

**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**

August 21, 2008

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	<b>EXELON CORPORATION</b> (a Pennsylvania corporation) 10 South Dearborn Street P.O. Box 805379 Chicago, Illinois 60680-5379 (312) 394-7398	23-2990190
000-16844	<b>PECO ENERGY COMPANY</b> (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 August 21, 2008, PECO Energy Company (PECO), a subsidiary of Exelon Corporation (Exelon), announced via press release that PECO had filed a joint settlement petition with the Pennsylvania Public Utility Commission reaching an agreement with six entities regarding the natural gas service rate increase PECO requested in March 2008.

The settlement petition provides for a revenue increase of \$76.5 million, or \$21.8 million less than the \$98.3 million originally requested by PECO.

A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

## 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

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This combined Form 8-K is being furnished separately by Exelon and PECO (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.

This Current 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'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; (2) Exelon's Second Quarter 2008 Quarterly Report on Form 10-Q in (a) Part II, Other Information, ITEM 1A. Risk Factors and (b) Part I, Financial Information, ITEM 1. Financial Statements: Note 12; and (3) other factors discussed in filings with the Securities and Exchange Commission by the Registrants. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this Current Report. None of the Registrants undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this Current Report.

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**

/s/ Matthew F. Hilzinger

Matthew F. Hilzinger

Senior Vice President and Chief Financial Officer

Exelon Corporation

**PECO ENERGY COMPANY**

/s/ Phillip S. Barnett

Phillip S. Barnett

Senior Vice President and Chief Financial Officer

PECO Energy Company

August 21, 2008

**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release



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## News Release

Contact: Cameron Kline  
PECO  
2301 Market Street, S14-1  
Philadelphia, PA 19103  
215-841-5555

**FOR IMMEDIATE RELEASE**

**PECO Reaches Settlement on Gas Delivery Service Rate Increase**  
*Agreement allows for energy efficiency and low-income programs as well as funds to improve gas system*

**PHILADELPHIA** (Aug. 21, 2008) – PECO today filed a joint settlement petition with the Pennsylvania Public Utility Commission (PUC), signaling that it has reached an agreement with six entities regarding the service rate increase it requested in March 2008.

The settlement petition provides for a revenue increase of \$76.5 million, or \$21.8 million less than the \$98.3 million originally requested. If approved by the PUC, the average monthly residential bill of \$141.58 would increase by \$10.83, or 7.6 percent. The average monthly commercial bill of \$688.22 would increase by \$50.38, or 7.3 percent.

The settlement would also significantly enhance PECO's low-income programs, specifically its Customer Assistance Program (CAP) and Low Income Usage Reduction Program (LIURP). Under the plan, CAP would be expanded from two income-adjusted rates to four income-adjusted rates and funding would be increased from \$4.3 million annually to approximately \$13.7 million annually. This would allow PECO to help even more low-income customers. Funding for LIURP, which provides free weatherization measures to low-income customers, would be increased from almost \$900,000 to \$2.25 million.

In the filing, PECO also has proposed significant new energy efficiency programs to help customers manage their energy usage and gas bill. One of the programs is a new appliance rebate program that would provide customers with a \$300 rebate to replace old furnaces or boilers with new high efficiency-certified models and a \$50 rebate to replace old water heaters.

PECO is planning \$280 million worth of investments to the system during the next five years. Among the critical reliability projects are increasing flow to portions of the service territory experiencing growth, repairing and replacing aging equipment and distribution lines, and increasing system efficiencies with new technologies.

"This increase is necessary to meet our obligation of providing safe, reliable service at a reasonable cost and meet the future demands of an increasing customer base," said Mark Alden, vice president of Gas for PECO. "While there is never a good time for a rate increase, this settlement allows for many additional programs to allow customers to adjust."

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The rate filing is also needed because of the rising costs of materials and expenses. For example, steel pipe has risen 30 percent over the last five years. Copper and brass fittings are up 35 percent. Health care and other employee-related expenses have also risen sharply since the last delivery service rate increase in 1988.

PECO's natural gas bill is made up of two parts. The delivery charge – the subject of this filing – is the cost of moving the natural gas to customers and makes up about a quarter of the average residential bill. This charge provides the funds PECO needs to maintain the gas distribution system, buy equipment and materials and to pay salaries. The gas commodity charge, about three-quarters of an average bill, reflects the cost PECO pays to buy gas on the wholesale market. PECO does not make any money on this portion of the bill. PECO does not propose any increase to the commodity charge in this filing.

While the commodity charge has fluctuated with the price of wholesale natural gas, PECO's delivery rate has stayed the same for 20 years and is currently the lowest in the state. No other natural gas delivery company in Pennsylvania has gone as long without an increase to its delivery rate.

PECO's proposed settlement will be reviewed by an administrative law judge, who will provide an opinion to the PUC as part of the PUC's review of PECO's rate request. Any approved rate adjustment would likely be effective no later than Jan. 1, 2009. Customers with questions about the filing may call PECO at 1-800-494-4000.

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*Based in Philadelphia, PECO serves 1.6 million electric and 480,000 natural gas customers in southeastern Pennsylvania and employs about 2,500 people in the region. PECO delivered 78.5 billion cubic feet of natural gas and 39.9 billion kilowatt-hours-hours of electricity in 2007. Founded in 1881, PECO is one of the Greater Philadelphia Region's most active corporate citizens, providing leadership, volunteer and financial support to numerous arts and culture, education, environmental, economic development and community programs and organizations.*