

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934

October 10, 2002
(Date of earliest
event reported)

Commission File Number	Name of Registrant; State of Incorporation; Address of Principal Executive Offices; and Telephone Number	IRS Employer Identification Number
1-16169	EXELON CORPORATION (a Pennsylvania corporation) 10 South Dearborn Street - 37th Floor P.O. Box 805379 Chicago, Illinois 60680-5379 (312) 394-7398	23-2990190
1-1839	COMMONWEALTH EDISON COMPANY (an Illinois corporation) 10 South Dearborn Street - 37th Floor P.O. Box 805379 Chicago, Illinois 60680-5379 (312) 394-4321	36-0938600

Item 5. Other Events

On October 11, 2002 Exelon issued a note to its financial community, which is included as exhibit 99.1. Additionally, Commonwealth Edison Company issued a press release on October 10, 2002 attached as exhibit 99.2.

Exhibit Index

Exhibit No.	Description
99.1	Exelon's note to its financial community regarding a report by Liberty Consulting
99.2	ComEd's press release regarding a report by Liberty Consulting

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EXELON CORPORATION
COMMONWEALTH EDISON COMPANY

/S/ Ruth Ann M. Gillis

Ruth Ann M. Gillis
Senior Vice President
Exelon Corporation

October 10, 2002

Exelon Corporation
P.O. Box 805379
Chicago, IL 60680-5379

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October 11, 2002

Note to Exelon's Financial Community:

Commonwealth Edison Receives Audit Report

On October 10, 2002, Commonwealth Edison Company (ComEd) announced that it had received the report on the audit by Liberty Consulting Group (Liberty) related to the pending Delivery Services Rate Case. ComEd is Exelon Corporation's regulated Illinois energy delivery company. This audit was initiated in the course of ComEd's delivery services rate case filed on June 1, 2001. In this case, ComEd seeks to establish rates to be charged customers taking only delivery services from the utility.

Background

Under Illinois law, ComEd was required to offer delivery services to its non-residential customers on a phased-in basis, beginning in October 1999. In order to accomplish this, ComEd filed its first delivery services rate case in early 1999, and the Illinois Commerce Commission (ICC) approved ComEd's first non-residential delivery services rates in August 1999. However, Illinois law also required ComEd to offer delivery services to residential customers beginning in May 2002. To accomplish this, ComEd filed a second delivery services rate case in June 2001. That case seeks to establish ComEd's first residential delivery services rates as well as to update the previously approved non-residential rates.

On April 1, 2002, the ICC issued an interim order in that case. The order set delivery services rates for residential customers choosing a new supplier, beginning May 1, 2002. Traditional bundled rates - rates paid by residential customers that retain ComEd as their electricity supplier - are not affected by this order and will remain frozen through 2006. The rates for non-residential customers taking delivery services were not affected by the interim order. The potential revenue impact of the interim order is not material in 2002.

The interim order is based on an adjusted 2000 test year and approved a \$1.527 billion per year jurisdictional delivery services revenue requirement and a \$3.580 billion jurisdictional delivery services rate base. In addition, the interim order approved an 8.99% weighted average cost of capital with an 11.72% return on equity, incorporating an agreement that ComEd reached with major parties in the case. Consistent with that agreement with ComEd and other parties to the case, the ICC deemed that it would conduct an audit of portions of ComEd's expenditures, including capital plant expenditures.

Audit Results

The ICC chose Liberty to conduct the audit. The purpose of the audit was to further analyze and establish the reasonableness of certain past investments and expenditures as reflected in the 2000 test year. Specifically, the audit primarily focused on investments made to upgrade the distribution system to improve service and reliability in the wake of the widely publicized outages that occurred in 1999.

The audit report recognizes ComEd's "extraordinary accomplishment" in inspecting and upgrading the delivery system. However, the audit also concludes that some of the expenditures were needed to "catch-up" with past under-investment and deferred maintenance activities and recommends that some of these expenditures not be included for cost recovery.

Using the interim order as a starting point, Liberty recommends additional disallowances:

- o Net rate base reduction of \$106 million from \$3.58 billion to \$3.47 billion.
- o Reducing operating expenses, including depreciation, by \$141 million, from \$1.138 billion to \$997 million.
- o Reducing delivery services revenue requirement by approximately \$153 million, from \$1.527 billion to \$1.374 billion.

Liberty found all the distribution plant to be used and useful and did not recommend any "used and useful" disallowances.

Potential Impact

With the audit report completed, the rate case moves on to the next phase during which ComEd and other parties will have an opportunity to respond to the audit report. The ICC will then hold hearings on the Liberty audit report and the responses. A final decision should come sometime in the middle of 2003. This decision may revise the existing delivery services rates for customers choosing a supplier other than ComEd. Traditional bundled rates - rates paid by residential customers that retain ComEd as their electricity supplier - are not affected by this order and will remain frozen through 2006. The potential revenue impact of the order is not expected to be material, because the reduction in the delivery services revenue requirement is likely to be largely offset by increases in the competitive transition charges paid by customers who choose a new supplier. It should be noted that currently there are no residential customers taking only delivery service from ComEd, as there is virtually no retail energy supply competition for this customer segment.

Although ComEd intends to contest the Liberty audit findings in the reopened hearings, if the ICC ultimately determines at the conclusion of the hearings that all or some portion of its distribution plant investment is not recoverable through rates, ComEd may be required to write off some or all of the amount of its investment that the ICC determines is not recoverable in this case. Although ComEd cannot currently estimate what portion, if any, of the Liberty audit recommendations the ICC will accept, the estimated potential write-off could be up to approximately \$100 million (pre-tax) if the Liberty audit recommendations were to be accepted by the ICC in their entirety. ComEd expects to record a charge of \$12 million (pre-tax), or \$0.02 per share, in the third quarter of 2002, representing the estimated minimum probable write-off exposure resulting from the audit findings.

If you have questions regarding this matter please contact me at (312) 394-7696 or Marybeth Flater at (312) 394-8354.

Sincerely,

Linda C. Byus, CFA
Vice President Investor Relations

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This note contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results may vary materially from the expectations contained herein. The forward-looking statements herein include statements about

future financial and operating results of Exelon. Economic, business, competitive and/or regulatory factors affecting Exelon's businesses generally could cause actual results to differ materially from those described herein. For a discussion of the factors that could cause actual results to differ materially, please see "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Exelon Generation Company's Registration Statement on Form S-4, Reg. No. 333-85496 and Exelon's and Exelon Generation Company's filings with the Securities and Exchange Commission, particularly those discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations - Outlook" in Exelon's 2001 Annual Report. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this note. Exelon does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this note.

News Release

An Exelon Company

From: Commonwealth Edison
Media Relations
P.O. Box 805379
Chicago, IL 60680-5379

FOR IMMEDIATE RELEASE

Thursday, October 10, 2002

Contact: Tabrina Davis
312.394.3500

Consultant Report Revisits ComEd's 1999 Problems and 2000 Improvement Work

ComEd Says Results Show Money to Improve Reliability Was Well Spent
and That Customers Are Paying Lower Rates Now than in 1999

CHICAGO - Commonwealth Edison officials said today that a report by Liberty Consulting revisits well-publicized reports about the company's past reliability and management problems, but said the company has already admitted its mistakes and moved on with substantial improvements. Customers are experiencing 47 percent fewer outages than in 1998, and when outages do occur ComEd is restoring power more quickly. The length of outages has decreased by 64 percent.

"Everyone knows ComEd had problems a few years back. The important thing is that we admitted our mistakes and got to work improving our system," said ComEd President Frank Clark. "ComEd today is a vastly different company than the one described in this report. Reliability is better and rates are lower than they were in 1999."

The Illinois Commerce Commission (ICC) sponsored this most recent review of ComEd's past as part of the process to establish ComEd's "delivery service charges." ComEd agreed to this review. The delivery service charges under review apply only to customers who choose to purchase their electricity from an alternative supplier or under ComEd's Power Purchase Option. These customers pay a regulated charge that allows ComEd to maintain the network of substations and wires that deliver power to homes and businesses.

ComEd's proposed delivery service charges average 1.93 cents per kilowatt/hour, which is approximately 20 percent less than the average rate charged by other utilities that have recently set delivery services rates. None of ComEd's 3.2 million residential customers currently pay the delivery service charge.

Year 2000 Was One of "Extraordinary Accomplishment" at ComEd

As is customary, the Liberty report recommends a reduction of ComEd's proposed delivery service charges. However, the report acknowledges that ComEd kept its promise to improve service in the wake of the 1999 outages. "The year 2000 was one of extraordinary accomplishment at ComEd," the report observes. It goes on to say:

"Spurred by public and regulatory concern, by the vision of new executives brought in to lead its delivery of service, and by obligations that arose from litigation by the City of Chicago, ComEd has since 1999 been undertaking:

- o A thorough, accelerated inspection of its existing system
- o The correction of once-neglected maintenance and repairs discovered through these inspections
- o The addition of major new facilities that corrected what had become over time a structural flaw in the design of the network that distributes electricity in the City of Chicago and the rest of the Company's service area."

(more)

ComEd
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Liberty's central claim is that in ComEd's admittedly successful efforts to improve service rapidly, some work ended up costing more than it could have.

ComEd officials acknowledged that while hindsight is always 20/20, the proof of the company's work is in the results. "This was money well spent. We kept our promise and fixed our reliability problems quickly," said Clark.

ComEd Residential Customer Pay Less for Better Reliability

While ComEd's reliability was improving, the rates paid by its residential customers were going down. Residential customers are paying electric rates today that are 5 percent lower than they were in 1999, thanks to an October 2001 rate cut mandated by the Illinois General Assembly. This 5 percent rate cut is in

addition to a 15 percent rate cut that took effect in August 1998; both cuts were part of the 1997 Illinois restructuring law. In all, ComEd's residential customers are paying lower rates today than they were in 1990 - and these lower rates are frozen until 2007. The rate freeze applies to all ComEd customers and means they have the protection of a low rate that cannot go up, and the freedom to shop for a better deal from another supplier.

Report Is One Step in Process

On June 1, 2001, ComEd filed with the ICC to establish delivery service charges for residential customers in preparation for residential customer choice, which began in May 2002. The filing also updated delivery service charges for non-residential customers. The ICC approved initial residential delivery service charges on April 1, 2002, pending results of the audit and further proceedings; non-residential charges will be revised in the litigation following the audit. Now that Liberty has filed its report, the process moves on to the next phase later this year, when the ICC will hold hearings on the Liberty report and ComEd's response. A final decision should come sometime in the middle of 2003.

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Commonwealth Edison is a unit of Chicago-based Exelon Corporation (NYSE: EXC), one of the nation's largest electric utilities with more than \$15 billion in revenues and a customer base of five million. ComEd provides service to more than 3.4 million customers across Northern Illinois, or nearly 70 percent of the state's population.