,713,185	19,107,811	18,980,136
Limerick [Limerick Township, Pa.] ²⁰ 2 units (baseload).	2,302	18,910,473	19,197,193	19,053,534
Oyster Creek [Forked River, N.J.] ¹⁵ 1 unit (baseload).	625	5,374,942	4,644,576	5,077,932
Peach Bottom [Peach Bottom Township, Pa.] ²² 2 units (baseload). Data reflect Exelon Generation's 50% plant ownership.	1,135	9,196,478	9,466,339	9,449,091
Quad Cities [Cordova, Ill.] ⁶ 2 units (baseload). Data reflect Exelon Generation's 75% plant ownership.	1,303	9,989,045	10,017,963	10,842,657
Salem [Hancock's Bridge, N.J.] ¹⁴ 2 units (baseload). Data reflect Exelon Generation's 42.59% plant ownership.	981	7,774,880	8,225,196	8,018,803
Three Mile Island [Londonderry Township, Pa.] ²⁴ 1 unit (baseload).	837	6,755,480	7,227,207	6,645,294

Exelon Power TRI Reported Total Releases and Offsite Transfers from 2004–2006 [pounds]¹

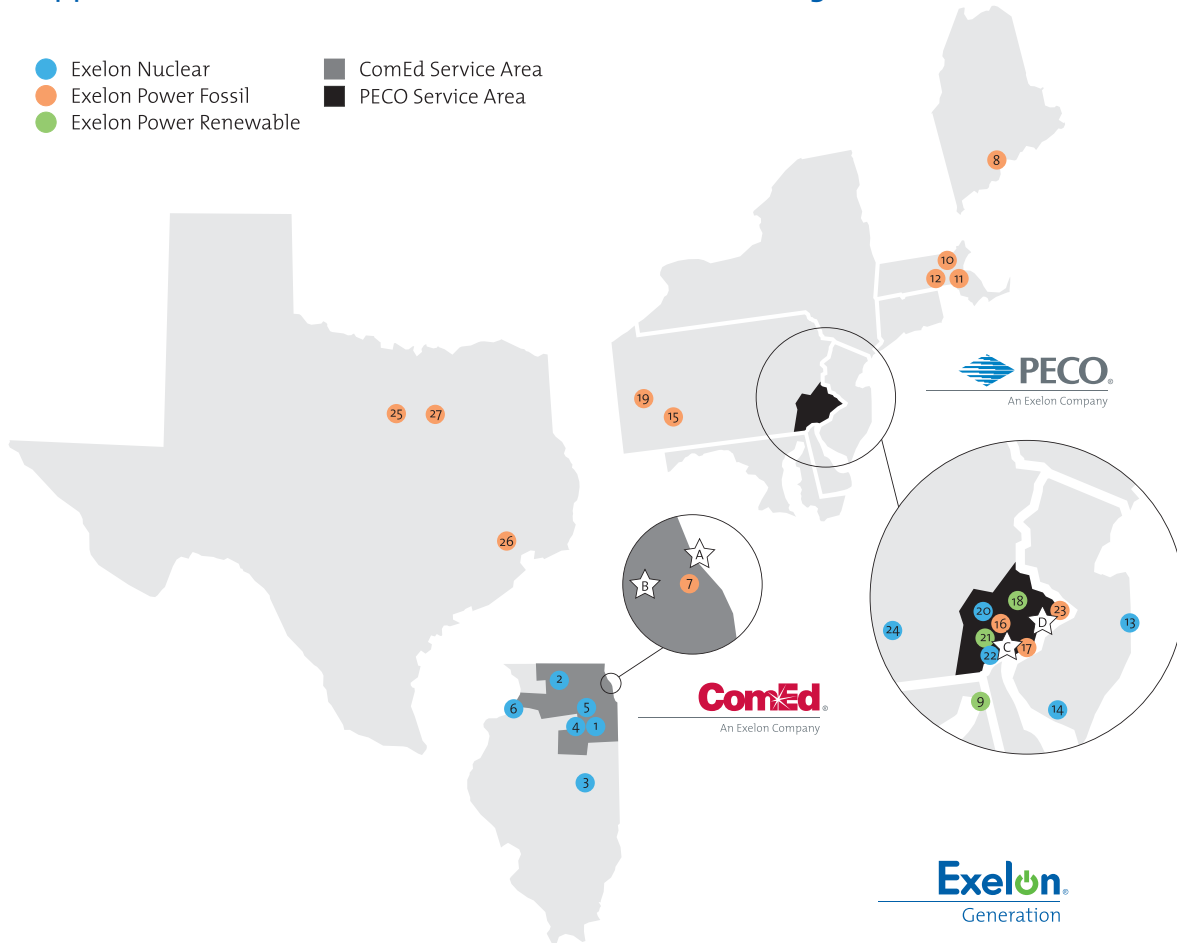
	2004	2005	2006
Ammonia	116,260	158,604	81,900
Arsenic	60,365	65,162	64,052
Barium	111,897	113,955	118,460
Chromium	12,689	12,919	13,781
Cobalt	3,937	3,798	4,853
Copper	33,569	35,262	34,926
Hydrochloric Acid	3,255,159	3,671,125	3,180,257
Hydrogen Fluoride	320,441	320,334	278,141
Lead	17,413	16,734	15,939
Manganese	125,746	184,115	318,831
Mercury	1,653	1,466	1,205
Naphthalene	3,873	3,008	430
Nickel	37,048	34,134	22,184
Selenium	3,730	3,090	4,012
Sulfuric Acid	809,817	975,751	555,083
Thallium	829	0	1,011
Vanadium²	131,574	130,369	135,225
Zinc	39,933	43,227	38,061
Other	184	259	428
Totals	5,086,117	5,773,312	4,868,779

¹ Exelon will compile and report its 2007 TRI emissions to the EPA after the publication date of this report. TRI emissions associated with our ownership share of the Conemaugh and Keystone are included.

² Exelon Power determined in June 2007 that it had failed to report vanadium releases for several of its plants. Corrected data were submitted to the EPA and are reflected in the above table.

Appendix: Exelon Service Areas and Selected Generating Assets*

- Exelon Nuclear
- Exelon Power Fossil
- Exelon Power Renewable
- ComEd Service Area
- PECO Service Area



Illinois

- A Exelon Corporate HQ
- A ComEd HQ
- B Exelon Nuclear HQ
- 7 Southeast Chicago

Maine

- 8 Wyman

Massachusetts

- 10 Framingham
- 12 West Medway

Pennsylvania

- C Exelon Power Team HQ
- C Exelon Power HQ
- C Exelon Generation HQ
- D PECO HQ

Texas

- 26 LaPorte

2007 Exelon Generation – Ownership Equity

	Output measured in MWh	Capacity measured in MW
Nuclear	93%	68%
Coal	6%	6%
Oil	<1%	9%
Gas	<1%	10%
Renewables	<1%	7%

Abbreviations and Acronyms

- AEPS** Alternative Energy Portfolio Standard
- Btu** British thermal unit
- CAIR** Clean Air Interstate Rule
- CARE** Customers' Affordable Reliable Energy
- CEMS** Continuous emission monitoring system(s)
- CFL** Compact fluorescent light
- CO₂** Carbon dioxide
- ComEd** Commonwealth Edison Company
- DART** Days away, restricted and transfer
- DOE** U.S. Department of Energy
- EI** Edison Electric Institute
- EMS** Environmental management system(s)
- EPA** U.S. Environmental Protection Agency
- EPRI** Electric Power Research Institute
- EBSC** Exelon Business Services Company
- FERC** Federal Energy Regulatory Commission
- GHG** Greenhouse gas
- GW/GWh** Gigawatt/gigawatt-hour
- HCP** Habitat conservation plan
- IDNR** Illinois Department of Natural Resources
- IEPA** Illinois Environmental Protection Agency
- ISA** Industrial Safety Accident
- kW/kWh** Kilowatt/kilowatt-hour
- MW/MWh** Megawatt/megawatt-hour
- NRC** Nuclear Regulatory Commission
- NGO** Non-governmental organization
- NOV** Notice of violation
- NOx** Nitrogen oxide
- NPDES** National Pollutant Discharge Elimination System
- OSHA** U.S. Occupational Safety and Health Administration
- PADEP** Pennsylvania Department of Environmental Protection
- PCB** Polychlorinated biphenyl
- PECO** PECO Energy Company
- PPA** Power purchase agreement
- REC** Renewable energy credit
- SMS** Industrial Safety Management Program
- SO₂** Sulfur dioxide
- TRI** Toxics Release Inventory
- USFWS** U.S. Fish and Wildlife Service

*Map does not show eight sites in the Philadelphia area where Exelon has peaking combustion turbines.

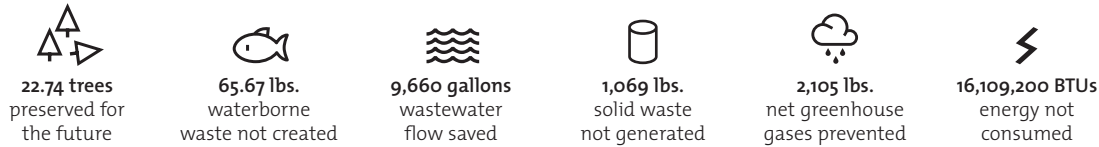
We welcome your comments and questions regarding this report. Please contact Helen Howes, vice president, Environment, Health and Safety, at the listed address or by calling 866.340.0404.

Forward-Looking Statements

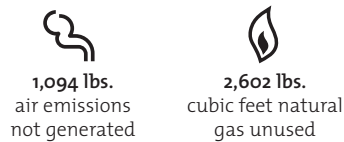
This report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, that are subject to risks and uncertainties. The factors that could cause actual results to differ materially from these forward-looking statements include those discussed herein as well as those discussed in (1) Exelon Corporation's 2007 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 19; and (2) other factors discussed in filings with the Securities and Exchange Commission (SEC) by Exelon Corporation, Commonwealth Edison Company, PECO Energy Company and Exelon Generation Company, LLC (Companies). Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this report. None of the Companies undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this report.

This report was printed using soy-based inks on process-chlorine-free Mohawk Options 100% PC paper, which is made with 100% post-consumer recycled fiber. Mohawk Fine Papers purchases renewable energy certificates, certified by Green-e, that are equivalent to 100% of the electricity used in their operations. This paper is also certified by Green Seal and by SmartWood for Forest Stewardship Council (FSC) Standards, which promote environmentally appropriate, socially beneficial and economically viable management of the world's forests. Mohawk has provided the calculations below based on use of 2,369 pounds of Mohawk Options 100% PC paper.

The savings derived from using this paper in lieu of virgin fiber paper is equivalent to:



The savings derived from choosing a paper manufactured using wind-generated electricity:



This amount of wind-generated electricity is equivalent to:



Exelon Corporation
Corporate Environment,
Health and Safety
2301 Market Street, S21-2
P.O. Box 8699
Philadelphia, PA 19101-8699
www.exeloncorp.com

