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Exelon to Begin Licensing Process for Possible New Nuclear Plant in Texas

WARRENVILLE, Ill. (Sept. 29, 2006) – Exelon Generation today notified the Nuclear Regulatory Commission that the company will begin the application process for a combined construction and operating license that would allow for the possible construction of a new nuclear plant at an as-yet unnamed location in Texas.

The company's intentions are outlined in a letter filed with the NRC today. The filing of the letter launches a process that preserves for Exelon the option to develop a new nuclear plant in Texas without immediately committing to the full project.

Exelon has not decided to build a new nuclear plant. Among the various conditions that must be resolved before any formal decision to build is made are a permanent solution to used fuel disposal, broad public acceptance of a new nuclear plant and assurances that a new plant using new technology can be financially successful.

Exelon expects to submit the application to the NRC for the combined construction and operating license, known as a COL, in 2008.

The letter to the NRC states that Exelon expects to acquire a site, apply for a COL and develop project cost estimates and economic projections for a new nuclear energy plant with "next-generation" technology. Such nuclear plant designs are simpler and less costly to operate and incorporate "passive" safety features that rely on natural forces such as gravity rather than pumps and valves to maintain high safety margins. Exelon is working with GE and Westinghouse to determine suitable next-generation designs.

Exelon Nuclear has begun looking in Texas for potential sites on which such a new plant could be built. Among the reasons: Texas is expecting a surge in electricity demand over the next 20 years, and nuclear-generated power can help reduce the amount of greenhouse gas emissions in the state. Also, Exelon already owns natural-gas generating plants in the Electric Reliability Council of Texas (ERCOT), the state's regional transmission system.

"We view Texas as a logical area for expansion of nuclear power," said Jack Skolds, Executive Vice President of Exelon Corp. and President of Exelon Generation. "Exelon also sees the state's

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burgeoning need for more electricity with fewer carbon emissions, which is precisely what nuclear energy delivers. We want to fully explore all possibilities for our mutual benefit.”

Exelon Nuclear is the largest operator of nuclear energy stations in the nation and third largest in the world. Its 17 operating reactors in Illinois, Pennsylvania and New Jersey are among the safest and most efficient and reliable in the U.S.

Exelon expects the cost of developing the COL to be about \$30 million. The timing of the application would allow the company to participate in nuclear production tax credits, financial risk insurance and federal loan guarantees specified in the 2005 Energy Policy Act.

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Exelon Corporation is one of the nation's largest electric utilities with approximately 5.2 million customers and more than \$15 billion in annual revenues. The company has one of the industry's largest portfolios of electricity generation capacity, with a nationwide reach and strong positions in the Midwest and Mid-Atlantic. Exelon distributes electricity to approximately 5.2 million customers in northern Illinois and Pennsylvania and natural gas to more than 470,000 customers in southeastern Pennsylvania. Exelon is headquartered in Chicago and trades on the NYSE under the ticker EXC.

From: <ExelonNuclearCommunications@exeloncorp.com>
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For Immediate Release

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