

EXELON CORP
Form S-4/A
April 14, 2005

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As filed with the Securities and Exchange Commission on April 14, 2005

Registration No. 333-122704

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1

to

Form S-4

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Exelon Corporation

(Exact name of registrant as specified in its charter)

Pennsylvania

*(State or other jurisdiction of
incorporation or organization)*

4931

*(Primary Standard Industrial
Classification Code Number)*

23-2990190

*(I.R.S. Employer
Identification Number)*

**10 South Dearborn Street
37th Floor
Chicago, Illinois 60680-5379
(312) 394-7398**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Randall E. Mehrberg, Esq.
Exelon Corporation
10 South Dearborn Street
37th Floor
Chicago, Illinois 60680-5379
(312) 394-7398**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective and after the conditions to the completion of the proposed transaction described in the joint proxy statement/prospectus have been satisfied or waived.

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If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary joint proxy statement/prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary joint proxy statement/prospectus is not an offer to sell and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY COPY SUBJECT TO COMPLETION, DATED APRIL 14, 2005

MERGER PROPOSAL YOUR VOTE IS IMPORTANT

On behalf of the boards of directors and management of both Exelon Corporation and Public Service Enterprise Group Incorporated, we are pleased to deliver our joint proxy statement/prospectus for the merger involving Exelon and PSEG. We believe this merger will create a strong combined company that will deliver important benefits to our shareholders, to our customers and to the communities we serve.

If the merger is completed, PSEG shareholders will receive 1.225 shares of Exelon common stock for each share of PSEG common stock held. The exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to the completion of the merger. Based on the closing price of Exelon common stock on the New York Stock Exchange on December 15, 2004, the last full trading day prior to a significant increase in trading volume from the average trading volume of Exelon and PSEG common stock and inquiries from *The Wall Street Journal* regarding whether Exelon and PSEG were in advanced merger discussions, the exchange ratio represented approximately \$53.14 in value for each share of PSEG common stock. Based on the closing price of Exelon common stock on the New York Stock Exchange on December 16, 2004, the last full trading day prior to the publication of news articles reporting that Exelon and PSEG were in advanced merger discussions, the exchange ratio represented approximately \$52.19 in value for each share of PSEG common stock. Based on the closing price of Exelon common stock on the New York Stock Exchange on December 17, 2004, the last full trading day prior to our public announcement of the merger, the exchange ratio represented approximately \$51.28 in value for each share of PSEG common stock. Based on the closing price of Exelon common stock on the New York Stock Exchange on [], 2005, of \$[], the exchange ratio represented approximately \$[] in value for each share of PSEG common stock.

The value of the consideration to be received by PSEG shareholders will fluctuate with changes in the price of Exelon common stock. We urge you to obtain current market quotations for Exelon and PSEG common stock.

Exelon shareholders will continue to own their existing Exelon shares. We estimate that Exelon may issue up to approximately [] million shares of Exelon common stock to PSEG shareholders as contemplated by the merger agreement, which includes approximately [] million shares of Exelon common stock issuable pursuant to PSEG stock options to be assumed by Exelon and substituted with options to purchase Exelon common stock. Upon completion of the merger, Exelon's shareholders immediately prior to the merger will own approximately []% of Exelon's outstanding common stock on a fully diluted basis and former PSEG shareholders will own approximately []% of Exelon's outstanding common stock on a fully diluted basis. Upon completion of the merger, Exelon will change its name from Exelon Corporation to Exelon Electric & Gas Corporation. Exelon common stock will continue to be listed on the New York Stock Exchange.

For a discussion of the United States federal income tax consequences of the merger, see "The Merger Material United States Federal Income Tax Consequences of the Merger" beginning on page [] of this joint proxy statement/prospectus.

We urge you to read this joint proxy statement/prospectus, which includes important information about the merger and our annual meetings. **In particular, see the section titled "Risk Factors" on pages 20 through 33 of this joint proxy statement/prospectus which contains a description of the risks that you should consider in evaluating the merger.**

Exelon asks that, in addition to the other matters to be considered at the Exelon annual meeting, Exelon shareholders approve the issuance of shares of Exelon common stock as contemplated by the merger agreement. Exelon's annual meeting will be held at the following time and place:

[], 2005
[] local time
[Location TBD]

Exelon's board of directors has reviewed and considered the terms of the merger and the merger agreement and has unanimously determined that the merger, including the issuance of shares of Exelon common stock as contemplated by the merger agreement, is advisable, fair to and in the best interests of Exelon and its shareholders and unanimously recommends that Exelon shareholders vote FOR the proposal to approve the issuance of shares of Exelon common stock as contemplated by the merger agreement.

PSEG asks that, in addition to the other matters to be considered at the PSEG annual meeting, PSEG shareholders approve the merger agreement and thereby approve the merger. PSEG's annual meeting will be held at the following time and place:

[], 2005
[] local time
[Location TBD]

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PSEG's board of directors has reviewed and considered the terms of the merger and the merger agreement and has unanimously determined that the merger is advisable, fair to and in the best interests of PSEG and its shareholders and unanimously recommends that PSEG shareholders vote FOR the proposal to approve the merger agreement and thereby approve the merger.

We cannot complete the merger unless the Exelon shareholders approve the issuance of shares of Exelon common stock as contemplated by the merger agreement and the PSEG shareholders approve the merger agreement. **Your vote is important.**

John W. Rowe
*Chairman of the Board,
President and Chief Executive Officer
Exelon Corporation*

E. James Ferland
*Chairman of the Board,
President and Chief Executive Officer
Public Service Enterprise Group Incorporated*

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the securities to be issued under this joint proxy statement/prospectus or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated [], 2005 and is first being mailed to Exelon and PSEG shareholders on or about [], 2005.

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REFERENCES TO ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about Exelon and PSEG from other documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain copies of the documents incorporated by reference into this joint proxy statement/prospectus through the Securities and Exchange Commission website at www.sec.gov or by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

if you are an Exelon shareholder:

Exelon Corporation
Exelon Shareholder Services
10 South Dearborn Street, Chicago, IL 60603
(312) 394-2345

if you are a PSEG shareholder:

Public Service Enterprise Group Incorporated
PSEG Investor Relations
80 Park Plaza, 6th Floor Newark, NJ 07101
(973) 430-6565

If you would like to request documents from PSEG, please do so by [], 2005, in order to receive them before the PSEG annual meeting. If you would like to request documents from Exelon, please do so by [], 2005, in order to receive them before the Exelon annual meeting.

See "Where You Can Find More Information" beginning on page [] of this joint proxy statement/prospectus.

VOTING BY TELEPHONE, BY THE INTERNET OR BY MAIL

Exelon shareholders of record may submit their proxies:

by telephone, by calling the toll-free number (877) 779-8683 in the United States, Canada or Puerto Rico on a touch-tone phone and following the recorded instructions;

by accessing the Internet website at www.eproxyvote.com/exc and following the instructions on the website; or

by mail, by indicating your voting preference on the proposals on each proxy card you receive, signing and dating each proxy card and returning each proxy card in the prepaid envelope that accompanied that proxy card.

PSEG shareholders of record may submit their proxies:

by telephone, by calling the toll-free number (866) 242-0618 in the United States, Canada or Puerto Rico on a touch-tone phone and following the recorded instructions;

by accessing the Internet website at www.proxyvotenow.com/pseg and following the instructions on the website; or

by mail, by indicating your voting preference on the proposals on each proxy card you receive, signing and dating each proxy card and returning each proxy card in the prepaid envelope that accompanied that proxy card.

If you hold your shares through a bank, broker, custodian or other recordholder, please refer to your proxy card or voter information form or the information forwarded by your bank, broker, custodian or other recordholder to see which options are available to you.

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
OF EXELON CORPORATION**

TO THE SHAREHOLDERS OF EXELON CORPORATION:

Exelon will hold the annual meeting of Exelon shareholders on [], 2005, at [] local time, at [].

The purpose of the annual meeting is to consider and take action on the following:

1. A proposal to approve the issuance of shares of Exelon common stock as contemplated by the Agreement and Plan of Merger, dated as of December 20, 2004, between Exelon Corporation and Public Service Enterprise Group Incorporated. A copy of the merger agreement is attached as *Annex A* to the joint proxy statement/prospectus accompanying this notice. In the merger, each share of PSEG common stock outstanding immediately prior to completion of the merger will be converted into the right to receive 1.225 shares of Exelon common stock.
2. The election of five Class II directors: Edward A. Brennan, Bruce DeMars, Nelson A. Diaz, John W. Rowe and Ronald Rubin, each for a term of three years.
3. A proposal to approve an amendment to Exelon's Amended and Restated Articles of Incorporation to increase the number of authorized shares of Exelon common stock from 1,200,000,000 to 2,000,000,000.
4. A proposal to ratify PricewaterhouseCoopers LLP as Exelon's independent accountants for the year 2005.
5. A proposal to approve the Exelon Corporation 2006 Long-Term Incentive Plan.
6. A proposal to approve the Exelon Corporation Employee Stock Purchase Plan for Unincorporated Subsidiaries.
7. Any proposal of the Exelon board of directors to adjourn or postpone the annual meeting.
8. Any other business that properly comes before the annual meeting and any adjournment or postponement thereof.

Shareholders of record of Exelon common stock at the close of business on [], 2005 will be entitled to vote at the annual meeting and any adjournment or postponement of that meeting. As of the record date, there were [] shares of Exelon common stock outstanding. Each share of common stock is entitled to one vote on each matter properly brought before the meeting.

You are cordially invited to attend the meeting; however, whether or not you expect to attend in person, you can be sure your shares are represented at the meeting by promptly voting and submitting your proxy by phone, by Internet or by completing, signing, dating and returning the enclosed proxy card in the enclosed prepaid envelope.

If you plan on attending the annual meeting, please bring your admission ticket and a photo ID along with you. The stub of your proxy card or voter information form will serve as your admission ticket.

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Your board of directors unanimously recommends that you vote for the proposal to approve the issuance of shares of Exelon common stock as contemplated by the merger agreement, which is described in detail in the joint proxy statement/prospectus accompanying this notice, and for proposals two through seven in this notice.

By Order of the Board of Directors

Katherine K. Combs
Vice President, Corporate Secretary
and Deputy General Counsel

YOUR VOTE IS IMPORTANT

WE URGE YOU TO VOTE YOUR SHARES AS PROMPTLY AS POSSIBLE BY (1) CALLING THE TOLL-FREE NUMBER (877) 779-8683, (2) ACCESSING THE INTERNET WEBSITE AT www.eproxyvote.com/exc OR (3) COMPLETING, SIGNING, DATING AND RETURNING THE ENCLOSED PROXY CARD.

Public Service Enterprise Group Incorporated
80 Park Plaza, P.O. Box 1171
Newark, New Jersey 07101-1171

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
OF PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED**

TO THE SHAREHOLDERS OF PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED:

PSEG will hold the annual meeting of PSEG shareholders on [], 2005, at [] local time, at [].

The purpose of the annual meeting is to consider and take action on the following:

1. A proposal to approve the Agreement and Plan of Merger, dated as of December 20, 2004, between Exelon Corporation and Public Service Enterprise Group Incorporated. A copy of the merger agreement is attached as *Annex A* to the joint proxy statement/prospectus accompanying this notice. In the merger, each share of PSEG common stock outstanding immediately prior to completion of the merger will be converted into the right to receive 1.225 shares of Exelon common stock.
2. To elect three members of Class III of the PSEG board of directors: Conrad K. Harper, Shirley Ann Jackson and Thomas A. Renyi.
3. To consider and act upon the ratification of the appointment of Deloitte & Touche LLP as PSEG's independent auditor for the year 2005.
4. To consider and act upon any proposal by the PSEG board of directors to adjourn or postpone the PSEG annual meeting.
5. To consider and act upon a shareholder proposal related to executive compensation, if presented at the meeting.
6. Any other business that properly comes before the annual meeting and any adjournment or postponement thereof.

Shareholders of record of PSEG common stock at the close of business on [], 2005 will be entitled to vote at the annual meeting and any adjournment or postponement of that meeting. As of the record date, there were [] shares of PSEG common stock outstanding. Each share of common stock is entitled to one vote on each matter properly brought before the meeting, except for the proposal relating to the election of directors, on which PSEG shareholders are entitled to cumulative voting.

You are cordially invited to attend the meeting; however, whether or not you expect to attend in person, you can be sure your shares are represented at the meeting by promptly voting and submitting your proxy by phone, by Internet or by completing, signing, dating and returning the enclosed proxy card in the enclosed prepaid envelope.

If you plan on attending the annual meeting, please bring your admission ticket and a photo ID along with you. The portion of your proxy card or voter information form marked "Admission Ticket" will serve as your admission ticket.

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Your board of directors unanimously recommends that you vote for the proposal to approve the merger agreement and thereby approve the merger, which is described in detail in the joint proxy statement/prospectus accompanying this notice, and for proposals two through four in this notice and against proposal five in this notice.

By Order of the Board of Directors

EDWARD J. BIGGINS, JR.

Secretary

YOUR VOTE IS IMPORTANT

WE URGE YOU TO VOTE YOUR SHARES AS PROMPTLY AS POSSIBLE BY (1) CALLING THE TOLL-FREE NUMBER (866) 242-0618, (2) ACCESSING THE INTERNET WEBSITE AT www.proxyvotenow.com/pseg OR (3) COMPLETING, SIGNING, DATING AND RETURNING THE ENCLOSED PROXY CARD.

PLEASE DO NOT SEND YOUR COMMON STOCK CERTIFICATES AT THIS TIME. IF THE MERGER IS COMPLETED, YOU WILL BE SENT INSTRUCTIONS REGARDING THE SURRENDER OF YOUR CERTIFICATES.

TABLE OF CONTENTS

	<u>Page</u>
CHAPTER ONE THE INTRODUCTION	1
QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETINGS	1
SUMMARY	4
RISK FACTORS	20
FORWARD-LOOKING STATEMENTS	34
THE COMPANIES	36
CHAPTER TWO INFORMATION ABOUT THE ANNUAL MEETINGS AND VOTING	39
THE EXELON ANNUAL MEETING	39
Date, Time and Place of Annual Meeting	39
Purpose of the Annual Meeting	39
Record Date for the Annual Meeting	39
Outstanding Shares	39
Shares Entitled to Vote	39
Quorum, Abstentions and Broker Non-Votes	40
Vote Required	40
Shares Beneficially Owned by Exelon Directors and Officers	41
Voting at the Annual Meeting	41
How to Vote by Proxy	41
Proxies without Instruction	41
Revocation of Proxies	42
Proxy Solicitation	42
Other Business; Adjournments	42
Exelon Shareholder Account Maintenance	43
THE PSEG ANNUAL MEETING	44
Date, Time and Place of Annual Meeting	44
Purpose of the Annual Meeting	44
Record Date for the Annual Meeting	44
Outstanding Shares	44
Shares Entitled to Vote	44
Quorum, Abstentions and Broker Non-Votes	44
Vote Required	45
Shares Beneficially Owned by PSEG Directors and Officers	45
Voting at the Annual Meeting	45
How to Vote by Proxy	45
Proxies without Instruction	46
Revocation of Proxies	46
Proxy Solicitation	46
Other Business; Adjournments	47
PSEG Shareholder Account Maintenance	47
Enterprise Direct (Dividend Reinvestment and Stock Purchase Plan) and Employee Stock Purchase Plan, PSEG Thrift and Tax-Deferred Savings Plan and PSEG Employee Savings Plan	47

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CHAPTER THREE EXELON PROPOSAL 1 AND PSEG PROPOSAL 1: THE MERGER	48
General	48
Exelon's Proposal	48
PSEG's Proposal	48
Background of the Merger	48
Recommendation of Exelon Board; Exelon's Reasons for the Merger	56
Recommendation of PSEG Board; PSEG's Reasons for the Merger	61
Opinions of Financial Advisors	65
Forward-Looking Financial Information	90
Estimated Potential Cost Savings Attributable to the Merger	95
Board of Directors and Management Following Completion of the Merger	96
Interests of PSEG's Directors and Executive Officers in the Merger	98
Certain Relationships Between Exelon and PSEG; Operating Services Contract	107
Accounting Treatment	108
Material United States Federal Income Tax Consequences of the Merger	108
Regulatory Matters Relating to the Merger	110
Corporate Restructuring	115
Appraisal Rights	115
Federal Securities Laws Consequences; Stock Transfer Restriction Agreements	115
Listing on the New York Stock Exchange; Delisting and Deregistration of PSEG Common Stock	115
THE MERGER AGREEMENT	116
General	116
Closing Matters	116
Consideration to be Received Pursuant to the Merger; Treatment of Stock Options and PSEG Equity-Based Awards	116
Exchange of Certificates Pursuant to the Merger	117
Fractional Shares	118
Listing of Exelon Stock	118
Covenants	118
Other Covenants and Agreements	127
Representations and Warranties	129
Conditions	131
Termination of Merger Agreement	132
Amendments, Extensions and Waivers	136
PRO FORMA FINANCIAL INFORMATION	137
Exelon Unaudited Pro Forma Condensed Consolidated Financial Statements	137
Exelon and PSEG Unaudited Pro Forma Condensed Combined Consolidated Financial Statements	143
COMPARISON OF EXELON/PSEG SHAREHOLDER RIGHTS	154
DESCRIPTION OF EXELON CAPITAL STOCK	168
Authorized Capital Stock	168
Exelon Common Stock	168

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Exelon Preferred Stock	168
Transfer Agent and Registrar	168
CHAPTER FOUR OTHER MATTERS TO BE CONSIDERED AT THE EXELON ANNUAL MEETING	169
EXELON PROPOSAL 2: ELECTION OF DIRECTORS	169
EXELON PROPOSAL 3: AMENDMENT TO EXELON CORPORATION'S AMENDED AND RESTATED ARTICLES OF INCORPORATION	199
EXELON PROPOSAL 4: RATIFICATION OF PRICEWATERHOUSECOOPERS AS EXELON'S INDEPENDENT ACCOUNTANTS FOR 2005	200
EXELON PROPOSAL 5: APPROVAL OF EXELON CORPORATION 2006 LONG-TERM INCENTIVE PLAN	202
EXELON PROPOSAL 6: APPROVAL OF EXELON CORPORATION EMPLOYEE STOCK PURCHASE PLAN FOR UNINCORPORATED SUBSIDIARIES	209
CHAPTER FIVE OTHER MATTERS TO BE CONSIDERED AT THE PSEG ANNUAL MEETING	212
PSEG PROPOSAL 2: ELECTION OF DIRECTORS	212
PSEG PROPOSAL 3: RATIFICATION OF DELOITTE & TOUCHE LLP	233
PSEG PROPOSAL 4: SHAREHOLDER PROPOSAL	234
DATE FOR SUBMISSION OF SHAREHOLDER PROPOSALS	237
Exelon	237
PSEG	237
LEGAL MATTERS	238
EXPERTS	238
WHERE YOU CAN FIND MORE INFORMATION	239
Annex A Agreement and Plan of Merger	
Annex B Opinion of J.P. Morgan Securities Inc.	
Annex C Opinion of Lehman Brothers Inc.	
Annex D Opinion of Morgan Stanley & Co. Incorporated	
Annex E Form of Amendment to Exelon Corporation's Amended and Restated Articles of Incorporation	
Annex F Form of Exelon Corporation's Amended and Restated By-laws	
Annex G Exelon Corporation Audit Committee Charter	
Annex H Exelon Corporation 2006 Long-Term Incentive Plan	
Annex I Exelon Corporation Employee Stock Purchase Plan for Unincorporated Subsidiaries	

**CHAPTER ONE
THE INTRODUCTION**

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETINGS

Q: **Why am I receiving this document?**

A: We are delivering this document to you because it is serving as both a joint proxy statement of Exelon and PSEG and a prospectus of Exelon. It is a joint proxy statement because it is being used by our boards of directors to solicit proxies of our shareholders. It is a prospectus because Exelon is offering shares of its common stock in exchange for shares of PSEG common stock if the merger is completed.

Q: **What do I need to do now?**

A: After you carefully read this joint proxy statement/prospectus, please respond by submitting your proxy by telephone or the Internet or by completing, signing, dating and returning your signed proxy card(s) in the enclosed prepaid return envelope, as soon as possible, so that your shares may be represented at your annual meeting. In order to assure that your vote is recorded, please vote your proxy as instructed on your proxy card even if you currently plan to attend your annual meeting in person.

Q: **Why is my vote important?**

A: Exelon shareholders are being asked to approve the issuance of shares of Exelon common stock as contemplated by the merger agreement and to take action on the other proposals in the Exelon notice. PSEG shareholders are being asked to approve the merger agreement and thereby approve the merger and to take action on the other proposals in the PSEG notice. If you do not submit your proxy by telephone or the Internet, or return your signed proxy card(s) by mail or vote in person at your annual meeting, it will be more difficult for Exelon and PSEG to obtain the necessary quorum to hold their respective annual meetings.

Q: **How will my proxy be voted?**

A: If you vote by telephone or by the Internet or by completing, signing, dating and returning your signed proxy card(s), your proxy will be voted in accordance with your instructions.

If you are an Exelon shareholder of record and submit your proxy but do not indicate how you want to vote, your shares will be voted **FOR** the proposal to approve the issuance of shares of Exelon common stock as contemplated by the merger agreement, **FOR** the proposal to elect the directors named in the director proposal, **FOR** the proposal to approve the amendment to Exelon's Amended and Restated Articles of Incorporation to increase the number of authorized shares of Exelon common stock, **FOR** the proposal to ratify PricewaterhouseCoopers LLP as Exelon's independent accountants, **FOR** the proposal to approve the Exelon Corporation 2006 Long-Term Incentive Plan, **FOR** the proposal to approve the Exelon Corporation Employee Stock Purchase Plan for Unincorporated Subsidiaries and **FOR** any proposal by the Exelon board of directors to adjourn or postpone the annual meeting, if necessary.

If you are a PSEG shareholder of record and submit your proxy but do not indicate how you want to vote, your shares will be voted **FOR** the proposal to approve the merger agreement, **FOR** the proposal to elect the directors named in the director proposal, **FOR** the proposal to ratify Deloitte & Touche LLP as PSEG's independent auditor, **FOR** any proposal by the PSEG board of directors to adjourn or postpone the annual meeting, if necessary, and **AGAINST** the shareholder proposal.

Q:
May I vote in person?

A: Yes. If you are a shareholder of record of Exelon common stock as of [], 2005 or of PSEG common stock as of [], 2005, you may attend your annual meeting and vote your shares in person, instead of submitting your proxy by telephone or by the Internet or returning your signed proxy card(s).

Q:
If my shares are held in "street name" by my broker, will my broker vote my shares for me?

A: If you are an Exelon shareholder whose shares are held in "street name" by your broker, you must provide your broker with instructions on how to vote your shares; otherwise, your broker will not vote your shares on the proposal to approve the issuance of shares of Exelon common stock as contemplated by the merger agreement, the proposal to approve the amendment to Exelon's Amended and Restated Articles of Incorporation to increase the number of authorized shares of Exelon common stock, the proposal to approve the Exelon Corporation 2006 Long-Term Incentive Plan or the proposal to approve the Exelon Corporation Employee Stock Purchase Plan for Unincorporated Subsidiaries.

If you are a PSEG shareholder whose shares are held in "street name" by your broker, you must provide your broker with instructions on how to vote your shares; otherwise, your broker will not vote your shares on the proposal to approve the merger agreement or the shareholder proposal.

You should be sure to provide your broker with instructions on how to vote your shares. Please check the voting form used by your broker to see if it offers telephone or Internet submission of proxies.

Q:
What if I fail to instruct my broker?

A: If you fail to instruct your broker to vote your shares and the broker submits an unvoted proxy, the resulting broker "non-vote" will, in the circumstances described under "Chapter Two Information About the Annual Meetings and Voting," be counted toward a quorum at your annual meeting but will not be counted in determining the number of votes cast with respect to a proposal.

Q:
Who will count the vote?

A: For the Exelon proposals, representatives of Equiserve Trust Company, N.A. and Exelon's Office of the Corporate Secretary will count the votes and serve as judges of election.

For the PSEG proposals, representatives of Corporate Election Services, Inc. will count the vote and serve as inspectors of election.

Q:
What does it mean if I receive more than one set of materials?

A: This means you own shares of both Exelon and PSEG or you own shares of Exelon or PSEG that are registered under different names. For example, you may own some shares directly as a shareholder of record and other shares through a broker or you may own shares through more than one broker. In these situations, you will receive multiple sets of proxy materials. It is necessary for you to vote, sign and return all of the proxy cards or follow the instructions for any alternative voting procedure on each of the proxy cards you receive in order to vote all of the shares you own. Each proxy card you receive will come with its own prepaid return envelope; if you vote by mail, make sure you return each proxy card in the return envelope which accompanied that proxy card.

Q:
Can I revoke my proxy and change my vote?

A:
Yes. You have the right to revoke your proxy at any time prior to the time your shares are voted at your annual meeting. If you are a shareholder of record, your proxy can be revoked in several ways:

by entering a new vote by telephone or the Internet;

by delivering a written revocation to your company's secretary that is received prior to your annual meeting;

by submitting another valid proxy bearing a later date that is received prior to your annual meeting; or

by attending your annual meeting and voting your shares in person.

However, if your shares are held in "street name" through a bank, broker, custodian or other recordholder, you must check with your bank, broker, custodian or other recordholder to determine how to revoke your proxy.

Q:
When and where are the annual meetings?

A:
The Exelon annual meeting will take place on [], 2005, at [] local time, at [].

The PSEG annual meeting will take place on [], 2005, at [] local time, at [].

Q:
What must I bring to attend the annual meetings?

A:
Admittance to the annual meetings is limited to shareholders of Exelon or PSEG, as the case may be, who are eligible to vote or their authorized representatives. If you wish to attend your meeting, bring the portion of your proxy which is marked as your "Admission Ticket" or your voter information form. Also, be sure to bring a photo ID. Seating is limited.

Q:
Should I send in my stock certificates now?

A:
No. After the merger is completed, Exelon will send PSEG shareholders written instructions for exchanging their PSEG stock certificates for Exelon stock certificates. Exelon shareholders will keep their existing stock certificates.

Q:
Are there risks I, as an Exelon shareholder, should consider in deciding to vote on the issuance of shares of Exelon common stock as contemplated by the merger agreement or, as a PSEG shareholder, should consider in deciding to vote on the approval of the merger agreement?

A:
Yes, in evaluating the issuance of shares of Exelon common stock as contemplated by the merger agreement, or the merger agreement and the merger, you should carefully read this joint proxy statement/prospectus, including the factors discussed in the section titled "Risk Factors" beginning on page [] of this joint proxy statement/prospectus.

Q:
Who can answer any questions I may have about the annual meetings or the merger?

A:
Exelon shareholders may call Geogeson Shareholder Communications Inc. at [].

PSEG shareholders may call Morrow & Co., Inc. at [].

SUMMARY

This summary highlights selected information from this joint proxy statement/prospectus related to the merger and may not contain all of the information that is important to you. To understand the merger and for a more complete description of the legal terms of the merger agreement, you should carefully read this entire joint proxy statement/prospectus and the documents to which this joint proxy statement/prospectus refers you. A copy of the merger agreement is attached as Annex A to this joint proxy statement/prospectus and is incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information" on page [] of this joint proxy statement/prospectus.

The Companies Involved in the Merger (see page [])

Exelon Corporation
10 South Dearborn Street 37th Floor
P.O. Box 805379
Chicago, Illinois 60680-5379
(312) 394-7398
Internet address: www.exeloncorp.com

Exelon Corporation, a registered public utility holding company under the Public Utility Holding Company Act of 1935, as amended, through its subsidiaries, operates in two business segments Energy Delivery and Generation as of January 1, 2005. Prior to January 1, 2005, Exelon operated in a third business segment, Enterprises. In addition to Exelon's two business segments, Exelon Business Services Company, a subsidiary of Exelon, provides Exelon and its subsidiaries with financial, human resource, legal, information technology, supply management and corporate governance services. Exelon was incorporated in Pennsylvania in February 1999.

Public Service Enterprise Group Incorporated
80 Park Plaza
P.O. Box 1171
Newark, New Jersey 07101-1171
(973) 430-7000
Internet address: www.pseg.com

Public Service Enterprise Group Incorporated is an exempt public utility holding company under PUHCA. PSEG has three principal direct wholly-owned subsidiaries engaged in the transmission and distribution of electric energy and gas in New Jersey; wholesale supply; and power production and distribution in selected domestic and international markets. In addition, PSEG Services provides management and administrative services to PSEG and its subsidiaries. PSEG was incorporated under the laws of the State of New Jersey in 1985.

The Merger (see page [])

Under the terms of the merger, PSEG will merge with and into Exelon with Exelon continuing as the surviving corporation. Upon completion of the merger, Exelon will change its name to Exelon Electric & Gas Corporation.

The merger agreement is attached as *Annex A* to this joint proxy statement/prospectus. We urge you to read the merger agreement carefully and fully to understand the rights and obligations of Exelon and PSEG under the merger agreement, as it is the legal document that governs the merger.

PSEG Shareholders Will Receive 1.225 Shares of Exelon Common Stock for Each Share of PSEG Common Stock (see page [])

Subject to the terms and conditions of the merger agreement, upon completion of the merger, PSEG shareholders will receive 1.225 shares of Exelon common stock for each share of PSEG common stock they hold. Exelon will not issue fractional shares pursuant to the merger. As a result, the total

number of shares of Exelon common stock that each PSEG shareholder would otherwise receive pursuant to the merger will be rounded down to the nearest whole number, and each PSEG shareholder will receive such whole number of shares of Exelon common stock and a cash payment for the remaining fraction of a share of Exelon common stock that such shareholder would otherwise receive, if any, based on the last reported sale price per share of Exelon common stock at the close of business on the closing date of the merger, rounded down to the nearest cent.

Example: If you own 137 shares of PSEG common stock when the merger is completed, you will be entitled to receive 167 shares of Exelon common stock and a check for the market value of 0.83 shares of Exelon common stock at the close of business on the closing date of the merger.

Each Outstanding Option to Purchase PSEG Common Stock and Each PSEG Equity-Based Award Will be Substituted with an Option to Purchase Shares of Exelon Common Stock or an Exelon Equity-Based Award at the Exchange Ratio and All Restrictions on PSEG Equity-Based Awards Will Be Assigned to Exelon (see page [])

Upon completion of the merger, each outstanding option to purchase shares of PSEG common stock will be assumed by Exelon and substituted with an option to purchase shares of Exelon common stock, exercisable on generally the same terms and conditions that applied before the merger. The number of shares of Exelon common stock subject to the substitute Exelon stock option will equal the number of shares of PSEG common stock subject to the PSEG stock option immediately prior to completion of the merger, multiplied by the exchange ratio, rounded down to the nearest whole share. The per share exercise price of each substitute Exelon stock option will equal the exercise price of the PSEG stock option immediately prior to completion of the merger divided by the exchange ratio, rounded up to the nearest whole cent. In addition, upon completion of the merger, Exelon will assume all PSEG equity-based awards and substitute them with equity-based awards with respect to shares of Exelon common stock on generally the same terms and conditions that applied before completion of the merger. The number of shares of Exelon common stock issuable under those awards, and the exercise prices for those awards, will be adjusted to take into account the exchange ratio.

Upon completion of the merger, all restrictions on PSEG equity-based awards immediately prior to completion of the merger, including all repurchase and forfeiture rights, will be assigned to Exelon, and, subject to any acceleration, lapse or other vesting occurring by operation of the merger, those PSEG equity-based awards will continue to be unvested and subject to the same restrictions which applied immediately prior to completion of the merger.

The Exchange Ratio is Fixed and Will Not Be Adjusted in Response to Changes in Our Stock Prices (see page [])

The exchange ratio is fixed in the merger agreement and neither Exelon nor PSEG has the right to terminate the merger agreement based solely on changes in either party's stock price. The market value of the Exelon common stock that PSEG shareholders receive in the merger may fluctuate significantly from its current value.

The table below shows the closing prices of Exelon and PSEG common stock, which are listed on the New York Stock Exchange under the trading symbols "EXC" and "PEG," respectively, and the pro forma "*equivalent stock price*" at the close of the regular trading session on:

December 15, 2004, the last full trading day prior to a significant increase in trading volume from the average trading volume of Exelon and PSEG common stock and inquiries from *The Wall Street Journal* regarding whether Exelon and PSEG were in advanced merger discussions;

December 16, 2004, the last full trading day prior to the publication of news articles reporting that Exelon and PSEG were in advanced merger discussions;

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December 17, 2004, the last full trading day prior to our public announcement of the merger; and

[], 2005, the most recent trading day for which that information was available prior to the mailing of this joint proxy statement/prospectus.

The "equivalent stock price" of shares of PSEG common stock represents the closing price per share of Exelon common stock on the New York Stock Exchange as of the applicable date, multiplied by the exchange ratio of 1.225.

	Exelon Common Stock Closing Price	PSEG Common Stock Closing Price	PSEG Equivalent Stock Price
December 15, 2004	\$ 43.38	\$ 44.58	\$ 53.14
December 16, 2004	\$ 42.60	\$ 45.61	\$ 52.19
December 17, 2004	\$ 41.86	\$ 47.27	\$ 51.28
[], 2005	\$ []	\$ []	\$ []

The value of the consideration to be received by PSEG shareholders will fluctuate with changes in the price of Exelon common stock. You are urged to obtain current market quotations for shares of both companies.

Exelon and PSEG Expect to Continue Their Respective Stated Dividend Policies Until Completion of the Merger; Exelon has Agreed, Subject to Specified Limitations, to Increase its Dividend Following Completion of the Merger to Equal PSEG's Dividend on an Exchange Ratio Adjusted Basis

The merger agreement permits each of us to continue to pay regular dividends to our respective shareholders in accordance with our previously announced dividend policies. Exelon has previously indicated it expects to maintain a dividend payout policy of 50% to 60% of earnings. On January 25, 2005, Exelon declared a first quarter dividend for 2005 of \$0.40 per share. On January 18, 2005, PSEG increased its first quarter dividend for 2005 to \$0.56 per share from \$0.55 per share, for an indicated annual dividend increase of \$0.04 per share for the year 2005. For the year 2006, PSEG will continue to evaluate its dividend payment and consider modest increases.

We have agreed to coordinate dividend declarations and the related record dates and payment dates so that our shareholders will not receive two dividends, or fail to receive one dividend, for any single calendar quarter. Accordingly, prior to completion of the merger, we may coordinate and amend our record dates and payment dates in order to effect this policy.

In addition, the merger agreement provides that, subject to applicable law and the fiduciary duties of its board of directors, Exelon will increase its first quarterly dividend paid after completion of the merger to an amount equal, on an exchange ratio adjusted basis, to the dividend PSEG shareholders received in the quarter immediately prior to completion of the merger, up to a maximum of \$0.47 per share of Exelon common stock. The lesser of \$0.47 and the amount required to equal PSEG's dividend on an exchange ratio adjusted basis is referred to in this joint proxy statement/prospectus as the "threshold amount." If the first quarterly dividend to be paid by Exelon after completion of the merger will be less than the threshold amount, PSEG may make a one time special cash dividend to its shareholders equal to the amount of the difference between the dividend Exelon has informed PSEG it will pay and the threshold amount, on an exchange ratio adjusted basis.

PSEG Shareholders Generally Will Not Recognize Any Gain or Loss for United States Federal Income Tax Purposes Upon the Exchange of Their Shares of PSEG Common Stock for Shares of Exelon Common Stock in the Merger, Except that Gain or Loss Will Be Recognized on the Receipt of Cash in Lieu of a Fractional Share of Exelon Common Stock (see page [])

A holder of shares of PSEG common stock generally will not recognize any gain or loss upon the exchange of the holder's shares of PSEG common stock for shares of Exelon common stock pursuant

to the merger, except that gain or loss will be recognized on the receipt of cash in lieu of a fractional share of Exelon common stock. You should read carefully the discussion under the heading "The Merger Material United States Federal Income Tax Consequences of the Merger" beginning on page [] of this joint proxy statement/prospectus.

Holders of shares of PSEG common stock are urged to consult their tax advisors as to the specific tax consequences to them of the merger, including the applicability and effect of United States federal, state, local and foreign income and other tax laws in light of their particular circumstances.

Exelon's Financial Advisors Delivered their Opinions to the Exelon Board of Directors to the Effect that, as of December 20, 2004, the Exchange Ratio in the Merger Was Fair, from a Financial Point of View, to Exelon (see page [])

Each of Exelon's financial advisors, J.P. Morgan Securities Inc. and Lehman Brothers Inc., has delivered its opinion dated as of December 20, 2004 to the Exelon board of directors that, as of that date, based upon and subject to the assumptions, qualifications and limitations set forth in their respective opinions, the exchange ratio in the merger was fair, from a financial point of view, to Exelon. The full text of the opinions of JPMorgan and Lehman Brothers are attached as *Annex B* and *Annex C*, respectively, to this joint proxy statement/prospectus. Exelon urges its shareholders to read the opinions in their entirety. Each of JPMorgan and Lehman Brothers has provided its opinion for the information and assistance of the Exelon board of directors in connection with its consideration of the merger agreement, the issuance of shares of Exelon common stock as contemplated by the merger agreement and the merger, and the opinions do not constitute a recommendation as to how any holder of Exelon common stock should vote with respect to the issuance of shares of Exelon common stock as contemplated by the merger agreement.

The opinion of each of JPMorgan and Lehman Brothers will not reflect any developments that may occur or may have occurred after the date of the opinions and prior to completion of the merger.

Pursuant to an engagement letter dated October 26, 2004, Exelon has agreed to pay JPMorgan a fee of \$15 million in consideration for its services as financial advisor, \$5 million of which was paid following the public announcement of the execution of the merger agreement, \$5 million of which is payable upon approval of the issuance of shares of Exelon common stock as contemplated by the merger agreement by Exelon shareholders and \$5 million of which is payable upon completion of the merger. Pursuant to an engagement letter dated November 5, 2004, Exelon has agreed to pay Lehman Brothers a fee of \$15 million in consideration for its services as financial advisor, \$5 million of which was paid following the public announcement of the execution of the merger agreement, \$5 million of which is payable upon approval of the issuance of shares of Exelon common stock as contemplated by the merger agreement by Exelon shareholders and \$5 million of which is payable upon completion of the merger.

PSEG's Financial Advisor Delivered its Opinion to the PSEG Board of Directors to the Effect that, as of December 20, 2004, the Exchange Ratio Under the Merger Agreement Was Fair, from a Financial Point of View, to the Holders of PSEG Common Stock (see page [])

PSEG's financial advisor, Morgan Stanley & Co. Incorporated, has delivered its opinion dated as of December 20, 2004 to the PSEG board of directors that, as of that date, based upon and subject to the assumptions, qualifications and limitations discussed in its opinion, the exchange ratio under the merger agreement was fair, from a financial point of view, to the holders of PSEG common stock. The full text of Morgan Stanley's opinion is attached as *Annex D* to this joint proxy statement/prospectus. PSEG urges its shareholders to read that opinion in its entirety. Morgan Stanley provided its opinion for the information and assistance of the PSEG board of directors in connection with its consideration of the merger agreement and the merger, and the opinion does not constitute a recommendation as to how any holder of PSEG common stock should vote with respect to the merger agreement.

The opinion of Morgan Stanley will not reflect any developments that may occur or may have occurred after the date of its opinion and prior to completion of the merger.

Pursuant to an engagement letter dated November 8, 2004, PSEG has agreed to pay Morgan Stanley a fee of \$20 million in consideration for its services as financial advisor, \$5 million of which was paid following the public announcement of the execution of the merger agreement, \$5 million of which is payable upon PSEG shareholder approval of the merger agreement and \$10 million of which is payable upon completion of the merger.

Both Exelon and PSEG Shareholder Approvals Will Be Required to Complete the Merger (see page [])

For Exelon Shareholders:

Approval of the proposal to issue shares of Exelon common stock as contemplated by the merger agreement requires the affirmative vote of at least a majority of the votes cast by holders of shares of Exelon common stock present in person or by proxy and entitled to vote on the issuance of shares of Exelon common stock as contemplated by the merger agreement as long as a quorum, which is the presence of holders of shares of Exelon common stock outstanding and entitled to cast at least a majority of the votes that all shareholders are entitled to cast on the matter, is present in person or by proxy and the total votes cast on the proposal represents at least a majority of the shares of Exelon common stock entitled to vote. Approval of the proposal to issue shares of Exelon common stock as contemplated by the merger agreement is a condition to completion of the merger.

Because the holders of Exelon common stock immediately prior to completion of the merger will own a majority of the shares of Exelon common stock outstanding immediately following completion of the merger, a separate vote by the holders of Exelon common stock on the merger agreement or the merger itself is not required under Pennsylvania law.

On [], 2005, which is the record date for determining those Exelon shareholders who are entitled to vote at the Exelon annual meeting, directors and executive officers of Exelon and their affiliates beneficially owned and had the right to vote [] shares of Exelon common stock, representing approximately []% of the shares of Exelon common stock outstanding on the record date. To Exelon's knowledge, directors and executive officers of Exelon and their affiliates intend to vote their shares of common stock in favor of the proposal to issue shares of Exelon common stock as contemplated by the merger agreement, although none of them has entered into any agreement requiring them to do so.

For PSEG Shareholders:

Approval of the merger agreement requires the affirmative vote of at least a majority of the votes cast by holders of shares of PSEG common stock present in person or by proxy and entitled to vote on the approval of the merger agreement as long as a quorum, which is a majority of the shares of PSEG common stock outstanding, is present in person or by proxy.

On [], 2005, which is the record date for determining those PSEG shareholders who are entitled to vote at the PSEG annual meeting, directors and executive officers of PSEG and their affiliates beneficially owned and had the right to vote [] shares of PSEG common stock, or approximately []% of the outstanding shares of PSEG common stock outstanding on the record date. To PSEG's knowledge, directors and executive officers of PSEG and their affiliates intend to vote their shares of common stock in favor of the approval of the merger agreement, although none of them has entered into any agreement requiring them to do so.

Recommendations of Exelon and PSEG to Shareholders (see pages [] and [])

To Exelon Shareholders:

The Exelon board of directors has reviewed and considered the terms of the merger and the merger agreement and has unanimously determined that the merger, including the issuance of shares of Exelon common stock as contemplated by the merger agreement, is advisable, fair to and in the best interests of Exelon and its shareholders and unanimously recommends that Exelon shareholders vote **FOR** the proposal to approve the issuance of shares of Exelon common stock as contemplated by the merger agreement.

To PSEG Shareholders:

The PSEG board of directors has reviewed and considered the terms of the merger and the merger agreement and has unanimously determined that the merger is advisable, fair to and in the best interests of PSEG and its shareholders and unanimously recommends that PSEG shareholders vote **FOR** the proposal to approve the merger agreement and thereby approve the merger.

Completion of the Merger is Subject to Regulatory Clearance (see page [])

To complete the merger, we must receive approval from and/or make filings with various federal and state regulatory authorities. At the federal level, these approvals include the approval of the Securities and Exchange Commission under PUHCA, the Federal Energy Regulatory Commission under the Federal Power Act and the Nuclear Regulatory Commission under the Atomic Energy Act. In addition, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, the merger cannot be completed until we have made required notifications and given certain information and materials to the Antitrust Division of the United States Department of Justice and until specified waiting period requirements have expired. At the state level, among other required approvals, the New Jersey Board of Public Utilities and the Pennsylvania Public Utility Commission must approve or review the merger and the New York Public Service Commission must approve the indirect transfer of the ownership interest of a subsidiary of PSEG Power that has generation assets located in the State of New York. The Illinois Commerce Commission has been notified of the merger and it has informed Exelon and PSEG that it does not have jurisdiction over the merger and thus its approval is not required. See "The Merger Regulatory Matters Relating to the Merger" beginning on page [] of this joint proxy statement/prospectus for a discussion of the status of the regulatory approval process.

Exelon's Amended and Restated By-Laws Will Be Amended and Restated Following Completion of the Merger to, Among Other Things, Provide for Certain Governance Arrangements During a Transition Period Beginning Upon Completion of the Merger and Ending Three Years Following Completion of the Merger (see page [])

Exelon has agreed to amend and restate its Amended and Restated By-laws to, among other things, provide for certain arrangements relating to its board of directors and management during a transition period beginning upon completion of the merger and ending three years following completion of the merger, including the following:

upon completion of the merger, the Exelon board of directors will consist of 18 members, 12 of whom will be continuing Exelon directors and six of whom will be former PSEG directors;

Mr. E. James Ferland, the current Chairman, President and Chief Executive Officer of PSEG, will serve as non-executive Chairman of the Exelon board of directors until the earlier of (1) March 31, 2007, his announced date of retirement, and (2) the date on which Mr. Ferland no longer serves as a director of Exelon, at which time the Chief Executive Officer of Exelon will be appointed as Chairman of the Exelon board of directors and continue in such role for the duration of the transition period and thereafter as determined by the Exelon board of directors; and

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for at least the transition period, Mr. John W. Rowe, the current Chairman, President and Chief Executive Officer of Exelon, will continue to serve as the President and Chief Executive Officer of Exelon in charge of general supervision over the business and operations of Exelon.

A copy of the form of Amended and Restated By-laws of Exelon is attached as *Annex F* to this joint proxy statement/prospectus and is incorporated by reference into this joint proxy statement/prospectus.

PSEG Executive Officers and Directors Have Interests in the Merger that May Be Different from, or in Addition to, the Interests of the PSEG shareholders (see page [])

When PSEG shareholders consider their board of directors' recommendation that they vote in favor of the approval of the merger agreement, PSEG shareholders should be aware that PSEG executive officers and directors may have interests in the merger that are different from, or in addition to, PSEG shareholders' interests. Those interests include, among other things, the accelerated vesting of PSEG equity-based awards, increased severance benefits under specified circumstances and the appointment of six of the PSEG directors to the Exelon board of directors.

As a result, the directors and officers of PSEG may be more likely to recommend the approval of the merger agreement than if they did not have these interests.

Completion of the Merger is Subject to the Satisfaction of a Number of Conditions (see page [])

Completion of the merger depends upon the satisfaction of a number of conditions, including the following:

approval of the merger agreement by the PSEG shareholders and approval by the Exelon shareholders of the issuance of shares of Exelon common stock as contemplated by the merger agreement;

authorization for listing by the New York Stock Exchange of the shares of Exelon common stock issuable pursuant to the merger agreement, subject to official notice of issuance;

expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended;

receipt of "*final orders*" for the "*required statutory approvals*" and the absence from such orders of any "*burdensome order*," which term includes, among other things, any order requiring either party to divest any nuclear assets (see "The Merger Agreement Covenants" beginning on page [] of this joint proxy statement/prospectus for a discussion of these terms);

receipt of all other required government and regulatory consents, registrations, approvals and permits and authorizations, except for those the failure of which to obtain would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on PSEG or on Exelon (assuming the merger had taken place);

receipt of all required consents or approvals from third parties, except for those the failure of which to obtain would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on PSEG or on Exelon (assuming the merger had taken place);

absence of any law, judgment, injunction or other order by a governmental authority prohibiting completion of the merger;

compliance in all material respects by the parties with their respective obligations under the merger agreement;

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absence of material breaches of the representations and warranties in the merger agreement;

receipt of opinions of counsel to Exelon and PSEG to the effect that the merger constitutes a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code; and

absence of a material adverse effect having occurred to the other party since the date of the merger agreement.

Other than the conditions to obtain the regulatory approvals required by law and the shareholder approvals, each of Exelon and PSEG may waive any conditions relating to its obligations to complete the merger. However, the parties do not intend to waive the condition relating to the receipt of tax opinions referred to above.

How the Merger Agreement May Be Terminated by Exelon and PSEG (see page [])

Exelon and PSEG may mutually agree to terminate the merger agreement and abandon the merger at any time prior to completion of the merger, whether before or after the PSEG shareholders have approved the merger agreement and the Exelon shareholders have approved the issuance of shares of Exelon common stock as contemplated by the merger agreement.

In addition, either party could decide, without the consent of the other, to terminate the merger agreement in a number of situations, including:

if the merger is not completed by June 20, 2006 (which date may be extended by six months by either party if all conditions to closing have been satisfied other than the receipt of approval by the FERC under Section 203 of the Federal Power Act, by the SEC under PUHCA or by any of the New Jersey, New York or Pennsylvania public utility commissions if Exelon and PSEG are reasonably satisfied such state commission is waiting for such FERC or SEC approval to be obtained prior to ruling and such ruling is required for completion of the merger);