

**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

January 16, 2012

Date of Report (Date of earliest event reported)

Commission File Number	Exact Name of Registrant as Specified in Its Charter; 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 P.O. Box 805379 Chicago, Illinois 60680-5379 (312) 394-7398	23-2990190
333-85496	EXELON GENERATION COMPANY, LLC (a Pennsylvania limited liability company) 300 Exelon Way Kennett Square, Pennsylvania 19348-2473 (610) 765-5959	23-3064219
1-1839	COMMONWEALTH EDISON COMPANY (an Illinois corporation) 440 South LaSalle Street Chicago, Illinois 60605-1028 (312) 394-4321	36-0938600
000-16844	PECO ENERGY COMPANY (a Pennsylvania corporation) P.O. Box 8699 2301 Market Street Philadelphia, Pennsylvania 19101-8699 (215) 841-4000	23-0970240

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 8 – Other Events.

Item 8.01. Other Events.

On January 16, 2012, Exelon Corporation (Exelon) and Constellation Energy Group, Inc. (Constellation) reached an agreement with Électricité de France (EDF) under which EDF will withdraw its opposition to the Exelon-Constellation merger. The terms address Constellation Energy Nuclear Group (CENG), a joint venture between Constellation and EDF that owns and operates three nuclear facilities with five generating units in Maryland and New York. The agreement reaffirms the terms of the joint venture. No payment was made by either party associated with this agreement.

A copy of the press release concerning the settlement is attached as Exhibit 99.1, and a copy of the form of settlement agreement is attached as Exhibit 99.2.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release
99.2	Form of settlement agreement

* * * * *

This combined Form 8-K is being furnished separately by Exelon, Exelon Generation Company, LLC, Commonwealth Edison Company and PECO Energy Company (Registrants). Information contained herein relating to any individual Registrant has been furnished by such Registrant on its own behalf. No Registrant makes any representation as to information relating to any other Registrant.

Cautionary Statements Regarding Forward-Looking Information

Except for the historical information contained herein, certain of the matters discussed in this communication constitute “forward-looking statements” within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, both as amended by the Private Securities Litigation Reform Act of 1995. Words such as “may,” “will,” “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “target,” “forecast,” and words and terms of similar substance used in connection with any discussion of future plans, actions, or events identify forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding benefits of the proposed merger of Exelon Corporation (Exelon) and Constellation Energy Group, Inc. (Constellation), integration plans and expected synergies, the expected timing of completion of the transaction, anticipated future financial and operating performance and results, including estimates for growth. These statements are based on the current expectations of management of Exelon and Constellation, as applicable. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements included in this communication regarding the proposed merger. For example, (1) the companies may be unable to obtain regulatory approvals required for the merger, or required regulatory approvals may delay the merger or result in the imposition of conditions that could have a material adverse effect on the combined company or cause the companies to abandon the merger; (2) conditions to the closing of the merger may not be satisfied; (3) an unsolicited offer of another company to acquire assets or capital stock of Exelon or Constellation could interfere with the merger; (4) problems may arise in successfully integrating the businesses of the companies, which may result in the combined company not operating as effectively and efficiently as expected; (5) the combined company may be unable to achieve cost-cutting synergies or it may take longer than expected to achieve those synergies; (6) the merger may involve

unexpected costs, unexpected liabilities or unexpected delays, or the effects of purchase accounting may be different from the companies' expectations; (7) the credit ratings of the combined company or its subsidiaries may be different from what the companies expect; (8) the businesses of the companies may suffer as a result of uncertainty surrounding the merger; (9) the companies may not realize the values expected to be obtained for properties expected or required to be divested; (10) the industry may be subject to future regulatory or legislative actions that could adversely affect the companies; and (11) the companies may be adversely affected by other economic, business, and/or competitive factors. Other unknown or unpredictable factors could also have material adverse effects on future results, performance or achievements of Exelon, Constellation or the combined company. Discussions of some of these other important factors and assumptions are contained in Exelon's and Constellation's respective filings with the Securities and Exchange Commission (SEC), and available at the SEC's website at www.sec.gov, including: (1) Exelon's 2010 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 18; (2) Exelon's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2011 in (a) Part II, Other Information, ITEM 1A. Risk Factors, (b) Part 1, Financial Information, ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) Part I, Financial Information, ITEM 1. Financial Statements: Note 13; (3) Constellation's 2010 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 12; and (4) Constellation's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2011 in (a) Part II, Other Information, ITEM 1A. Risk Factors and ITEM 5. Other Information, (b) Part I, Financial Information, ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) Part I, Financial Information, ITEM 1. Financial Statements: Notes to Consolidated Financial Statements, *Commitments and Contingencies*. These risks, as well as other risks associated with the proposed merger, are more fully discussed in the definitive joint proxy statement/prospectus included in the Registration Statement on Form S-4 that Exelon filed with the SEC and that the SEC declared effective on October 11, 2011 in connection with the proposed merger. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this communication may not occur. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this communication. Neither Exelon nor Constellation undertake any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this communication.

Additional Information and Where to Find it

In connection with the proposed merger between Exelon and Constellation, Exelon filed with the SEC a Registration Statement on Form S-4 that included the definitive joint proxy statement/prospectus. The Registration Statement was declared effective by the SEC on October 11, 2011. Exelon and Constellation mailed the definitive joint proxy statement/prospectus to their respective security holders on or about October 12, 2011. **WE URGE INVESTORS AND SECURITY HOLDERS TO READ THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, BECAUSE THEY CONTAIN IMPORTANT INFORMATION** about Exelon, Constellation and the proposed merger. Investors and security holders may obtain copies of all documents filed with the SEC free of charge at the SEC's website, www.sec.gov. In addition, a copy of the definitive joint proxy statement/prospectus may be obtained free of charge from Exelon Corporation, Investor Relations, 10 South Dearborn Street, P.O. Box 805398, Chicago, Illinois 60680-5398, or from Constellation Energy Group, Inc., Investor Relations, 100 Constellation Way, Suite 600C, Baltimore, MD 21202.

SIGNATURES

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

EXELON CORPORATION
EXELON GENERATION COMPANY, LLC

/s/ Matthew F. Hilzinger

Matthew F. Hilzinger
Senior Vice President, Chief Financial Officer and Treasurer
Exelon Corporation

COMMONWEALTH EDISON COMPANY

/s/ Joseph R. Trpik, Jr.

Joseph R. Trpik, Jr.
Senior Vice President, Chief Financial Officer and Treasurer
Commonwealth Edison Company

PECO ENERGY COMPANY

/s/ Phillip S. Barnett

Phillip S. Barnett
Senior Vice President and Chief Financial Officer
PECO Energy Company

January 17, 2012

EXHIBIT INDEX

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www.exeloncorp.com



www.constellation.com

www.exelonconstellationmerger.com

**EXELON, EDF REACH AGREEMENT
ON EXELON-CONSTELLATION MERGER**

CHICAGO AND BALTIMORE (January 17, 2012) – Exelon Corporation (NYSE: EXC) and Constellation Energy (NYSE: CEG) today announced that they have reached an agreement with Electricite de France (EDF) under which EDF will withdraw its opposition to the Exelon-Constellation merger. The terms address Constellation Energy Nuclear Group (CENG), a joint venture between Constellation and EDF that owns and operates three nuclear facilities with five generating units in Maryland and New York. The agreement reaffirms the terms of the joint venture. No payment was made by either party associated with this agreement.

“We are pleased to come to agreement with EDF, a significant Constellation shareholder, as well as our future partner on the CENG nuclear joint venture. This agreement reflects additional positive momentum toward the timely consummation of our merger with Constellation,” said Exelon President and COO Christopher M. Crane.

The Exelon-Constellation merger has received approval by the Department of Justice, the New York Public Service Commission, the Public Utility Commission of Texas and the shareholders of Exelon and Constellation. It also requires regulatory approvals by the Federal Energy Regulatory Commission, the Nuclear Regulatory Commission and the Maryland Public Service Commission.

In a merger settlement with the State of Maryland, the Maryland Energy Administration (MEA), the City of Baltimore and the Baltimore Building and Construction Trades Council announced Dec. 15, Exelon, Constellation and Baltimore Gas and Electric Company agreed to provide a package of benefits totaling more than \$1 billion and expected to create more than 6,000 jobs in Maryland.

The Exelon-Constellation merger will combine Exelon’s environmentally advantaged generation fleet with Constellation Energy’s industry-leading customer-facing businesses. The companies announced their agreement to merge on April 28.

About Exelon Corporation

Exelon Corporation is one of the nation’s largest electric utilities with more than \$18 billion in annual revenues. The company has one of the industry’s largest portfolios of electricity generation capacity, with a nationwide reach and strong positions in the Midwest and Mid-Atlantic. Exelon distributes electricity to approximately 5.4 million customers in northern Illinois and southeastern Pennsylvania and natural gas to approximately 490,000 customers in the Philadelphia area. Exelon is headquartered in Chicago and trades on the NYSE under the ticker EXC. Learn more online: www.exeloncorp.com.

About Constellation Energy

Constellation Energy is a leading competitive supplier of power, natural gas and energy products and services for homes and businesses across the continental United States. It owns a diversified fleet of generating units, totaling approximately 12,000 megawatts of generating capacity, and is a leading advocate for clean, environmentally sustainable energy sources, such as solar power and nuclear energy. The company delivers electricity and natural gas through the Baltimore Gas and Electric Company (BGE), its regulated utility in Central Maryland. A

FORTUNE 500 company headquartered in Baltimore, Constellation Energy had revenues of \$14.3 billion in 2010. Learn more online: www.constellation.com.

For the latest information about the Exelon-Constellation merger, visit the merger website:

www.exelonconstellationmerger.com

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Except for the historical information contained herein, certain of the matters discussed in this communication constitute “forward-looking statements” within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, both as amended by the Private Securities Litigation Reform Act of 1995. Words such as “may,” “will,” “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “target,” “forecast,” and words and terms of similar substance used in connection with any discussion of future plans, actions, or events identify forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding benefits of the proposed merger of Exelon Corporation (Exelon) and Constellation Energy Group, Inc. (Constellation), integration plans and expected synergies, the expected timing of completion of the transaction, anticipated future financial and operating performance and results, including estimates for growth. These statements are based on the current expectations of management of Exelon and Constellation, as applicable. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements included in this communication regarding the proposed merger. For example, (1) the companies may be unable to obtain regulatory approvals required for the merger, or required regulatory approvals may delay the merger or result in the imposition of conditions that could have a material adverse effect on the combined company or cause the companies to abandon the merger; (2) conditions to the closing of the merger may not be satisfied; (3) an unsolicited offer of another company to acquire assets or capital stock of Exelon or Constellation could interfere with the merger; (4) problems may arise in successfully integrating the businesses of the companies, which may result in the combined company not operating as effectively and efficiently as expected; (5) the combined company may be unable to achieve cost-cutting synergies or it may take longer than expected to achieve those synergies; (6) the merger may involve unexpected costs, unexpected liabilities or unexpected delays, or the effects of purchase accounting may be different from the companies’ expectations; (7) the credit ratings of the combined company or its subsidiaries may be different from what the companies expect; (8) the businesses of the companies may suffer as a result of uncertainty surrounding the merger; (9) the companies may not realize the values expected to be obtained for properties expected or required to be divested; (10) the industry may be subject to future regulatory or legislative actions that could adversely affect the companies; and (11) the companies may be adversely affected by other economic, business, and/or competitive factors. Other unknown or unpredictable factors could also have material adverse effects on future results, performance or achievements of Exelon, Constellation or the combined company. Discussions of some of these other important factors and assumptions are contained in Exelon’s and Constellation’s respective filings with the Securities and Exchange Commission (SEC), and available at the SEC’s website at www.sec.gov, including: (1) Exelon’s 2010 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 18; (2) Exelon’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2011 in (a) Part II, Other Information, ITEM 1A. Risk Factors, (b) Part 1, Financial Information, ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations and (c) Part I, Financial Information, ITEM 1. Financial Statements: Note 13; (3) Constellation’s 2010 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 12; and (4) Constellation’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2011 in (a) Part II, Other Information, ITEM 1A. Risk Factors and ITEM 5. Other Information, (b) Part I, Financial Information, ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations and (c) Part I, Financial Information, ITEM 1. Financial Statements: Notes to Consolidated Financial Statements, *Commitments and Contingencies*. 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Additional Information and Where to Find it

In connection with the proposed merger between Exelon and Constellation, Exelon filed with the SEC a Registration Statement on Form S-4 that included the definitive joint proxy statement/prospectus. The Registration Statement was

www.exelonconstellationmerger.com

declared effective by the SEC on October 11, 2011. Exelon and Constellation mailed the definitive joint proxy statement/prospectus to their respective security holders on or about October 12, 2011. WE URGE INVESTORS AND SECURITY HOLDERS TO READ THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, BECAUSE THEY CONTAIN IMPORTANT INFORMATION about Exelon, Constellation and the proposed merger. Investors and security holders may obtain copies of all documents filed with the SEC free of charge at the SEC's website, www.sec.gov. In addition, a copy of the definitive joint proxy statement/prospectus may be obtained free of charge from Exelon Corporation, Investor Relations, 10 South Dearborn Street, P.O. Box 805398, Chicago, Illinois 60680-5398, or from Constellation Energy Group, Inc., Investor Relations, 100 Constellation Way, Suite 600C, Baltimore, MD 21202.

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Constellation

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www.exelonconstellationmerger.com

**Settlement Agreement Between
EDF Inc. (“EDF”)
and
Exelon Corporation (“Exelon”), Exelon Energy Delivery Company, LLC (“EEDC, LLC”),
Constellation Energy Group, Inc. (“Constellation”) and Baltimore Gas and Electric
Company (“BGE”)**

In consideration for the terms and conditions set forth below in this Agreement, EDF Inc. (“EDF”), party to the Maryland Public Service Commission (“Commission”) proceeding captioned as *In the Matter of the Merger of Exelon Corporation and Constellation Energy Group, Inc.*, Case Number 9271 (the “Proceeding”), EDF, Electricité de France, S.A., a French *société anonyme* (“EDF S.A.”) and Exelon Corporation (“Exelon”), Constellation Energy Group, Inc. (“Constellation”), Baltimore Gas and Electric Company (“BGE”), and Exelon Energy Delivery Company, LLC (“EEDC, LLC”) (collectively, the “Applicants”) (Exelon, Constellation, BGE, and EEDC, LLC, together with EDF, collectively the “Signatory Parties”) enter into this Confidential Settlement Agreement (the “Agreement”).

BACKGROUND

WHEREFORE, on April 28, 2011, Exelon and Constellation agreed to combine in a stock-for-stock transaction (“Merger”) by which Exelon will acquire one hundred percent of Constellation’s stock and Constellation will thereby become a wholly-owned subsidiary of Exelon. Because the Merger will result in Exelon acquiring the power to exercise substantial influence over the policies and actions of Constellation’s regulated electric utility subsidiary, BGE, Maryland Public Service Commission (“Commission”) approval is required before the Applicants may complete the Merger. Md. Code Ann., Pub. Utils. (“PUA”) § 6-105(e)(1). Consequently the Applicants filed their Application with the Commission requesting that the Commission find that the acquisition is “consistent with the public interest, convenience and necessity, including benefits and no harm to consumers” and authorize the acquisition (the “Application”). PUA § 6-105(g)(3)(i).

WHEREFORE, EDF filed, and the Commission granted, a petition to intervene in the Proceeding and has opposed the Merger;

WHEREFORE, the Signatory Parties, pursuant to the terms and conditions set forth in this Agreement, desire to resolve all of their differences and all of the concerns of EDF related to the Merger, whether related to the Proceeding or related to any other forum.

TERMS AND CONDITIONS

NOW, THEREFORE, the Signatory Parties hereby agree as follows:

1. CENG. Exelon and EDF agree that, upon consummation of the Merger, each of Exelon and EDF will take all necessary action to effectuate the terms attached hereto as

Appendix A (the “CENG Terms”), with such terms to become effective upon, and subject to the consummation of, the Merger. Once the Merger has been consummated, the CENG Terms shall become effective and enforceable notwithstanding the pendency of a petition for reconsideration unless such implementation and enforcement of the Agreement is stayed or enjoined by the Commission, another regulatory agency having competent jurisdiction over the matter, or a court having competent jurisdiction over the matter. Without limiting the foregoing, each of Exelon and EDF shall negotiate in good faith to produce and execute, as promptly as practicable following the consummation of the Merger, definitive documentation effecting the CENG Terms; provided that, from and after the consummation of the Merger, until such definitive documentation has been executed and delivered, the CENG Terms shall constitute binding amendments of the Operating Agreement of CENG and of the other agreements referenced in the CENG Terms. Each of Exelon and EDF shall use all reasonable efforts to make such filings or submissions with regulatory agencies and to obtain such consents as may be required in connection with the implementation of the CENG Terms, it being understood and agreed that, if any regulatory agency shall require any modification of the CENG Terms, Exelon and EDF shall negotiate in good faith alternative provisions designed to achieve as nearly as practicable the original intended purpose of the CENG Terms.

2. EDF WITHDRAWS OBJECTIONS. Upon the execution of this Agreement by all of the Signatory Parties, EDF shall file with the Commission a notice in the Proceeding stating as follows: “EDF Inc. (‘EDF’) hereby withdraws all objections to the Application of Exelon Corporation, Constellation Energy Group, Inc., Baltimore Gas and Electric Company, and Exelon Energy Delivery Company, LLC.” EDF, EDF S.A., and their affiliates further agree not to oppose the Merger in any action, claim, lawsuit, appeal, arbitration, regulatory action, or any other proceeding or forum.

3. DISCLAIMER. By entering into this Agreement, the Signatory Parties do not admit, and do specifically deny, any violation of any local, state, or federal law, common or statutory. Neither the execution of this Agreement nor the consideration provided for herein shall constitute or be construed as an admission by any Signatory Party of any fault, wrongdoing, or liability whatsoever, and the Signatory Parties acknowledge that all such liability is expressly denied.

4. ENTIRE AGREEMENT. This Agreement sets forth the entire agreement between the Signatory Parties and supersedes any and all prior agreements or understandings, written or oral, between the Signatory Parties pertaining to the subject matter hereof. No other promises or agreements shall be binding upon the Signatory Parties with respect to the subject matter unless contained herein or separately agreed to in writing and executed by the Signatory Parties.

5. COUNTERPARTS. The Signatory Parties may execute this Agreement in separate counterparts, each of which, when so executed and delivered, shall constitute an original, but all of which together shall constitute one and the same instrument.

6. WARRANTY OF CAPACITY TO EXECUTE AGREEMENT. The Signatory

Parties represent to each other that the person executing this Agreement on each Signatory Party's behalf has full authority to bind that Signatory Party and its affiliates to the terms and conditions of this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the Signatory Parties hereto, their respective representatives, successors and assigns.

7. CONSTRUCTION BY MARYLAND LAW. This Agreement is entered into in Maryland and shall be construed and interpreted in accordance with its laws without regard for its conflict rules. For purposes of construing this Agreement, the Signatory Parties shall be considered to have jointly authored this Agreement. The language of all parts of this Agreement shall in all cases be construed as a whole, according to their fair meaning, and not strictly for or against any of the Signatory Parties.

8. MODIFICATION AND SEVERABILITY. No change or waiver of any provision of this Agreement shall be valid unless the same is in writing and signed by all Signatory Parties. The invalidity, illegality or unenforceability of any provision or any part of any provision of this Agreement or the CENG Terms shall not affect or impair the validity, legality or enforceability of any other provisions or part of any other provision thereof.

9. EFFECTIVENESS. This Agreement shall become effective, subject to the conditions agreed to in Paragraph 1 above, immediately upon execution by all of the Signatory Parties.

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In Witness Whereof, the Signatory Parties hereto have caused this Settlement Agreement to be executed by each of them or their duly authorized representative:

EDF Inc.

By:

Date: _____

Electricité de France, S.A.

By:

Date: _____

Exelon Corporation and Exelon Energy Delivery Company, LLC

By:

Date: _____

Constellation Energy Group, Inc.

By:

Date: _____

Date:

By: _____

DATED as of January , 2012

APPENDIX A: CENG TERMS

Subject to the terms of the Settlement Agreement, the following provisions will amend the Second Amended and Restated Operating Agreement of Constellation Energy Nuclear Group, LLC (“CENG”), dated as of November 6, 2009, as amended (the “Operating Agreement”), the Administrative Services Agreement (as defined in the Operating Agreement) and the Power Services Agency Agreement (as defined in the Operating Agreement).

Key officers	EDF shall have the right to appoint the Chief Financial Officer for CENG.
Restrictions on compensation	All officers of CENG (including the CEO and CNO but excluding the Chairman and Vice Chairman and excluding other officers seconded (with the consent of the other Member) from a Member or its affiliates) shall be prohibited from receiving any post-merger compensation or other form of remuneration from any Member or any affiliate thereof (excluding severance, retirement or other similar benefits payable following termination of prior employment with the Member or affiliate consistent with its regular practices).
Conflict of interest	All new commercial relationships between CENG and Exelon or its affiliates shall be no less favorable than arm’s-length terms (with reasonable exceptions for safety and security matters under emergency circumstances). The threshold for approval rights for affiliate transactions under section 7.2(j)(iv) of the Operating Agreement shall be \$5 million. To the extent permitted by law and contractual confidentiality restrictions (with customary arrangement to be made where necessary for review of “black box” information by third parties subject to confidentiality restrictions), EDF will have the right to audit all arrangements between Exelon or its affiliates, on the one hand, and CENG, on the other, for compliance.
Most Favored Nation treatment	Exelon will undertake that, whenever CENG is in the market for goods or services and so notifies Exelon, Exelon will use commercially reasonable efforts to cause its suppliers to offer such goods and services to CENG on terms and conditions that are no less favorable to CENG in any material respect than they are to Exelon (with reasonable exceptions, consistent with Exelon’s regular practice, for differences in particular circumstances, such as volume of purchases, commodity price fluctuations, shipping costs, licensing, taxes, etc.) and that Exelon will not bargain for any advantage with any of its suppliers to the detriment of CENG. Exelon will further agree to use its commercially reasonable efforts, as may be reasonably requested by EDF, to negotiate with its existing suppliers to offer terms and conditions to CENG that are no less favorable in any material respect than those enjoyed by Exelon, to the extent such terms may be provided consistent with applicable law. CENG, under the direction of its Chief Financial Officer, shall have reasonable audit rights on Exelon to ensure compliance with the foregoing MFN principle (which audit rights shall, to the extent necessary, include customary confidentiality

	protections and be subject to confidentiality provisions in Exelon’s agreements with its suppliers, to the same extent Exelon is so subject).
Repricing of ASA	Administrative Services Agreement will be amended to reflect actual post-merger costs determined on the same basis that Exelon Business Services Company LLC (or such other Exelon affiliate as provides services pursuant to the ASA) charges affiliates for similar services in accordance with applicable regulatory requirements. Such costs shall be subject to audit rights consistent with those described above under “Most Favored Nation treatment”.
Repricing of PSAA	Power Services Agency Agreement will be amended to reflect cost, including fair and documented allocations of overhead and benefits, incurred by CEG (or its successor) to render service, such cost not to exceed \$358,333 in any month. Such costs shall be subject to audit rights consistent with those described above under “Most Favored Nation treatment”.
Autonomy of CENG	Exelon shall take no action that shall infringe on the operational autonomy of CENG as an autonomous board-managed enterprise in accordance with the Operating Agreement without the consent of EDF.
“No-hire” provision	In addition to the existing “no solicit” provision of section 11.2 of the Operating Agreement, Exelon agrees for a period of two years from the merger closing date not to hire any employees (existing or future) of CENG or of EDF or any of its affiliates without the consent of EDF (excluding personnel of Exelon or its affiliates personnel who are seconded to CENG or on temporary assignment to CENG).
Restrictions on entry into certain contracts	CENG shall not enter into any contract that restricts disclosure of information to any Member without prior consultation with and consent of the Member to whom such disclosure is restricted; <u>provided</u> , that CENG may agree to such restrictions to the extent necessary to comply with United States export control laws (subject to EDF having a reasonable opportunity to review and comment on any such provisions prior to adoption).
Compliance by CENG	Each Member will covenant to the other that it will exercise its respective governance and other contractual rights to cause CENG to comply with all obligations of CENG under the Operating Agreement.
Transferee rights	The foregoing protections shall inure to the benefit of any transferee of EDF’s entire membership interest in CENG.