

**Commonwealth Edison Company**  
 Annual Incentive Plan (AIP) Costs by FERC Account  
 Year 2011  
 (In Thousands)

Line No.	Account (A)	Description (B)	2011 Total (C)	President & CEO AIP Removal (1) (D)	AIP Related to NI Goals Removal (2) (E)	Allocator (F)	Jurisdictional (G)
1	<b>ComEd AIP - Expense</b>						
2	Various (3)	Handling/Clearing/Misc	\$ 2,545		\$ (19)	77.9% (4)	\$ 1,967
3	416/426	Non-Utility Expenses	988		(1)	0%	-
4	500-557	Production	185		(1)	0%	-
5	560-573	Transmission	3,199		(11)	0%	-
6	580-908	Distribution/Customer	25,988		(103)	100%	25,884
7	920-935	General & Admin	6,235	(979)	(33)	90.19% (5)	4,711
8		<b>Total Expense</b>	<b>\$ 39,139</b>	<b>\$ (979)</b>	<b>\$ (168)</b>		<b>\$ 32,563</b>
9	<b>ComEd AIP - Capital/Rate Base</b>						
10	107/108	CWIP / Accum Depr	\$ 26,525	\$ -	\$ (94)	77.9% (2)	\$ 20,590
11	<b>Total ComEd AIP Cost for 2011</b>		<b>\$ 65,664</b>	<b>\$ (979)</b>	<b>\$ (262)</b>		<b>\$ 53,152</b>

Notes:

- (1) ComEd CEO and President incentive compensation was removed from the revenue requirement on WPC-1a, Line 15.
- (2) Certain ComEd employees participated in the Exelon BSC AIP in 2011. Amounts related to Net Income goal are excluded in accordance with Section 16-108.5(c)(4)(a) of the Act.
- (3) Includes FERC Accounts 163, 184 and 186.
- (4) Net Plant allocator WPA-5, Page 2.
- (5) Wages and Salaries allocator WPA-5, Page 1.

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 I.R.C. DOCKET NO. 12-0321  
 Exhibit NO. 3.7  
 Witness: *[Signature]*  
 Date: 1/25/2012 Reporter: *[Signature]*

**Commonwealth Edison Company**  
LTIP - Executive By FERC Account  
Year 2011  
(In Thousands)

Line No.	Account (A)	Description (B)	2011 Actual (C)	Prior Years NI Goal Related Removal (1) (D)	Allocator (E)	Jurisdictional (F)
1	<b>ComEd LTIP - Expense</b>					
2	416/426	Non-Utility Expenses	\$ -		0%	\$ -
3	500-557	Production	-		0%	-
4	560-573	Transmission	-		0%	-
5	580-908	Distribution/Customer	-		100%	-
6	920-935	General & Admin	5,666	(140)	90.19% (2)	4,984
7		<b>Total Expense</b>	<b>\$ 5,666</b>	<b>\$ (140)</b>		<b>\$ 4,984</b>
8	<b>ComEd LTIP - Capital/Rate Base</b>					
9	107/108	CWIP / Accum Depr	\$ 794	\$ (16)	77.9% (3)	\$ 606
10	<b>Total ComEd LTIP Cost for 2011</b>		<b>\$ 6,460</b>	<b>\$ (157)</b>		<b>\$ 5,589</b>

Notes:

(1) LTIP is awarded annually and typically accrued over 3 years. 2009 LTIP included a goal tied to ComEd Net Income. Reflected is the 3rd year of the 2009 LTIP award amount that was accrued in 2011.

(2) Wages and Salaries allocator WPA-5, Page 1.

(3) Net Plant allocator WPA-5, Page 2.

**Commonwealth Edison Company**  
 LTIP - Key Manager Restricted Stock (RS) By FERC Account  
Year 2011  
 (In Thousands)

Line No.	Account (A)	Description (B)	2011 Actual (C)	Allocator (D)	Jurisdictional (E)
1	<b>ComEd LTIP RS - Expense</b>				
2	416/426	Non-Utility Expenses	\$ 57	0%	\$ -
3	500-557	Production	16	0%	-
4	560-573	Transmission	267	0%	-
5	580-908	Distribution/Customer	2,179	100%	2,179
6	920-935	General & Admin	399	90.19% (1)	360
7		<b>Total Expense</b>	<b>\$ 2,918</b>		<b>\$ 2,538</b>
8	<b>ComEd LTIP RS - Capital/Rate Base</b>				
9	107/108	CWIP / Accum Depr	<b>\$ 869</b>	77.9% (2)	<b>\$ 677</b>
10		<b>Total ComEd LTIP RS Cost for 2011</b>	<b>\$ 3,787</b>		<b>\$ 3,215</b>

Notes:

- (1) Wages and Salaries allocator WPA-5, Page 1.
- (2) Net Plant allocator WPA-5, Page 2.



# 2011 Annual Incentive Program

An informational guide to understanding ComEd's Annual Incentive Program (AIP) for ComEd employees and BSC employees who are "dedicated to" or "embedded in" ComEd and who are not covered by a collective bargaining agreement.

## Overview

The ComEd Annual Incentive Program ("AIP") provides an opportunity for you to be rewarded for your contribution to the success of Commonwealth Edison Company (the "Company"). It serves as an important part of your overall compensation package by linking individual and Company performance. The final amount of your award will be based on how well you, the group that shares your key performance indicators and the Company as a whole perform against goals set for the year. The ComEd AIP covers all eligible ComEd employees and BSC employees who are embedded in or dedicated to ComEd.

This program is designed to reasonably insure that customers receive the benefits of reduced expenses and greater efficiencies in operations by putting a portion of employees' compensation at risk. It also ensures that employees are properly recognized when their efforts result in superior performance for customers.

## Who is Eligible?

To participate in the 2011 AIP, you must meet each of the following requirements:

- You must be classified as a salaried exempt or salaried non-exempt regular employee (not temporary or other classification, such as an intern, co-op or contractor) on the Company's payroll for at least 31 calendar days in 2011 (and not be covered by an incentive plan provided in lieu of the AIP); and
- In most cases, you must be actively employed through the Company's last business day of 2011. \*

This informational guide does not apply to individuals who are covered by a collective bargaining agreement.

\* Please refer to page 7 "What Happens if Your Status Changes During 2011" for additional information.

## How Does the AIP Work?

Generally, 2011 AIP awards will be determined based on the following calculation:

Employee's Incentive-Eligible Salary	X	Target Incentive Opportunity Percentage	X	Company Performance Multiplier (CPM)	X	Individual Performance Multiplier (IPM)*	=	AIP Award Amount															
<p>Each employee has a target percentage that is determined based on his or her grade level. The following chart applies to most employees (grade level E06 and below).</p> <p style="text-align: center;">2011 Target Incentive Opportunity</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Grade Level</th> <th style="text-align: center;">Target % (of Employee's Salary)</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">E06</td><td style="text-align: center;">30%</td></tr> <tr><td style="text-align: center;">E05</td><td style="text-align: center;">25%</td></tr> <tr><td style="text-align: center;">E04</td><td style="text-align: center;">20%</td></tr> <tr><td style="text-align: center;">E03</td><td style="text-align: center;">15%</td></tr> <tr><td style="text-align: center;">E02</td><td style="text-align: center;">10%</td></tr> <tr><td style="text-align: center;">E01</td><td style="text-align: center;">7%</td></tr> <tr><td style="text-align: center;">Salaried Non-Exempt</td><td style="text-align: center;">7%</td></tr> </tbody> </table>		Grade Level	Target % (of Employee's Salary)	E06	30%	E05	25%	E04	20%	E03	15%	E02	10%	E01	7%	Salaried Non-Exempt	7%	<p>The company performance multiplier (CPM) is based on the achievement of ComEd cost and operational Funding Key Performance Indicators (KPIs), and financial performance under the Net Income Limiter for 2011.</p> <p><i>(See breakout boxes for more information about the ComEd Funding and functional area Allocation KPIs)</i></p>		<p>Eligible employees will have an IPM (between 50 and 120 percent**) that is applied to the base award (incentive-eligible salary x target incentive opportunity percentage x CPM) to calculate the final award.</p> <p><i>*Certain employees designated by a business unit (e.g., bargaining unit) do not have an IPM.</i></p> <p><i>**The IPM range for Corporate and Senior Subsidiary Officers is 50 percent to 110 percent.</i></p>			
Grade Level	Target % (of Employee's Salary)																						
E06	30%																						
E05	25%																						
E04	20%																						
E03	15%																						
E02	10%																						
E01	7%																						
Salaried Non-Exempt	7%																						
<p><i>For exempt employees, your annual base salary in effect on December 31, 2011 generally applies for incentive award calculations. For employees who were non-exempt and/or part-time during any part of 2011, your incentive-eligible salary is based on your incentive-eligible earnings paid while working in each category during 2011 (e.g., includes eligible overtime and shift premium while non-exempt).</i></p>																							

### What is new for ComEd in 2011

Following are highlights of the key changes for 2011. Review this brochure for additional information.

- The performance scale returns to the pre-2010 range and associated payout levels as follows:
  - “Threshold” performance is restored to the 50 percent payout level and is the minimum performance required before any payout may occur.
  - The familiar “Target” performance level, replaces the “Plan” benchmark that had been created for 2010. Target performance leads to a 100 percent payout.
  - “Distinguished” performance continues to be the highest performance level and leads to a 200 percent payout.
- The Net Income (NI) Limiter is refined to better align rewards with operational excellence and cost management. Payout above “target” will be limited based on ComEd Operating Net Income performance, such that if KPI performance yields a payout that is greater than 100 percent, the payout will be limited to no more than 20 percentage points above Net Income performance.
  - For example, if the ComEd AIP KPI results payout is above 100 percent and Net Income performance is at 105 percent, then the ComEd KPI results payout would be limited to no more than 125 percent. This is an advantage over the 2010 plan year, for which ComEd KPI results performance above the 50 percent payout level could not exceed actual Net Income performance.

### How ComEd Performance is Measured

ComEd key performance indicators are an important component of your overall AIP award. The Company uses cost and operational KPIs to measure its relative performance. These KPIs are called *Funding KPIs*, because they fund the AIP and establish the potential AIP payout available.

#### Funding KPIs

- Funding KPIs are made up of ComEd cost and operational KPIs. The AIP for all ComEd employees is equally weighted between cost and operational measures.
- Cost performance is measured through two KPIs: Operating & Maintenance (O&M) Expense and Capital Expenditures
- There are five operational KPIs: OSHA Recordable Rate, measuring ComEd employee safety, SAIFI, which measures the average frequency of customer outages, CAIDI, measuring the average duration of customer outages, Focused Initiatives & Environmental Index, measuring productivity and environmental commitment, and the Customer Satisfaction Index, measuring overall customer satisfaction.

Position <sup>(1)</sup>	Example	Corporate (Exelon)	Operating Company and Business Unit KPIs		
		Earnings Per Share	Operating Company Financial Measure	Cost Measure	Business Unit Operational/Financial Measures
ComEd	All Employees	-	ComEd Operating Net Income Limiter	25% ComEd O&M 25% ComEd Capital	10% ComEd OSHA Recordable Rate 10% ComEd SAIFI 10% ComEd CAIDI 15% Focused Initiatives & Environmental Index 5% Customer Satisfaction Index

<sup>(1)</sup> ComEd Annual Incentive Program subject to review and approval by ComEd Board of Directors

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### Funding KPI Performance Levels

There are three levels of performance associated with each AIP Funding KPI. These levels are:

- **Threshold:** The minimum acceptable level of performance that must be achieved for employees to receive any payout (i.e., 50 percent payout) on a Funding KPI. No payout will occur on a KPI that does not achieve a threshold level of performance.
- **Target:** The required performance level in order to achieve 100 percent payout on a Funding KPI.
- **Distinguished:** The required performance level in order to achieve 200 percent payout (i.e., two times your target incentive opportunity) and the highest payout level available under the AIP.

Funding KPIs <sup>1</sup>	Threshold	Target	Distinguished	Goal Weight
	50%	100%	200%	
Total O&M Expense (\$M)	\$715.3	\$681.2	\$613.1	25%
Total Capital Expenditures (\$M)	\$884.3	\$842.2	\$758.0	25%
OSHA Recordable Rate	1.54	1.04	0.99	10%
SAIFI 2.5 Beta Method Outage Frequency <sup>2</sup>	1.09	0.94	0.90	10%
CAIDI 2.5 Beta Method Outage Duration <sup>2</sup>	95	89	85	10%
Focused Initiatives & Environmental Index	90%	100%	110%	15%
Customer Satisfaction Index	79	81	83	5%

<sup>1</sup> KPI performance scale is rounded for illustrative purposes. Performance goals and actual achievement may be carried out to additional decimal places to determine final AIP award payout.

<sup>2</sup> Threshold, Target and Distinguished levels weather normalized.

### Net Income Limiter

- The AIP includes a feature called the Net Income Limiter that may limit payout on the AIP based on ComEd's operating net income performance. This feature ensures that any payout above target is aligned with the company's financial performance.
- To the extent that performance on ComEd's funding KPIs yield a payout percentage greater than 100 percent, the overall KPI payout cannot exceed by more than 20 percentage points a Net Income Limiter based on the Operating Net Income of ComEd for 2011, as follows:

Operating Net Income (\$M)	Net Income Performance %	Net Income Limiter %
\$390.0	100%	120%
\$406.6	150%	170%
\$423.2	200%	200% (maximum)

- For operating net income amounts between payout percentages, the payout percentage will be determined by the relative distance between the two points based on operating net income.

See Examples of how the Net Income Limiter works in the chart below:

Payout Percentage				Impact of Net Income Limiter
Before Net Income Limiter Applied	Operating Net Income			
Composite Payout of ComEd Funding KPIs	Actual Performance	Performance %	Net Income Payout Limit %	Composite Payout of ComEd Funding KPIs
< 100% (Below Target)	Not Applicable			Actual Composite Payout %
100%	\$ 390.0 M	100%	120%	100%
125%	\$ 390.0 M	100%	120%	120%
150%	\$406.6 M	150%	170%	150%
175%	\$406.6 M	150%	170%	170%
200%	\$ 423.2 M	200%	200% (maximum)	200%

### Significant Event Curtailment

To ensure continued focus on critical business issues, your AIP payout may be subject to reduction if a significant adverse business event occurs. If ComEd has a Significant Event in 2011, payout on your AIP KPIs will be reviewed in light of the event and paid at zero percent to 150 percent.

A significant event is defined as a single high profile outage caused by a failure of ComEd owned or managed equipment and determined ultimately to have been caused by a human performance error or poor management attention to maintenance or upkeep of the system. An event in this category will result in negative customer and media impact, as well as significant adverse government and/or regulatory intervention or have a material adverse impact on earnings. The Significant Event gate determination will be made by the ComEd President in concert with the ComEd Chief Executive Officer, by recommendation to the ComEd Board of Directors.

### Goal Weighting

- Generally, your Company Performance Multiplier (CPM) is calculated based on the financial, cost and operational KPI performance of the Operating Company/Business Unit in which you are employed on December 31, 2011.

### Individual Performance Multiplier and Award Range

Once ComEd performance is determined, the amount of your individual award is determined based on your target incentive opportunity and your individual performance multiplier.

- The annual performance review process determines your individual performance multiplier (IPM) based on your individual performance and personal contribution to your team during the year. The IPM can range from 50 percent to 120 percent <sup>(1)</sup> or zero percent, relative to your annual performance rating on a five-point rating scale (A, B+, B, B-, C).
- Your total AIP award, after application of ComEd Funding KPIs, individual multipliers and all other adjustments, can range from zero to 200 percent of your individual target incentive opportunity.
- You will not receive an award if your year-end performance rating is "does not meet expectations" (or its equivalent), or you are placed on but do not successfully complete a performance improvement plan by year end.
- The aggregate payment of individual awards cannot exceed the total funding for all participants' awards, as generated by Corporate and Operating Company/Business Unit performance. <sup>(2)</sup>

<sup>(1)</sup> The IPM range for Exelon officers and certain senior subsidiary officers is 50% to 110%.

<sup>(2)</sup> This provision does not apply to Exelon officers and certain senior subsidiary officers, since the Compensation Committee of the Board of Directors approves their awards.

### When You Will Receive Your Award

You will receive your AIP award, less applicable federal, state and local tax withholding, no later than March 15, 2012.

### What Happens if Your Status Changes During 2011

Status change	Impact on your award
New participant	A prorated award <sup>(1)</sup> will be calculated subject to your eligible classification on the Company's payroll for at least 31 days.
Promotion, voluntary demotion, and involuntary performance-related demotion	Your award is calculated based on the level you are in as of December 31, 2011.
Involuntary demotion that is not performance-related (e.g., organizational restructuring)	Your current year AIP award is calculated based on the level you were in prior to the demotion. Your AIP target opportunity reverts to that of your new level the following year.
Approved Leave of Absence (e.g., Family Medical Leave, qualifying military leave, paid leave of absence, or short-term disability)	Your award will not be prorated for any period of approved leave of absence while you are receiving pay on the Company's payroll, but will be prorated <sup>(1)</sup> for any unpaid leave <sup>(2)</sup> .
Retirement (age 50 or older with 10 or more years of pension service) with no severance plan eligibility, commencement of benefits under a long-term disability plan <sup>(3)</sup> and/or unpaid leave, or death	A prorated award <sup>(1), (4)</sup> will be calculated subject to your eligible classification on the Company's payroll for at least 31 days.
Change in department or Business Unit or Operating Company	Your award is calculated based on the department or Operating Company/Business Unit you are in on December 31, 2011. In the case of a Company and/or pay cycle change that occurs during the final pay period of the year, your award will be calculated based on the department and Operating Company/Business Unit you were in prior to the change.
Termination for cause or resignation	You will not be eligible for any award.
Transfer or change to/from a non-exempt and/or part-time position in the organization	Your award will be calculated using your incentive-eligible earnings in each position for the period you were in that position (e.g., eligible overtime and shift premium) for 2011.
Involuntary separation or qualifying voluntary separation pursuant to a severance plan including retirement eligible employees	Eligibility and amount of award determined under applicable severance plan. Exelon Corp. Severance Benefit Plan generally provides prorated award <sup>(1), (4)</sup> , subject to elimination if employee is rated "off track" or "does not meet expectations" or has been placed on but has not successfully completed a performance improvement plan (PIP).

- (1) In the case of exempt full-time positions, prorated awards are calculated using the number of days you are an active employee on the payroll, divided by 365. For non-exempt and/or part-time positions, a prorated award is calculated using your incentive-eligible earnings (e.g., base pay, and eligible overtime and shift premium) for the period that you are eligible during the year.
- (2) In the case of a military leave during which an employee is eligible to receive a base pay differential, the employee is deemed to be on a paid leave and his or her eligible earnings will be calculated based on his/her rate of pay in effect immediately preceding the qualifying military leave and prorated accordingly.
- (3) Does not include receipt of partial benefits under a long-term disability plan while continuing to work on a reduced schedule and receive pay as an active employee.
- (4) Prorated award is based on a 100 percent IPM, if applicable.

### Glossary of Terms

CAIDI (IEEE - 2.5 BETA METHOD) - Customer Average Interruption Duration Index (CAIDI) represents the average time in minutes required to restore service to those customers who experience a sustained outage interruption. A sustained interruption is defined as an outage greater than five minutes. This metric includes secondary and service interruptions while excluding major events, interruptions lasting 5 minutes or less in duration, and planned interruptions. Major events are defined as any day where the SAIDI, which is the product of SAIFI and CAIDI, is greater than or equal to a threshold value. The threshold value is computed using 2.5 standard deviations (beta) above the mean (alpha), based on 5 years of historic SAIDI per day data.

**CUSTOMER SATISFACTION INDEX** - The customer satisfaction goal will be based on ComEd's performance on the following three equally-weighted customer satisfaction metrics: ACSI Proxy, Contact Center Satisfaction and New Business Satisfaction. The ACSI Proxy is a combined measure of residential, small business and large business customer satisfaction. The residential component of the ACSI Proxy is the ACSI produced by ACSI LLC. The small business and large business components are based on telephone and web-administered surveys conducted by ComEd's research supplier. The score for each customer segment is based on the results from three survey questions: overall satisfaction, meeting expectations, and closeness to the ideal energy utility company. The score for ComEd and for each customer segment represents an index on a 0-100 scale; it is not a percentage. This metric is reported quarterly. Under the 2011 AIP, ACSI Proxy scores will be computed quarterly and based on the results of surveys conducted during the twelve-month period ending December 31, 2011.

Contact Center Satisfaction is the percent of customers satisfied with the service received during a call to the ComEd Customer Care Centers. The score is based on the results of telephone-administered surveys of randomly-selected residential and small business customers who recently phoned the company. It is measured as the percent of survey respondents who are "satisfied" (% 6-10 ratings) on a 0-10 scale, where 0 is "extremely dissatisfied" and 10 is "extremely satisfied." The surveys include all types of transactions (e.g., billing, credit, outage, turn on/off) handled by the Voice Response Unit or a Customer Service Representative. The score for each quarter is the average of the residential and small business scores, weighted by each segment's percent of total calls during the quarter. This metric is reported quarterly. Under the 2011 AIP, Contact Center Satisfaction scores will be computed quarterly and based on the results of surveys for the twelve-month period ending December 31, 2011.

New Business Satisfaction is the percent of customers satisfied overall with ComEd's performance on projects completed by New Business. The score is based on the results of a mail-administered survey. It is measured as the percent of survey respondents who are "somewhat satisfied" and "very satisfied" using a 5-point scale, ranging from "very dissatisfied" to "very satisfied." This metric is reported monthly. Under the 2011 AIP, New Business Satisfaction scores will be computed every three months and based on the results of surveys for the twelve-month period beginning December 1, 2010 and ending November 30, 2011.

**DEDICATED EMPLOYEE** - Practice area employee on the BSC payroll who has been identified as primarily supporting one of the Operating Companies or Business Units.

**EMBEDDED EMPLOYEE** - Practice area employee on an Operating Company's payroll who has been identified as primarily supporting that Operating Company or one of its Business Units.

**FOCUSED INITIATIVES & ENVIRONMENTAL INDEX** - These are the collection of specific work plan objectives that are either key to maintaining or improving reliability, are key to improving customer operations or support our environmental commitments. The Focused Initiatives and Environmental Index includes: 2011 Summer Critical Program, Top Priority Circuit Program, Underground (URD) Cable Program, Distribution Automation, Substation Transformer Maintenance Template Program, Substation Breaker Overhauls, Vegetation Management for Distribution and Transmission Program, Field and Meter Services Work Plan Execution, Meter Read Rate, Customer Service Technology improvements, GHG Net Emissions, and Dollars/KWh (EEPS).

A productivity measure will be calculated for each operations initiative to compare the percentage of work completed and dollars expended versus 100% of the work planned and the dollars budgeted. In addition, a threshold completion level of 90% of planned work for each unit-based initiative separately will be imposed before incentives apply to ensure that requisite levels of work are completed during the year on these initiatives. Budgeted and actual spend will be based on the Direct costs attributable to each initiative. Direct costs exclude allocated overhead costs that are attributable to each initiative (i.e. General & Administrative (WFR), Capitalized Overheads (A&G), Department Overhead (DOV), etc.).

For the customer operations and environmental initiatives a performance measure will be calculated to compare actual results to Threshold, Target and Distinguished goals.

Achievement of the Focused Initiatives and Environmental Index is measured as a simple average of the productivity/performance measures for each initiative.

**OPERATING NET INCOME** - Generally Accepted Accounting Principles (GAAP) Net Income, excluding other exclusions determined by Exelon Corporate Finance.

**OSHA RECORDABLE RATE** - The criteria for measurement is recordable incidents, including every occupational death and every non-fatal occupational injury which involves one or more of the following: loss of consciousness, restriction of

work or motion, transfer to another job, or medical treatment (not first aid). This metric is calculated based on the exposure of 100 full-time workers, using 200,000 hours as the equivalent. (Total of OSHA cases X 200,000 / Total Hours Worked).

**SAIFI (IEEE 2.5 BETA METHOD)** - System Average Interruption Frequency Index (SAIFI) indicates how often the average customer experiences a sustained interruption over a predefined period of time. A sustained interruption is defined as an outage greater than five minutes. This metric includes secondary and service interruptions while excluding major events, interruptions lasting 5 minutes or less in duration, and planned interruptions. Major events are defined as any day where the SAIDI, which is the product of SAIFI and CAIDI, is greater than or equal to a threshold value. The threshold value is computed using 2.5 standard deviation (beta) above the mean (alpha), based on 5 years of historic SAIDI per day data.

**TOTAL CAPITAL EXPENDITURES** - Capital expenditures, as defined in the capitalization policy. This metric includes functional group costs for embedded functions and BSC transactional costs, but excludes BSC corporate allocation costs (i.e. Supply), Information Technology Council (ITC) Reserves allocations, pensions, other post-retirement employee benefits (OPEB), fringe employee benefits (including incentive payments and severance), and incremental weather-related restoration costs incurred for major storms as defined by Procedure AM-CE-9065 wherein 10% or more of the System-wide customers are affected, and costs incurred for smart meter and grid deployment requirements and other legislative mandates. The exclusion for storm costs may be denied by recommendation of the ComEd CEO to the Exelon CEO within 30 days of completion of the storm if the restoration response is deemed to be inadequate.

This metric will also exclude costs within Capital that are cash-flow neutral to ComEd, including but not limited to: AFUDC, etc.

ComEd has the option to appeal any excess unplanned transmission costs related to the retirement of any generation plants. Appeal adjustment is subject to the approval of the AIP Panel.

**TOTAL OPERATING AND MAINTENANCE (O&M) EXPENSE** - Operating and Maintenance (O&M) Expenses for departments. This metric includes functional group costs for embedded functions and BSC transactional costs, but excludes BSC corporate allocation costs (i.e. Executive Services), Information Technology Council (ITC) Reserves allocations, pensions, other post-retirement employee benefits (OPEB), fringe employee benefits (including incentive payments and severance), bad debt expenses, incremental weather-related restoration expenses incurred for major storms as defined by Procedure AM-CE-9065 wherein 10% or more of the System-wide customers are affected, costs incurred for smart meter and grid deployment requirements and other legislative mandates, and other exclusions from GAAP Net Income that originated in O&M, as determined by Exelon Corporate Finance. The exclusion for storm costs may be denied by recommendation of the ComEd CEO to the Exelon CEO within 30 days of completion of the storm if the restoration response is deemed to be inadequate.

This metric will also exclude costs within O&M that are offset elsewhere within net income for ComEd, including but not limited to: Energy Efficiency and Demand Response Adjustment Rider (Rider EDA), Supply Administration Charge Rider (Rider SAC-PE), Temporary Services, IPP Interconnection studies, mutual assistance provided to another company for storm restoration, consulting fees related to tax and legal settlements.

### Important Information:

- This informational guide is intended to provide an overview of the 2011 ComEd Annual Incentive Program. In the event of any inconsistency between this guide and the formal program document, the formal document will control.
- The ComEd CEO and Board of Directors, in the exercise of their sole discretion, reserve the right to adjust the amount of awards payable or make modifications to the program, if business circumstances warrant an adjustment. In addition, the program may be amended at any time by action of the CEO or the Board of Directors and may be terminated at any time by action of the Board of Directors.
- No portion of an award shall be considered earned prior to the last day of the year.

**Questions?**

Contact your Human Resources Generalist.

**Award Calculation – For Illustrative Purposes Only**

Refer to the following page for an example of an AIP calculation for an exempt employee who has an incentive-eligible salary of \$70,000 and a target incentive opportunity of 15 percent. The target incentive opportunity amount is \$10,500 (\$70,000 x 15 percent). The example assumes that the Significant Event Curtailment does not apply. This sample provides three examples of the Individual Performance Multiplier (IPM) application, under Step 3 of the calculation.

Sample 2011 Award Calculation				
Step 1: Determine the company performance multiplier (CPM):				
<b>Step 1A - Calculate the performance of ComEd Funding KPIs</b> 25% Funding on ComEd O&M Expense KPI 25% Funding on ComEd Capital Spend KPI 50% Funding on ComEd Operational KPIs	<b>ComEd Funding KPIs</b>		$\text{Goal Weight} \times \frac{\text{KPI Performance}}{\text{Payout \%}} = \text{Preliminary Weighted Payout \% (Goal Weight} \times \text{Payout \%)}$	
	ComEd O&M Expense	25%		100.0%
	ComEd Capital Expenditures	25%	100.0%	25.0%
	<b>ComEd Operational KPIs</b>			
	ComEd OSHA Recordable Rate	10%	105.0%	10.5%
	ComEd SAIFI (outages per customer)	10%	110.0%	11.0%
	ComEd CAMEI (minutes)	10%	110.0%	11.0%
	Focused Initiatives & Environmental Index	15%	175.0%	26.3%
	Customer Satisfaction Index	5%	125.0%	6.3%
	<b>Total ComEd Funding KPI Performance</b>	<b>100%</b>		<b>115.0%</b>
<b>Step 1B - Apply Significant Event Curtailment, if applicable, to the Total Funding KPI Payout. In this case, no curtailment has occurred.</b>				
Company Performance Multiplier (CPM)	Company Performance Multiplier		115.0%	
<b>Step 1C - Apply Net Income (NI) Limiter. In this example, the ComEd Funding KPI performance is greater than the 100% payout level and Operating Net Income is \$390.0M, limiting the payout to 120%.</b>				
Apply NI Limiter	Net Income Payout Limit	ComEd Funding KPI Payout % before NI Limiter	ComEd Funding KPI Payout % After Application of NI Limiter	
In this example, the NI Limiter does not impact the payout because the actual composite payout % is ≤ the NI Payout Limit	120.0%	115.0%	115.0%	
<b>Step 2: Calculate the base award:</b>				
<b>Step 2 - Multiply the target incentive opportunity of \$10,500 by the Final CPM</b> Preliminary AIP Award	Example: Employee's AIP eligible earnings is \$70,000 with a 15% target incentive opportunity. The target incentive opportunity amount is \$70,000 x 15% = \$10,500. Target Incentive Opportunity \$10,500	$\text{Target Incentive Opportunity} \times \text{CPM} = \text{Preliminary AIP Award}$ \$10,500 x 115.0% = \$12,075	Preliminary AIP Award \$12,075	
<b>Step 3: Apply the individual performance multiplier (IPM) to the base award to determine the final AIP award:</b>				
<b>Step 3 - Multiply the base award by the IPM. The IPM can range between 50% and 120%.</b>				
IPM Example 1 - Final AIP Award	IPM Example 1 - the employee's IPM is 90%	$\text{Preliminary AIP Award} \times \text{IPM} = \text{Final AIP Award}$ \$12,075 x 90% = \$10,868	Final AIP Award \$10,868	
IPM Example 2 - Final AIP Award	IPM Example 2 - the employee's IPM is 100%	$\text{Preliminary AIP Award} \times \text{IPM} = \text{Final AIP Award}$ \$12,075 x 100% = \$12,075	Final AIP Award \$12,075	
IPM Example 3 - Final AIP Award	IPM Example 3 - the employee's IPM is 110%	$\text{Preliminary AIP Award} \times \text{IPM} = \text{Final AIP Award}$ \$12,075 x 110% = \$13,283	Final AIP Award \$13,283	

**ComEd 2011 Annual Incentive Program Summary**

**ComEd**  
 An Exelon Company

Overview for ComEd employees represented by IBEW Local 15\*  
 (includes BSC employees "dedicated to" or "embedded in" ComEd)

\*Eligibility to participate in the AIP is based solely to the extent provided in the applicable collective bargaining agreement.

**What is new for ComEd in 2011**

Following are highlights of the key changes for 2011. Review this brochure for additional information.

- The performance scale returns to the pre-2010 range and associated payout levels as follows:
  - "Threshold" performance is restored to the 50 percent payout level and is the minimum performance required before any payout may occur.
  - The familiar "Target" performance level, replaces the "Plan" benchmark that had been created for 2010. Target performance leads to a 100 percent payout.
  - "Distinguished" performance continues to be the highest performance level and leads to a 200 percent payout.
- The Net Income (NI) Limiter is refined to better align rewards with operational excellence and cost management. Payout above "target" will be limited based on ComEd Operating Net Income performance, such that if KPI performance yields a payout that is greater than 100 percent, the payout will be limited to no more than 20 percentage points above Net Income performance.
- For example, if the ComEd AIP KPI results payout is above 100 percent and the Net Income performance is at 105 percent, then the ComEd KPI results payout would be limited to no more than 125 percent. This is an advantage over the 2010 plan year, for which ComEd KPI results performance above the 50 percent payout level could not exceed actual Net Income performance.

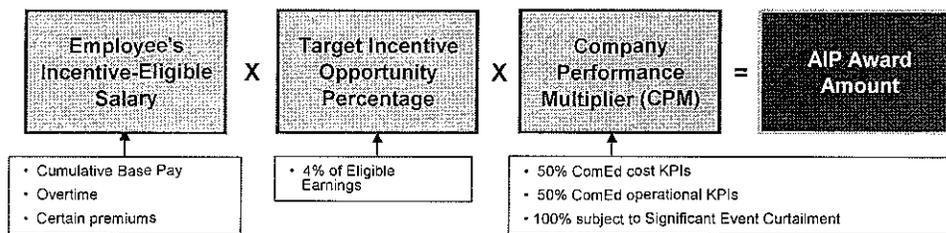
**Funding KPIs <sup>1</sup>**

	Threshold	Target	Distinguished	Goal Weight
	50%	100%	200%	
Total O&M Expense (\$M)	\$715.3	\$681.2	\$613.1	25%
Total Capital Expenditures (\$M)	\$884.3	\$842.2	\$758.0	25%
OSHA Recordable Rate	1.54	1.04	0.99	10%
SAIFI 2.5 Beta Method Outage Frequency <sup>2</sup>	1.09	0.94	0.90	10%
CAIDI 2.5 Beta Method Outage Duration <sup>2</sup>	95	89	85	10%
Focused Initiatives & Environmental Index	90%	100%	110%	15%
Customer Satisfaction Index	79	81	83	5%

<sup>1</sup> KPI performance scale is rounded for illustrative purposes. Performance goals and actual achievement may be carried out to additional decimal places to determine final AIP award payout.

<sup>2</sup> Threshold, Target and Distinguished levels weather normalized.

**Award Formula**



**Net Income Limiter**

- The AIP includes a feature called the Net Income Limiter that may limit payout on the AIP based on ComEd's operating net income performance. This feature ensures that any payout above target is aligned with the company's financial performance.
- To the extent that performance on ComEd's funding KPIs yield a payout percentage greater than 100 percent, the overall KPI payout cannot exceed by more than 20 percentage points a Net Income Limiter based on the Operating Net Income of ComEd for 2011, as follows:

Operating Net Income (\$M)	Net Income Performance %	Net Income Limiter %
\$390.0	100%	120%
\$406.6	150%	170%
\$423.2	200%	200% (maximum)

- For operating net income amounts between payout percentages, the payout percentage will be determined by the relative distance between the two points based on operating net income.

See Examples of how the Net Income Limiter works in the chart below:

Payout Percentage					Impact of Net Income Limiter
Before Net Income Limiter Applied	Operating Net Income			After Net Income Limiter Applied	
Composite Payout of ComEd Funding KPIs	Actual Performance	Performance %	Net Income Payout Limit %	Composite Payout of ComEd Funding KPIs	
< 100% (Below Target)	Not Applicable			Actual Composite Payout %	NI Limiter does not apply because composite payout % is < 100%
100%	\$ 390.0 M	100%	120%	100%	NI Limiter does not apply because actual composite payout < NI Payout Limit
125%	\$ 390.0 M	100%	120%	120%	Payout Limited by Net Income Performance
150%	\$406.6 M	150%	170%	150%	NI Limiter does not apply because actual composite payout < NI Payout Limit
175%	\$406.6 M	150%	170%	170%	Payout Limited by Net Income Performance
200%	\$ 423.2 M	200%	200% (maximum)	200%	NI Limiter does not apply because actual composite payout < NI Payout Limit

### Significant Event Curtailment

To ensure continued focus on critical business issues, your AIP payout may be subject to reduction if a significant adverse business event occurs. If ComEd has a Significant Event in 2011, payout on your AIP KPIs will be reviewed in light of the event and paid at zero percent to 150 percent.

A significant event is defined as a single high profile outage caused by a failure of ComEd owned or managed equipment and determined ultimately to have been caused by a human performance error or poor management attention to maintenance or upkeep of the system. An event in this category will result in negative customer and media impact, as well as significant adverse government and/or regulatory intervention or have a material adverse impact on earnings. The Significant Event gate determination will be made by the ComEd President in concert with the ComEd Chief Executive Officer, by recommendation to the ComEd Board of Directors.

What Happens if Your Status Changes During 2011	
Status change	Impact on your award
New participant	A prorated award <sup>(1)</sup> will be calculated subject to your eligible classification on the Company's payroll for greater than three (3) continuous months of service as of December 31, 2011.
Promotion or demotion	Your award is calculated based on the level you are in as of December 31, 2011.
Approved Leave of Absence (e.g., Family Medical Leave, qualifying military leave, paid leave of absence, or short-term disability)	Your award will not be prorated for any period of approved leave of absence while you are receiving pay on the Company's payroll, but will be prorated <sup>(1)</sup> for any unpaid leave. <sup>(2)</sup>
Retirement (age 50 or older with 10 or more years of pension service) with no severance plan eligibility; unpaid leave; or death	A prorated award <sup>(1)</sup> will be calculated subject to your eligible classification on the Company's payroll for at least 31 days.
Change in department or Business Unit or Operating Company	Your award is calculated based on the department or Operating Company/Business Unit you are in on December 31, 2011. In the case of a Company and/or pay cycle change that occurs during the final pay period of the year, your award will be calculated based on the department and Operating Company/Business Unit you were in prior to the change.
Termination for cause or resignation	You will not be eligible for any award.
Transfer or change to/from a non-exempt and/or part-time position in the organization	Your award will be calculated using your incentive-eligible earnings in each position for the period you were in that position (e.g., eligible overtime and shift premium) for 2011.
Involuntary separation or qualifying voluntary separation pursuant to a severance plan including retirement eligible employees	Eligibility and amount of award determined under applicable severance plan.

(1) In the case of represented positions, a prorated award is calculated using your incentive-eligible earnings (e.g., base pay, and eligible overtime and shift premium) for the period that you are eligible during the year.

(2) In the case of a military leave during which an employee is eligible to receive a base pay differential, the employee is deemed to be on a paid leave and his or her eligible earnings will be calculated based on his/her rate of pay in effect immediately preceding the qualifying military leave and prorated accordingly.

## Glossary of Terms

**CAIDI (IEEE - 2.5 BETA METHOD)** - Customer Average Interruption Duration Index (CAIDI) represents the average time in minutes required to restore service to those customers who experience a sustained outage interruption. A sustained interruption is defined as an outage greater than five minutes. This metric includes secondary and service interruptions while excluding major events, interruptions lasting 5 minutes or less in duration, and planned interruptions. Major events are defined as any day where the SAIDI, which is the product of SAIFI and CAIDI, is greater than or equal to a threshold value. The threshold value is computed using 2.5 standard deviations (beta) above the mean (alpha), based on 5 years of historic SAIDI per day data.

**CUSTOMER SATISFACTION INDEX** - The customer satisfaction goal will be based on ComEd's performance on the following three equally-weighted customer satisfaction metrics: ACSI Proxy, Contact Center Satisfaction and New Business Satisfaction. The ACSI Proxy is a combined measure of residential, small business and large business customer satisfaction. The residential component of the ACSI Proxy is the ACSI produced by ACSI LLC. The small business and large business components are based on telephone and web-administered surveys conducted by ComEd's research supplier. The score for each customer segment is based on the results from three survey questions: overall satisfaction, meeting expectations, and closeness to the ideal energy utility company. The score for ComEd and for each customer segment represents an index on a 0-100 scale; it is not a percentage. This metric is reported quarterly. Under the 2011 AIP, ACSI Proxy scores will be computed quarterly and based on the results of surveys conducted during the twelve-month period ending December 31, 2011. Contact Center Satisfaction is the percent of customers satisfied with the service received during a call to the ComEd Customer Care Centers. The score is based on the results of telephone-administered surveys of randomly-selected residential and small business customers who recently phoned the company. It is measured as the percent of survey respondents who are "satisfied" (% 6-10 ratings) on a 0-10 scale, where 0 is "extremely dissatisfied" and 10 is "extremely satisfied." The surveys include all types of transactions (e.g., billing, credit, outage, turn on/off) handled by the Voice Response Unit or a Customer Service Representative. The score for each quarter is the average of the residential and small business scores, weighted by each segment's percent of total calls during the quarter. This metric is reported quarterly. Under the 2011 AIP, Contact Center Satisfaction scores will be computed quarterly and based on the results of surveys for the twelve-month period ending December 31, 2011.

New Business Satisfaction is the percent of customers satisfied overall with ComEd's performance on projects completed by New Business. The score is based on the results of a mail-administered survey. It is measured as the percent of survey respondents who are "somewhat satisfied" and "very satisfied" using a 5-point scale, ranging from "very dissatisfied" to "very satisfied." This metric is reported monthly. Under the 2011 AIP, New Business Satisfaction scores will be computed every three months and based on the results of surveys for the twelve-month period beginning December 1, 2010 and ending November 30, 2011.

**DEDICATED EMPLOYEE** - Practice area employee on the BSC payroll who has been identified as primarily supporting one of the Operating Companies or Business Units.

**EMBEDDED EMPLOYEE** - Practice area employee on an Operating Company's payroll who has been identified as primarily supporting that Operating Company or one of its Business Units.

**FOCUSED INITIATIVES & ENVIRONMENTAL INDEX** - These are the collection of specific work plan objectives that are either key to maintaining or improving reliability, are key to improving customer operations or support our environmental commitments. The Focused Initiatives and Environmental Index includes: 2011 Summer Critical Program, Top Priority Circuit Program, Underground (URD) Cable Program, Distribution Automation, Substation Transformer Maintenance Template Program, Substation Breaker Overhauls, Vegetation Management for Distribution and Transmission Program, Field and Meter Services Work Plan Execution, Meter Read Rate, Customer Service Technology Improvements, GHG Net Emissions, and Dollars/KWh (EEPS).

A productivity measure will be calculated for each operations initiative to compare the percentage of work completed and dollars expended versus 100% of the work planned and the dollars budgeted. In addition, a threshold completion level of 90% of planned work for each unit-based initiative separately will be imposed before incentives apply to ensure that requisite levels of work are completed during the year on these initiatives.

Budgeted and actual spend will be based on the Direct costs attributable to each initiative. Direct costs exclude allocated overhead costs that are attributable to each initiative (i.e. General & Administrative (WFR), Capitalized Overheads (A&G), Department Overhead (DOV), etc.).

For the customer operations and environmental initiatives a performance measure will be calculated to compare actual results to Threshold, Target and Distinguished goals.

Achievement of the Focused Initiatives and Environmental Index is measured as a simple average of the productivity/performance measures for each initiative.

### Glossary of Terms (continued)

**OPERATING NET INCOME** - Generally Accepted Accounting Principles (GAAP) Net income, excluding other exclusions determined by Exelon Corporate Finance.

**OSHA RECORDABLE RATE** - The criteria for measurement is recordable incidents, including every occupational death and every non-fatal occupational injury which involves one or more of the following: loss of consciousness, restriction of work or motion, transfer to another job, or medical treatment (not first aid). This metric is calculated based on the exposure of 100 full-time workers, using 200,000 hours as the equivalent. (Total of OSHA cases X 200,000 / Total Hours Worked).

**SAIFI (IEEE 2.5 BETA METHOD)** - System Average Interruption Frequency Index (SAIFI) indicates how often the average customer experiences a sustained interruption over a predefined period of time. A sustained interruption is defined as an outage greater than five minutes. This metric includes secondary and service interruptions while excluding major events, interruptions lasting 5 minutes or less in duration, and planned interruptions. Major events are defined as any day where the SAIDI, which is the product of SAIFI and CAIDI, is greater than or equal to a threshold value. The threshold value is computed using 2.5 standard deviation (beta) above the mean (alpha), based on 5 years of historic SAIDI per day data.

**TOTAL CAPITAL EXPENDITURES** - Capital expenditures, as defined in the capitalization policy. This metric includes functional group costs for embedded functions and BSC transactional costs, but excludes BSC corporate allocation costs (i.e. Supply), Information Technology Council (ITC) Reserves allocations, pensions, other post-retirement employee benefits (OPEB), fringe employee benefits (including incentive payments and severance), and incremental weather-related restoration costs incurred for major storms as defined by Procedure AM-CE-9065 wherein 10% or more of the System-wide customers are affected, and costs incurred for smart meter and grid deployment requirements and other legislative mandates. The exclusion for storm costs may be denied by recommendation of the ComEd CEO to the Exelon CEO within 30 days of completion of the storm if the restoration response is deemed to be inadequate.

This metric will also exclude costs within Capital that are cash-flow neutral to ComEd, including but not limited to: AFUDC, etc.

ComEd has the option to appeal any excess unplanned transmission costs related to the retirement of any generation plants. Appeal adjustment is subject to the approval of the AIP Panel.

**TOTAL OPERATING AND MAINTENANCE (O&M) EXPENSE** - Operating and Maintenance (O&M) Expenses for departments. This metric includes functional group costs for embedded functions and BSC transactional costs, but excludes BSC corporate allocation costs (i.e. Executive Services), Information Technology Council (ITC) Reserves allocations, pensions, other post-retirement employee benefits (OPEB), fringe employee benefits (including incentive payments and severance), bad debt expenses, incremental weather-related restoration expenses incurred for major storms as defined by Procedure AM-CE-9065 wherein 10% or more of the System-wide customers are affected, costs incurred for smart meter and grid deployment requirements and other legislative mandates, and other exclusions from GAAP Net income that originated in O&M, as determined by Exelon Corporate Finance. The exclusion for storm costs may be denied by recommendation of the ComEd CEO to the Exelon CEO within 30 days of completion of the storm if the restoration response is deemed to be inadequate.

This metric will also exclude costs within O&M that are offset elsewhere within net income for ComEd, including but not limited to: Energy Efficiency and Demand Response Adjustment Rider (Rider EDA), Supply Administration Charge Rider (Rider SAC-PE), Temporary Services, IPP Interconnection studies, mutual assistance provided to another company for storm restoration, consulting fees related to tax and legal settlements.

### **Important Information**

- This informational guide is intended to provide an overview of the 2011 ComEd Annual Incentive Program. In the event of any inconsistency between this guide and the formal program document, the formal document will control.
- The ComEd CEO and Board of Directors, in the exercise of their sole discretion, reserve the right to adjust the amount of awards payable or make modifications to the program, if business circumstances warrant an adjustment. In addition, the program may be amended at any time by action of the CEO or the Board of Directors and may be terminated at any time by action of the Board of Directors.
- No portion of an award shall be considered earned prior to the last day of the year.

### **Questions?**

Contact your Human Resources Generalist.

*This program is designed to reasonably insure that customers receive the benefits of reduced expenses and greater efficiencies in operations by putting a portion of employees' compensation at risk. It also ensures that employees are properly recognized when their efforts result in superior performance for customers.*



**ComEd Long-Term Incentive Program  
 2010 - 2012 Program Summary  
 And 2011 Milestones**

**Program Approach**

- Consistent with the Illinois Commerce Commission's determination that only compensation for metrics that are tied to customer benefits are recoverable in rates, the ComEd Long-Term Incentive Program ("LTIP") for the 2010-2012 performance cycle is based on ComEd's executives' ability to meet certain operational and cost control metrics over time. These metrics tie to consumer benefits by resulting in lower rates than would otherwise exist, as well as high performance.
- Quantitative measures are provided as proxies for measuring progress toward goals outlined in the business plan. These measures encompass cost control, operational goals, employee engagement and environmental goals for the three-year period.
- Because compensation above target is not recoverable in rates, any payout above 100% will be consistent with Exelon long-term incentive award levels. In addition, the total ComEd LTIP payout may be modified at the discretion of the ComEd Chairman and CEO and Board of Directors, based on the overall performance of the Company and the prevailing economic environment at the time of the award.

**Who is Eligible**

Officers and executives of ComEd are eligible to participate. Awards are based on actual results and the number of days in an eligible position.

**How the Program Works**

- Individual long-term incentive target values in the ComEd LTIP are aligned to individual Exelon target values for similar roles.
- An award pool equal to the total of the annual target awards is established at the beginning of each year of the three-year performance cycle to address changes in participation and market conditions.
- The Board evaluates performance/progress toward goals each year and determines the award between 0 and 200 percent of the annual target award.
- Awards will be paid in cash, net of applicable withholding taxes, upon vesting.
- The first third of the award is paid out at time of grant; the other two-thirds vest ratably over the following two years, subject to continued employment.

**2010 – 2012 Performance Cycle Goals**

Measures encompass cost control, operational goals, employee engagement and environmental goals for the three-year period.

Long-Term Incentive Program Goals	Weight	Performance Cycle Target
ComEd Total Cost (O&M and Capital)	25%	ComEd will manage its costs such that controllable Total Costs remain relatively flat year over year out to 2013.
ComEd SAIFI, CAIDI, and OSHA Recordable	25%	By year-end 2012 ComEd actual SAIFI should be within 1st quartile performance. Actual ComEd CAIDI should be within 2nd quartile while striving towards 1st quartile performance. ComEd OSHA actual should be within 1st quartile performance.
Operational Performance Index (OPI)	15%	Implement OPI by year-end 2011 and fully integrate into our operational and financial processes for unit cost management and efficiencies by year-end 2012.
Employee Engagement Index / Employee Communication Index	10%	Increase Employee Engagement 2% each year / Develop Employee Communication Index, establish baseline and stretch goals each year.
Meet ComEd Goals related to Exelon 2020	25%	By 2013, ComEd will meet or exceed each of its annual commitments to support Exelon 2020.

**2011 Milestones**

The second year milestones are shown on the chart below.

Long Term Incentive Program Goals	Year 2 Milestones
ComEd Total Cost (O&M and Capital)	ComEd Total Cost <sup>1</sup> at \$1,523.4M (Threshold: \$1,599.6 / Distinguished: \$1,371.1)
ComEd SAIFI, CAIDI, and OSHA Recordable	ComEd SAIFI 2.5 Beta Method <sup>2</sup> - 0.94 (Threshold: 1.09 / Distinguished: 0.90)
	ComEd CAIDI 2.5 Beta Method <sup>2</sup> - 89 (Threshold: 95 / Distinguished: 85)
	OSHA Recordable - 1.04 (Threshold: 1.54 / Distinguished: 0.99)
Operational Performance Index	Validate defined 2010 OPI codes and establish baseline performance levels. Identify and target specific areas for improvement by Centers of Excellence and Front Line Engine teams
Employee Engagement Index / Employee Communication Index	Employee Engagement Index - 66% / Employee Communication Index - 48%
Meet ComEd Goals related to Exelon 2020	<ul style="list-style-type: none"> <li>Achieve GHG Net Emissions of 60,298 metric tons 2011</li> <li>Maintain ISO 14001 Certification in 2011</li> </ul>

<sup>1</sup> As defined in the AIP plan.

<sup>2</sup> Consistent with the Annual Incentive Program (AIP), CAIDI and SAIFI goal targets were established using the IEEE 2.5 Beta Method. ComEd (and IEEE) believes the 2.5 Beta Method is a better indicator of normal operations.

**Payout and Vesting Schedules – Illustrative Example**

Actual award payable for each year in the performance cycle can range from 0% to 200%.

One-third of the award is paid out when awarded; the remaining two-thirds vests over the next two years.

Award/Payout and Vesting Schedule	Three-Year Performance Cycle		
	For 2010	For 2011	For 2012
Step 1: Annual Target Award	\$100,000	\$100,000	\$100,000
Step 2: Target Award Adjusted based on Goal Performance through year-end as determined by the Board	x 95.00% \$95,000	x 115.00% \$115,000	x 170.00% \$170,000
Step 3: One-third is paid out when awarded; Remaining two-thirds vests over the next two years	\$31,666 in Jan 2011 \$31,667 in Jan 2012 \$31,667 in Jan 2013 \$95,000	\$38,333 in Jan 2012 \$38,333 in Jan 2013 \$38,333 in Jan 2014 \$114,999	\$56,667 in Jan 2013 \$56,667 in Jan 2014 \$56,667 in Jan 2015 \$170,001

Measurement Period	Three-Year Award Payout Schedule		
	2010 Year Awarded	2011 Year Awarded	2012 Year Awarded
Portion of Award Paid	- 1 <sup>st</sup> third of 2010 award	- 2 <sup>nd</sup> third of 2010 award - 1 <sup>st</sup> third of 2011 award	- 3 <sup>rd</sup> third of 2010 award - 2 <sup>nd</sup> third of 2011 award - 1 <sup>st</sup> third of 2012 award





## **2011 Restricted Stock Award Program Summary For Executives and Key Managers**

### **Program Objectives**

The 2011 Restricted Stock Award Program (the "Program") grants restricted stock units ("Restricted Stock") to individuals in select positions who play key roles in supporting Exelon's financial and operational success and whose retention is critical to long-term success. The Program is an important component of Exelon's total compensation package, which is benchmarked and aligned with the best practices of high-performing energy services companies and general industry firms.

### **Eligibility**

Vice presidents and other executives below the level of senior vice president, key managers, and select other employees are eligible to be considered for awards under the Program.

### **How Target Award Opportunities are Determined**

At the Compensation Committee's direction, Exelon conducts an annual compensation study to identify competitive market trends and assess the value of the various compensation components provided by the company relative to the value provided for similar positions in high-performing energy services and capital-intensive general industry companies.

### **How You Will Receive Your Award**

Restricted Stock grants are awarded based on an employee's position, performance, and the expected value of the award.

Generally, awards issued under the Program are paid in shares of Exelon common stock and vest incrementally over three years, subject to your continued employment. One-third of your award will vest on the date the Compensation Committee of Exelon's Board of Directors holds its first meeting (usually in January) in each of 2012, 2013, and 2014. Restricted Stock will earn dividend equivalents while vesting, which will be reinvested in additional shares and payable upon vesting. Upon vesting, you will receive payment in shares, net of tax withholding, deposited in book entry form to an account established in your name with the Program's transfer agent.

### What Happens if Your Status Changes

Status change	Impact on your award
New participant (New hire or promotion to an eligible position)	You may receive future Restricted Stock awards.
Transfer or demotion to an ineligible position	Your non-vested awards vest normally, contingent upon continued employment with the Company. No future Restricted Stock awards will be granted.
Promotion, transfer or demotion within eligible positions with different award levels	Your non-vested awards vest normally, contingent upon continued employment with the Company. You may receive future Restricted Stock awards based on the target award opportunities established for your new position.
Termination by reason of long term disability, death or retirement (minimum of age 50 and 10 years of service)	Your non-vested awards will be subject to accelerated vesting and payment upon termination.
Unpaid leave of absence	Your non-vested awards vest normally, contingent upon continued employment with the Company.
Involuntary separation, other than for cause	You will forfeit any non-vested awards, unless you would be eligible for retirement (see above) or your separation occurs within two years after a change in control of the Company, in which case vesting and payment will be accelerated upon termination.
Termination for cause or voluntary separation	You will forfeit any non-vested awards.
Compliance with Section 409A of the Internal Revenue Code	The program will be administered in compliance with, and the timing of all payments is subject to, any applicable requirements of section 409A of the Internal Revenue Code (e.g., payments to a "specified employee" upon termination of employment will be delayed for six months after the termination date).

### General

The 2011 Restricted Stock Award Program is established under, and subject to the terms and conditions of, the 2011 Exelon Corporation Long-Term Incentive Plan and the Exelon Corporation Long-Term Incentive Program established thereunder (copy available on My Total Compensation web site). In the event of any inconsistency between the formal documents and this summary, the formal documents will be controlling.