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PECO ENERGY CO
Form 10-K/A
September 07, 2001

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

FORM 10-K/A

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934
For the Fiscal Year Ended December 31, 2000

OR

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

Commission File Number -----	Name of Registrant; State of Incorporation; Address of Principal Executive Offices; and Telephone Number -----	IRS Employer Identification -----
1-16169	EXELON CORPORATION (a Pennsylvania corporation) 10 South Dearborn Street - 37th Floor P.O. Box 805379 Chicago, Illinois 60680-5379 (312) 394-4321	23-2990190
1-1401	PECO ENERGY COMPANY (a Pennsylvania corporation) P.O. Box 8699 2301 Market Street Philadelphia, Pennsylvania 19101-8699	23-0970240
1-1839	COMMONWEALTH EDISON COMPANY (an Illinois corporation) 10 South Dearborn Street - 37th Floor P.O. Box 805379 Chicago, Illinois 60680-5379	36-0938600

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class -----	Name of Each Ex Which Register -----
EXELON CORPORATION: Common Stock, without par value	New York, Chica Philadelphia

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PECO ENERGY COMPANY:

First and Refunding Mortgage Bonds: 5-5/8% Series due 2001, 6-3/8% Series due 2005 and 6-1/2% Series due 2003 New York

Cumulative Preferred Stock, without par value: \$4.68 Series, \$4.40 Series, \$4.30 Series and \$3.80 Series New York

Trust Receipts of PECO Energy Capital Trust II, each representing an 8.00% Cumulative Monthly Income Preferred Security, Series C, \$25 stated value, issued by PECO Energy Capital, L.P. and unconditionally guaranteed by PECO Energy Company New York

Trust Receipts of PECO Energy Capital Trust III, each representing an 7.38% Cumulative Preferred Security, Series D, \$25 stated value, issued by PECO Energy Capital, L.P. and unconditionally guaranteed by PECO Energy Company New York

COMMONWEALTH EDISON COMPANY:

Sinking Fund Debentures: 2-7/8%, due April 1, 2001 New York

Company-Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trust Holding Solely Commonwealth Edison Company's 8.48% Subordinated Debt Securities and unconditionally guaranteed by Commonwealth Edison Company New York

Securities registered pursuant to Section 12(g) of the Act:

PECO ENERGY COMPANY:

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

COMMONWEALTH EDISON COMPANY:

Common Stock Purchase Warrants, 1971 Warrants and Series B Warrants

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K ((S)229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

The estimated aggregate market value of the voting and non-voting common equity held by nonaffiliates of the registrants as of March 1, 2001, was as follows:

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Exelon Corporation common stock without par value	\$20,986,864,596
PECO Energy Company common stock without par value	None
Commonwealth Edison Company common stock, \$12.50 par value	No established

The number of shares outstanding of each registrant's common stock as of March 1, 2001, was as follows:

Exelon Corporation common stock without par value	320,068,089
PECO Energy Company common stock without par value	170,478,507
Commonwealth Edison Company common stock, \$12.50 par value	163,805,020

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of Exelon Corporation's Current Report on Form 8-K dated March 16, 2001 containing consolidated financial statements and related information for the year ended December 31, 2000, are incorporated by reference into Parts I, II and IV of this Annual Report on Form 10-K. Portions of Exelon Corporation's definitive Proxy Statement filed on March 23, 2001 relating to its annual meeting of shareholders, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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

2

The purpose of this Form 10-K/A is to refile information that was attempted to be filed on September 5, 2001 on behalf of Exelon Corporation ("Exelon"), Commonwealth Edison Company ("ComEd") and PECO Energy Company ("PECO"). Due to an error in coding of the original EDGAR filing, the information was not filed on behalf of PECO. Consequently, the information is being refiled, although there has been no change in the text set forth below.

The purpose of this Form 10-K/A is to file information on behalf of ComEd and PECO in response to Items 10, 11, 12 and 13 in Part III of the Annual Report on Form 10-K originally filed by Exelon, ComEd and PECO. No new information is being filed in this amendment on behalf of Exelon. The information contained in this amendment is separately filed by ComEd and PECO. Information contained herein relating to any individual registrant is filed by such registrant in its own behalf. Each registrant makes no representation as to information relating to the other registrants.

PART III

ITEM. 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Exelon

The information required by Item 10 relating to directors and nominees for election as directors at Exelon's Annual Meeting of shareholders is incorporated herein by reference to the information under the heading "BOARD OF

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DIRECTORS" on pages 7-10 and "OTHER INFORMATION--Section 16(a) Beneficial Ownership Reporting Compliance" on page 32 in Exelon's definitive Proxy Statement (2001 Exelon Proxy Statement) filed with the SEC on March 23, 2001, pursuant to Regulation 14A under the Securities Exchange Act of 1934. The information required by Item 10 relating to executive officers is set forth in ITEM 1. Business--Executive Officers of Exelon, ComEd and PECO.

PECO

PECO's Board of Directors consists of the five persons identified below, all of whom have been serving as directors since October 20, 2000. Directors serve for a term of one year and until their respective successors have been elected.

John W. Rowe

Mr. Rowe, age 55. Director and Chairman of ComEd since March 16, 1998, Chief Executive Officer and President of ComEd from March 16, 1998 to October 20, 2000, Co-Chief Executive Officer since October 20, 2000. Director, President and Co-CEO of Exelon and Director and Chairman of PECO since October 20, 2000. Former chairman, president, and CEO of Unicom Corporation from March 16, 1998 to October 20, 2000. Former president and CEO of New England Electric System. Other directorships: Fleet Boston Financial, UnumProvident Corporation, and Wisconsin Central Transportation Corporation.

Corbin A. McNeill, Jr.

Mr. McNeill, age 61. Director and Co-Chief Executive Officer of ComEd since October 20, 2000. Chairman and Co-Chief Executive Officer of Exelon since October 20, 2000. Director of PECO since 1990. Former chairman, president and CEO of PECO. Other directorship: Associated Electric and Gas Insurance Services Limited.

Pamela B. Strobel

Ms. Strobel, age 49. Director and Vice Chair of ComEd and Director of PECO since October 20, 2000. Executive Vice President of Exelon Corporation, and President of Exelon Energy Delivery Services Company. Former Executive Vice President of Unicom Corporation and ComEd. Other Directorships: IMC Global, Inc. and Sabre Holdings Corporation.

Ruth Ann M. Gillis

Ms. Gillis, age 46. Director of ComEd and PECO and Senior Vice President and Chief Financial Officer of Exelon since October 20, 2000. Senior Vice President and Chief Financial Officer of Unicom Corporation and ComEd since October, 1999 to October 20, 2000. Previously Vice President and Treasurer of Unicom and ComEd since September, 1997.

Kenneth G. Lawrence

Mr. Lawrence, age 53. Director of ComEd and PECO and President of PECO since October 20, 2000. Previously Senior Vice President, Corporate and President, Distribution of PECO; Senior Vice President--Local Distribution of PECO; Senior Vice President --Finance and Chief Financial Officer of PECO; and Vice President--Gas Operations of PECO.

The information required by Item 10 relating to executive officers is set forth in ITEM 1. Business--Executive Officers of Exelon, ComEd and PECO.

ComEd

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ComEd's Board of Directors consists of the five persons identified under ITEM 10. Directors and Executive Officers of the Registrant--PECO, all of whom have been serving as directors since October 20, 2000. Directors serve for a term of one year and until their respective successors have been elected.

The information required by Item 10 relating to executive officers is set forth in ITEM 1. Business--Executive Officers of Exelon, ComEd and PECO.

3

ITEM 11. EXECUTIVE COMPENSATION

Exelon

The information required by Item 11 is incorporated herein by reference to the information labeled "Summary Compensation Table" and pages 20-30 in the 2001 Exelon Proxy Statement.

PECO

Board Compensation

Since October 20, 2000, the directors of PECO have consisted solely of employees of PECO or its affiliates. These individuals receive no additional compensation in respect of their service as directors other than their normal salary. Prior to the merger of Unicom Corporation (Unicom) and PECO on October 20, 2000, directors were paid in cash and deferred stock units as set forth below, and were reimbursed expenses, if any, for attending meetings:

- . \$21,000 annual board retainer,
- . \$1,000 meeting fee,
- . \$2,000 annual retainer for chairmanship of audit and nuclear committees,
- . \$1,000 annual retainer for chairmanship of compensation, corporate governance and finance committees, and
- . 1,000 deferred stock units.

Executive Compensation

The following table shows the compensation for the last three years of Exelon Corporation's co-CEO's, who also serve as directors of PECO, and the other four most highly compensated officers of Exelon, who, except for Michael J. Egan, are also officers of PECO. Messrs. Rainey and Lawrence are included in the list pursuant to SEC regulations.

Summary Compensation Table

Compensation of Executive Officers

	Annual Compensation

	Bonus

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Name and Principal Position	Year	Salary (\$)	Cash (\$)	Stock Based (/1/) (\$)	Other (/2/) (\$)
Corbin A. McNeill, Jr. Co-CEO & Chairman, Exelon Corp.;	2000	855,830	1,081,472	0	0
Chairman & President, Exelon Generation	1999	659,857	1,000,000	0	0
	1998	585,476	708,100	0	0
John W. Rowe Co-CEO & President, Exelon Corp.;	2000	989,423	1,180,269	0	134,473
Chairman, Exelon Energy Delivery & Exelon Enterprises	1999	957,692	529,125	529,125*	55,112
	1998	726,923	484,209	484,209*	215,117
Oliver D. Kingsley, Jr. EVP, Exelon Corp.;	2000	609,615	677,354	0	98,677
President & Chief Nuclear Officer, Exelon Nuclear	1999	544,385	0	594,000*	175,502
	1998	475,000	0	383,332*	220,713
Pamela B. Strobel EVP, Exelon Corp.;	2000	377,423	269,824	0	0
Vice Chair, Exelon Energy Delivery	1999	375,131	208,961	69,654*	0
	1998	341,000	137,341	58,861*	0
Michael J. Egan EVP, Exelon Corp.;	2000	386,231	306,394	0	0
President, Exelon Enterprises	1999	326,312	311,400	0	0
	1998	317,439	235,700	0	0
Ian P. McLean (/5/) Sr. VP, Exelon Corp.;	2000	314,154	220,596	0	0
President Power Team, Exelon Generation	1999	72,692	63,900	0	0
Gerald R. Rainey Former President PECO Nuclear	2000	332,800	225,298	0	0
	1999	310,386	289,000	0	0
	1998	269,308	193,700	0	0
Kenneth G. Lawrence Sr. VP, Exelon Corporation, President, Energy Distribution	2000	328,993	225,666	0	0
	1999	291,847	241,200	0	0
	1998	282,164	200,700	0	0

Summary Compensation Table

Compensation of Executive Officers

Long Term Compensation

Awards

Payouts

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Name and Principal Position	Year	Restricted Stock Award(s) (\$)	Options (/3/) (#)	Cash (\$)	Stock Based (/1/) (\$)	All Other Compen- sation (\$)
Corbin A. McNeill, Jr. Co-CEO & Chairman, Exelon Corp.; Chairman & President, Exelon Generation	2000 1999 1998	2,803,513 942,188 0	392,500 0 500,000	0 0 0	0 0 0	3,200 3,200 3,200
John W. Rowe Co-CEO & President, Exelon Corp.; Chairman, Exelon Energy Delivery & Exelon Enterprises	2000 1999 1998	0 0 0	385,450 116,850 237,500	1,071,878 475,2460 343,219	1,071,878 (/4/) 203,677 * 52,537 *	60,293 42,478 2,728,076
Oliver D. Kingsley, Jr. EVP, Exelon Corp.; President & Chief Nuclear Officer, Exelon Nuclear	2000 1999 1998	0 231,562 0	223,250 38,000 33,250	547,251 0 0	547,251 * 322,488 * 187,984 *	37,745 24,139 20,347
Pamela B. Strobel EVP, Exelon Corp.; Vice Chair, Exelon Energy Delivery	2000 1999 1998	0 0 0	122,250 28,500 19,000	331,618 84,410 42,528	331,618 * 84,410 * 42,528 *	19,181 16,483 20,347
Michael J. Egan EVP, Exelon Corp.; President, Exelon Enterprises	2000 1999 1998	1,140,149 150,750 0	127,100 0 125,000	0 0 0	0 0 0	0 0 0
Ian P. McLean (/5/) Sr. VP, Exelon Corp.; President Power Team, Exelon Generation	2000 1999	429,588 1,009,200	83,000 125,000	361,900 0	0 0	0 0
Gerald R. Rainey Former President PECO Nuclear	2000 1999 1998	672,636 150,750 0	69,000 0 90,000	0 0 0	0 0 0	3,200 2,076 2,040
Kenneth G. Lawrence Sr. VP, Exelon Corporation, President, Energy Distribution	2000 1999 1998	777,113 94,219 0	81,600 0 115,000	0 0 0	0 0 0	3,200 3,200 3,107

/1/All of the amounts shown under "Bonus--Stock-Based" and "LTIP Payouts--Stock-Based" were either paid in shares of Unicom common stock or were deferred and are deemed to be invested in shares of Unicom's common stock, and thus fully "at risk" until the end of the deferral period. Deferred amounts are noted with an asterisk.

/2/Excludes perquisites and other benefits, unless the aggregate amount of such compensation is at least \$50,000. For 2000, includes \$44,533 and \$39,906 paid to Mr. Rowe and Mr. Kingsley, respectively, for the payment of FICA taxes and \$52,445 and \$39,941 paid to Mr. Rowe and Mr. Kingsley, respectively, for the payment of other taxes.

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/3/Grants of options to acquire shares of Unicom common stock made to Mr. Rowe, Mr. Kingsley and Ms. Strobel prior to the merger have been adjusted to reflect the substitution of options to acquire shares of Exelon common stock in accordance with the merger agreement.

/4/Elected to defer 30% of overall payout (50% cash, 20% stock, 30% SBDP)

/5/Mr. McLean commenced employment on September 22, 1999.

OPTION GRANTS IN 2000

The "grant date present values" indicated in the option grant table below are an estimate based on the Black-Scholes option pricing model. Although executives risk forfeiting these options in some circumstances, these risks are not factored into the calculated values. The actual value of these options will be determined by the excess of the stock price over the exercise price on the date that the options are exercised. There is no certainty that the actual value realized will be at or near the value estimated by the Black-Scholes option pricing model. The Unicom grants, which expire on January 24, 2010, were adjusted to reflect the substitution of Exelon shares for Unicom shares in accordance with the merger agreement. The original strike price was \$37.063. The assumptions used for the Black-Scholes models are as follows:

Expiration Date	Volatility	Dividend Yield	Risk-Free Interest Rate	Time of Exercise
October 19, 2010	37.23%	3.35%	5.68%	5 years
January 24, 2010	33.64%	4.80%	6.68%	5 years
February 28, 2010	35.18%	4.35%	6.68%	5 years

Name and Principal Position	Individual Grants				Expiration Date	Grant Value (\$)
	Number of Securities Underlying Options Granted (#)	% of Total Options Granted to Employees in 2000	Exercise or Base Price (\$/Sh.)			
Corbin A. McNeill, Jr. Co-CEO & Chairman, Exelon Corp.; Chairman & President, Exelon Generation	266,700	3.41%	59.50		10/19/2010	\$4,8
	125,800	1.61%	37.3125		02/28/2010	\$1,3
John W. Rowe Co-CEO & President, Exelon Corp.; Chairman, Exelon Energy Delivery & Exelon Enterprises	266,700	3.41%	59.50		10/19/2010	\$4,8
	118,750	1.52%	39.02		01/24/2010	\$1,1
Oliver D. Kingsley, Jr.	152,000	1.94%	59.50		10/19/2010	\$2,7

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EVP, Exelon Corp.; President & Chief Nuclear Officer, Exelon Nuclear	71,250	0.91%	39.02	01/24/2010	\$ 6
Pamela B. Strobel	89,000	1.14%	59.50	10/19/2010	\$1,6
EVP, Exelon Corp.; Vice Chair, Exelon Energy Delivery	33,250	0.42%	39.02	01/24/2010	\$ 3
Michael J. Egan	98,000	1.25%	59.50	10/19/2010	\$1,7
EVP, Exelon Corp.; President, Exelon Enterprises	29,100	0.37%	37.3125	02/28/2010	\$ 3
Ian P. McLean	63,000	0.80%	59.50	10/19/2010	\$1,1
Sr. VP, Exelon Corp.; President Power Team, Exelon Generation	20,000	0.26%	37.3125	02/28/2010	\$ 2
Gerald R. Rainey	54,000	0.69%	59.50	10/19/2010	\$ 9
Former President, PECO Nuclear	15,000	0.19	37.313	02/28/2010	\$ 1
Kenneth G. Lawrence	63,000	0.80%	59.50	10/19/2010	\$1,1
Sr. VP, Exelon Corp. President, PECO Energy Distribution	18,600	0.24	37.313	02/28/2010	\$ 1

OPTION EXERCISES AND YEAR-END VALUE

This table shows the number and value of exercised and unexercised stock options for the named executive officers during 2000. Value is determined using the market value of Exelon common stock at the year-end price of \$70.21 per share, minus the value of Exelon common stock at the exercise price. All options whose exercise price exceeds the market value are valued at zero.

Name and Principal Position	Shares Acquired of Exercise (#)	Value Realized (\$)	Number of Securities Underlying Unexercised Options at 12/31/2000	
			(#) Exercisable	(#) Unexercisable
Corbin A. McNeill, Jr. Co-CEO & Chairman, Exelon Corp.; Chairman & President, Exelon Generation	17,000	374,471	E806,500 U392,500	
John W. Rowe Co-CEO & President, Exelon Corp.; Chairman, Exelon Energy Delivery & Exelon Enterprises	0	0	E284,683 U455,117	

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Oliver D. Kingsley, Jr. EVP, Exelon Corp.; President & Chief Nuclear Officer, Exelon Nuclear	0	0	E 58,584 U259,666
Pamela B. Strobel EVP, Exelon Corp; Vice Chair, Exelon Energy Delivery	0	0	E 50,192 U147,583
Michael J. Egan EVP, Exelon Corp.; President, Exelon Enterprises	54,000	1,872,492	E369,000 U127,100
Ian P. McLean Sr. VP, Exelon Corp.; President Power Team, Exelon Generation	0	0	E 41,666 U166,334
Gerald R. Rainey Former President, PECO Nuclear	0	0	E 64,000 U --
Kenneth G. Lawrence Sr. VP, Exelon Corp. President, PECO Energy Distribution	40,000	1,100,000	E 40,000 U 26,200

LONG-TERM INCENTIVE PLANS--AWARDS IN LAST FISCAL YEAR

Information with respect to Messrs. McNeill, Rowe, Kingsley, Egan and McLean and Ms. Strobel is presented under ITEM 11. Executive Compensation--ComEd--Executive Compensation--Long-Term Incentive Plans--Awards in Last Fiscal Year below and is incorporated herein by this reference. Messrs. Rainey and Lawrence were not officers of Unicom, and were accordingly not eligible for awards under the plan described under ITEM 11. Executive Compensation--ComEd--Executive Compensation--Long-Term Incentive Plans--Awards in Last Fiscal Year below.

RETIREMENT PLANS

The following tables show the estimated annual retirement benefits payable on a straight-life annuity basis to participating employees, including officers, in the earnings and year of service classes indicated, under PECO's and Unicom's (by its subsidiary, ComEd) non-contributory retirement plans. The amounts shown in the table are not subject to any deduction for Social Security or other offset amounts.

Covered compensation includes salary and bonus which is disclosed in the Summary Compensation Table above for the named executive officers. The calculation of retirement benefits under the plans is based upon average earnings for the highest consecutive five-year period under the PECO Energy Company Service Annuity Plan and for the highest four-year period under the ComEd Service Annuity System.

The Internal Revenue Code limits the annual benefits that can be paid from a tax-qualified retirement plan to \$170,000 as of January 1, 2001. As permitted by the Employee Retirement Income Security Act of 1974, PECO Energy and ComEd sponsored supplemental plans which allow the payment out of general funds of PECO Energy or ComEd, as applicable, any benefits calculated under provisions of the applicable retirement plan which may be above these limits. Exelon assumed sponsorship of the non-contributory retirement plans and the supplemental plans.

PECO Energy Pension Plan Table

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Highest 5-Year Average Earnings	Annual Normal Retirement Benefits After Specified Years of Service						
	10 Years	15 Years	20 Years	25 Years	30 Years	35 Years	40 Years
\$ 100,000.00	\$ 19,272	\$ 26,407	\$ 33,543	\$ 40,679	\$ 47,815	\$ 54,950	\$ 62,086
200,000.00	39,772	54,657	69,543	84,429	99,315	114,200	129,086
300,000.00	60,272	82,907	105,543	128,179	150,815	173,450	196,086
400,000.00	80,772	111,157	141,543	171,929	202,315	232,700	263,086
500,000.00	101,272	139,407	177,543	215,679	253,815	291,950	330,086
600,000.00	121,772	167,657	213,543	259,429	305,315	351,200	397,086
700,000.00	142,272	195,907	249,543	303,179	356,815	410,450	464,086
800,000.00	162,772	224,157	285,543	346,929	408,315	469,700	531,086
900,000.00	183,272	252,407	321,543	390,679	459,815	528,950	598,086
1,000,000.00	203,772	280,657	357,543	434,429	511,315	588,200	665,086

Mr. McNeill, Mr. Egan, Mr. Rainey and Mr. Lawrence have 33, 3, 31 and 31 credited years of service, respectively, under PECO's pension program.

Commonwealth Edison Pension Plan Table

Highest 4-Year Average Earnings	Annual Normal Retirement Benefits After Specified Years of Service						
	10	15	20	25	30	35	40
\$ 100,000	\$ 19,523	\$ 31,016	\$ 41,648	\$ 51,626	\$ 61,113	\$ 70,232	\$ 79,076
200,000	39,647	63,290	85,181	105,720	125,221	143,923	162,013
300,000	59,770	95,563	128,714	159,815	189,328	217,613	244,949
400,000	79,893	127,836	172,247	213,909	253,435	291,303	327,885
500,000	100,017	160,109	215,780	268,003	317,543	364,994	410,822
600,000	120,140	192,383	259,313	322,097	381,650	438,684	493,758
700,000	140,263	224,656	302,846	376,191	445,757	512,375	576,694
800,000	160,386	256,929	346,379	430,286	509,864	586,065	659,630
900,000	180,510	289,202	389,912	484,380	573,972	659,755	742,567
1,000,000	200,633	321,476	433,445	538,474	638,079	733,446	825,503

The approximate number of years of credited service under ComEd's pension programs for the persons named in the Summary Compensation Table are as follows: John W. Rowe, 23 years; Oliver D. Kingsley, 23 years, and Pamela B. Strobel, 8 years.

EMPLOYMENT AGREEMENTS

Employment Agreement with John W. Rowe

Exelon entered into an amended employment agreement with Mr. Rowe under which Mr. Rowe will serve as:

- co-chief executive officer and president of Exelon, chairman of the executive committee of the Exelon board of directors and a member of the Exelon board of directors during the first half of the transition

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period provided for in Exelon's Bylaws, which is defined as the period from the effective time of the merger forming Exelon (October 20, 2000) until December 31, 2003,

- . co-chief executive officer of Exelon, chairman of the Exelon board of directors and a member of the Exelon board of directors during the second half of the transition period, and
- . chief executive officer of Exelon, chairman of the Exelon board of directors and a member of the Exelon board of directors after the transition period.

Mr. Rowe will succeed to the position of sole chief executive officer of Exelon or chairman of the Exelon board of directors if:

- . prior to the end of the transition period, Mr. McNeill should cease to be a co-chief executive officer of Exelon or the chairman of the Exelon board of directors, and
- . Mr. Rowe is still a co-chief executive officer of Exelon at that time.

Mr. Rowe will receive an annual base salary of:

- . at least \$900,000 through March 15, 2001, but not less than his base salary immediately prior to the completion of the merger (\$975,000), or
- . Mr. McNeill's base salary, whichever is higher.

After March 15, 2001, Mr. Rowe's base salary will be determined by Exelon's compensation committee. Mr. Rowe will be eligible to participate in annual incentive award programs, long-term incentive plans and stock option plans on the same basis as other senior executives of Exelon. The agreement provided that a grant of options would be considered at the time the merger was completed. Mr. Rowe is entitled to participate in all savings, deferred compensation, retirement and other employee benefit plans generally available to other senior executives of Exelon. During the transition period, Mr. Rowe's base salary and participation in the plans and awards described in this paragraph will be on a basis that is not less than that of Mr. McNeill's or on which Mr. McNeill participates.

Under his amended employment agreement, Mr. Rowe will receive a special supplemental executive retirement plan, or SERP, benefit if:

- . he terminates due to normal retirement, early retirement, termination without cause, termination for good reason, death or disability, or
- . he voluntarily terminates on or after the first anniversary of the completion of the merger for any other reason.

The term "good reason" includes the failure to appoint Mr. Rowe to the management and Exelon board of director positions described above. The special SERP benefit will equal the SERP benefit that Mr. Rowe would have received:

- . if he had attained age 60 (or his actual age, if greater), and
- . if he had earned 20 years of service on March 16, 1998 and one additional year of service on each anniversary after that date and prior to termination.

Except as provided in the next paragraph, if Exelon terminates Mr. Rowe's employment for reasons other than cause, death or disability or if he should

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terminate employment for good reason on or after December 31, 2004 and not within 24 months following a change in control of Exelon, he would be entitled to the following benefits:

- . a prorated annual incentive award for the year in which termination occurs,
- . severance payments equal to his base salary for two years after termination, and for each year during such period an amount equal to the average of the annual incentive awards paid to him with respect to the three years preceding the year of termination or, if greater, his annual incentive award for the year before termination,
- . for the two-year period, continuation of his life, disability, accident, health and other welfare benefits, plus the retirement benefits described above and post-retirement health care coverage,
- . all of his exercisable options would remain exercisable until the applicable option expiration date,
- . unvested options would continue to become exercisable during the two-year continuation period and thereafter remain exercisable until the applicable option expiration date, and
- . all compensation earned through the date of termination and coverage and benefits under all benefit plans to which he is entitled.

Mr. Rowe will receive the termination benefits described in "Change in Control and Severance Arrangements" below, rather than the benefits described in the previous paragraph, if Exelon terminates Mr. Rowe without cause or he terminates with good reason and

- . the termination occurs within 24 months after a change in control of Exelon, or
- . the termination occurs at any other time prior to the earlier of normal retirement or December 31, 2004, or
- . the termination occurs at any other time on or after the completion of the merger and before normal retirement because of the failure to appoint or elect Mr. Rowe to the management or Exelon board of director positions described above.

Employment Arrangement with Corbin A. McNeill, Jr.

Although Exelon has not entered into an employment agreement with Mr. McNeill, the merger agreement provided that at any time during the transition period when Messrs. McNeill and Rowe are co-chief executive officers, each of them will receive the same salary, bonus and other compensation (including option grants and other incentive awards and all other forms of compensation) and enjoy the same other benefits and the same employment security arrangements as the other.

Employment Agreement with Oliver D. Kingsley, Jr.

ComEd entered into an employment agreement with Oliver D. Kingsley, Jr. pursuant to which he became Executive Vice President and President and Chief Nuclear Officer--Nuclear Generation Group, effective November 1, 1997. The agreement provides for a guaranteed increase in annual base salary of at least 4% per year, beginning in 1999.

Mr. Kingsley received an option to purchase 25,000 shares of common stock

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with an option price equal to the fair market value of the common stock as of November 1, 1997. Such options became exercisable in equal installments on November 1 of 1998, 1999 and 2000, and expire on October 31, 2007. Mr. Kingsley also received a grant of 20,000 shares of restricted stock that vested in equal installments on November 1 of 1998, 1999 and 2000.

The employment agreement with Mr. Kingsley provides that Mr. Kingsley will participate in Unicom's Annual Incentive Award Program and will receive an annual incentive award for 1998 and 1999 at least equal to the target award of \$213,750.

Mr. Kingsley participates in the Unicom Long-Term Performance Unit Award Program, and any award payable under such Program with respect to the three-year performance periods ending on December 31, 1997, 1998, or 1999 will be made as though he had participated in the Program throughout such performance periods (except in the case of a termination of employment). In addition, Mr. Kingsley received \$375,000 as an inducement to enter into the employment agreement, and an annual living cost allowance equal to \$75,000 (increased by the amount of applicable taxes on such amount as so increased) for the first three years of the agreement term.

Mr. Kingsley's employment agreement provides for a retirement benefit equal to the amount that would have been payable under the Service Annuity System (plus amounts payable under the ComEd Supplemental Management Retirement Plan) for an employee who retires at age 60 calculated based on the assumption that Mr. Kingsley had completed 15 years of credited service beginning with the third year of his employment and that such credited service increased by five years during each of the next two years, in addition to his actual years of credited service after five years of employment.

The employment agreement with Mr. Kingsley provides for a lump sum severance payment to Mr. Kingsley if he should be terminated without cause equal to two times his base salary at the time of such termination, and a continuation of health and life insurance benefits for two years after the date of termination, plus retirement benefits (calculated as though he had completed at least 15 years of credited service if such termination occurs during the first two years of employment) and retire health care coverage. In addition, any unvested portion of the restricted stock granted under the agreement will immediately become fully vested and nonforfeitable. These benefits have been incorporated into a change in control severance agreement that became effective on October 20, 2000. See "Change in Control Severance Agreements" below.

Mr. Kingsley agreed not to use for his own benefit or disclose any confidential information of Unicom or ComEd during or after the term of his employment, and not to solicit any employee of ComEd for one year after the term of his employment with ComEd.

Change in Control Severance Arrangements

PECO Energy and Unicom entered into change in control agreements with certain senior executives which became effective upon the completion of the merger. The agreements cover employment through October 20, 2002 and generally protect executives' positions and compensation levels through that date. A material adverse change in such compensation or position is included in the definition of "good reason" for purposes of the agreements. If an executives resigns for good reason before October 20, 2001 or if the executive's employment is terminated by the company other than for cause, severance pay and benefits become payable.

The severance payments and benefits provided under the agreements include:

- . Severance payments equal to three multiplied by the sum of:

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- . the employee's annual base salary, plus
- . an amount equal to the average of the annual incentive awards paid to the employee for the two years preceding the year of termination or, if greater, the target award under the annual incentive award program in which the employee participates for the year in which termination occurs.
- . A prorated annual incentive award for the year in which termination occurs.
- . Continuation of life, disability, accident, health and other welfare benefit coverage for three years and thereafter, if applicable, retiree coverage is available.
- . Outplacement services.
- . All of a terminated employee's exercisable options remain exercisable until the applicable option expiration date, and all unvested options become fully exercisable and remain so until the applicable option expiration date.
- . Any deferred stock units, restricted stock, or restricted share units become fully vested and any other long-term incentive plan award which is unvested would vest.
- . For purposes of determining benefits under the supplemental retirement plan or arrangement, in which the employee participates, the employee will be credited with three additional years of credited service, age and compensation.
- . For purposes of determining eligibility for retiree welfare benefits, the employee will be deemed to have three additional years of service and age.
- . All compensation earned through the date of termination as well as all coverage and benefits under all benefit plans to which the employee is entitled.

Pursuant to the terms of offers of employment or employment agreements, certain employees are also entitled to additional service credits for purposes of retiree health care eligibility and for determining benefits under the supplemental retirement plan or arrangement in which they participate.

In connection with the severance benefits described above, each executive who was an employee of PECO Energy prior to the merger is subject to a non-compete agreement for 24 months from the applicable termination date. Although a participating employee does not have a duty to mitigate the amounts due from the company, continued welfare benefit coverage would be offset during the applicable continuation period by comparable coverage provided under welfare plans of another employer.

Employees who are senior vice-presidents will receive an additional payment to cover excise taxes imposed under Section 4999 of the Internal Revenue Code on "excess parachute payments" or under similar state or local law if the after-tax amount of payments and benefits subject to these taxes exceeds 110% of the "safe harbor" amount that would not subject the employee to these excise taxes. If the after-tax amount, however, is less than 110% of the safe harbor amount, payments and benefits subject to these taxes would be reduced or eliminated to equal the safe harbor amount. Benefits payable to other employees subject to the excise taxes imposed under Section 4999 of the Internal Revenue Code will be reduced to

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the employees's safe harbor amount.

COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board of Directors of Exelon functions as the Compensation Committee for PECO. The report of the Exelon Compensation Committee is incorporated by reference to the information labeled "Report of the Compensation Committee" on pages 14-18 in the 2001 Exelon Proxy Statement.

PERFORMANCE GRAPH

Shown below is a five year comparison of cumulative total returns based on an initial investment of \$100 in PECO common stock that was exchanged for Exelon common stock on October 20, 2000.

The performance chart below illustrates a five-year comparison of cumulative total returns based on an initial investment of \$100 in PECO common stock that was exchanged for Exelon common stock in the share exchange on October 20, 2000 as compared with the S&P 500 Stock Index and the S&P Utility Average for the period 1996 through 2000.

This performance chart assumes:

- . \$100 invested on December 31, 1995 in PECO common stock, S&P 500 Stock Index and S&P Utility Average.
- . All dividends are reinvested.
- . PECO common stock exchanged for Exelon common stock on a 1:1 basis on October 20, 2000.

[GRAPH APPEARS HERE]

		DECEMBER 31,					
		1995	1996	1997	1998	1999	2000
PECO/Exelon	=====	\$100.00	89.54	93.22	166.29	141.83	293.43
S&P 500 Stock Index	- - - - -	\$100.00	122.96	163.98	210.84	255.22	231.98
S&P Utility Average	\$100.00	103.12	128.55	147.53	134.44	214.66

ComEd

Board Compensation

Since October 20, 2000, the directors of ComEd have consisted solely of employees of ComEd or its affiliates. These individuals receive no additional compensation in respect of their service as directors other than their normal salary. Prior to the merger of Unicom and PECO on October 20, 2000, outside directors of ComEd were compensated according to the terms and provisions of the Unicom Corporation 1996 Directors' Fee Plan. This plan provided for an annual retainer of \$36,200 which was payable in shares of Unicom stock. Directors received \$1,500 for each board and committee meeting they attended and an additional annual retainer of \$2,500 for each committee that they chaired.

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Directors who were members of the Nuclear Oversight Committee also received and additional \$5,000 annual retainer. The annual retainers and meeting fees could be deferred at the election of the director. In the event that directors of ComEd also served as directors of Unicom, or chaired corresponding committees of Unicom, these fees as described above were divided in half so that in no event would a director receive duplicate fees, or fees in excess of the amounts stated above. Directors who were employees of either ComEd or Unicom received no additional compensation other than their normal salary.

4

Executive Compensation

Information with respect to Messrs. McNeill, Rowe, Kingsley, Egan and McLean and Ms. Strobel is presented under ITEM 11. Executive Compensation--PECO--Executive Compensation--Summary Compensation Table above and is incorporated herein by this reference. Messrs. Elbert and Helwig are included below pursuant to SEC regulations.

Summary Compensation Table

Compensation of Executive Officers

Name and Principal Position	Year	Annual Compensation			
		Salary (\$)	Cash (\$)	Bonus	
				Stock Based/(1)/(\$)	Other/(2)/(\$)
Paul A. Elbert (/4/) Former EVP, Unicom	2000	438,462	261,250	0	2,230,953
	1999	120,577	261,250	0	96,921
David R. Helwig (/5/) Sr. VP, Exelon Energy Delivery	2000	356,923	327,901	0	0
	1999	355,115	177,071	177,071*	0
	1998	312,500	0	196,727*	0

Long Term Compensation

Name and Principal Position	Awards		Payouts		All Other Compen- sation (\$)
	Restricted Stock Award(s) (\$)	Options/(3)/ (#)	Cash (\$)	Stock Based/(1)/(\$)	
Paul A. Elbert (/4/)	0	38,000	450,000	450,007	2,498,074
Former EVP, Unicom	1,299,375	38,000	322,488	0	254,768
David R. Helwig (/5/)	0	77,750	285,413	285,413*	20,290

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Sr. VP, Exelon	479,256	23,750	0	144,206*	15,702
Energy Delivery	0	20,900	0	85,747*	285,875

/1/All of the amounts shown under "Bonus--Stock-Based" and "LTIP Payouts--Stock-Based" were either paid in shares of Unicom common stock or were deferred and are deemed to be invested in shares of Unicom's common stock, and thus fully "at risk" until the end of the deferral period. Deferred amounts are noted with an asterisk.

/2/Excludes perquisites and other benefits, unless the aggregate amount of such compensation is at least \$50,000. For 2000, includes \$2,185,924 paid to Mr. Elbert for the payment of other taxes.

/3/Grants of options to acquire shares of Unicom common stock made to Mr. Elbert, and Mr. Helwig prior to the merger have been adjusted to reflect the substitution of options to acquire shares of Exelon common stock in accordance with the merger agreement.

/4/Mr. Elbert was hired on October 1, 1999 and terminated employment on December 1, 2000.

/5/Mr. Helwig was an executive officer of Unicom prior to the merger.

OPTION GRANTS IN 2000

Information with respect to Messrs. McNeill, Rowe, Kingsley, Egan and McLean and Ms. Strobel is presented under ITEM 11. Executive Compensation--PECO--Executive Compensation--Option Grants in 2000 above and is incorporated herein by this reference. Information with respect to Messrs. Elbert and Helwig is presented below. Reference is made to ITEM 11. Executive Compensation--PECO--Executive Compensation--Option Grants in 2000 for a description of the manner and assumptions used in calculating the Grant Date Values shown in the table below.

Individual Grants					Grant Date Value
Name and Principal Position	Number of Securities Underlying Options Granted (#)	% of Total Options Granted to Employees in 2000	Exercise or Base Price (\$/Sh.)	Expiration Date	Grant Date Present Value (\$)