

PECO ENERGY CO  
Form 8-K  
March 19, 2007

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, DC 20549**  
**FORM 8-K**  
**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d) of the**  
**Securities Exchange Act of 1934**  
**March 19, 2007**  
**Date of Report (Date of earliest event reported)**

| Commission File Number | Exact Name of Registrant as Specified in Its Charter; State of Incorporation; Address of Principal Executive Offices; and Telephone Number | IRS Employer Identification Number |
|------------------------|--|------------------------------------|
| 000-16844              | <b>PECO ENERGY COMPANY</b><br>(a Pennsylvania corporation)<br>P.O. Box 8699<br>Philadelphia, Pennsylvania 19101-8699<br>(215) 841-4000     | 23-0970240                         |

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Section 1 Registrant's Business and Operations**

**Item 1.01. Entry into a Material Definitive Agreement**

On March 19, 2007, PECO Energy Company (PECO) issued \$175 million aggregate principal amount of its First and Refunding Mortgage Bonds, 5.70% Series due 2037. See Item 2.03 below for a description of those bonds and related agreements.

**Section 2 Financial Information**

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant**

On March 19, 2007, PECO issued \$175 million aggregate principal amount of its First and Refunding Mortgage Bonds, 5.70% Series due 2037. The bonds were issued pursuant to PECO's First and Refunding Mortgage, dated as of May 1, 1923, as amended and supplemented and as further amended and supplemented by the One Hundred and Third Supplemental Indenture, dated as of March 1, 2007 (Supplemental Indenture).

The proceeds of the bonds were used to supplement working capital previously financed through sales of commercial paper having an approximate interest rate of 5.31% per annum as of February 28, 2007.

The bonds carry an interest rate of 5.70% per annum, which is payable semi-annually on March 15 and September 15, commencing September 15, 2007. The bonds are redeemable at any time at PECO's option at a make-whole redemption price calculated as provided in the Supplemental Indenture. A copy of the Supplemental Indenture, which establishes the terms of the bonds, is attached hereto as Exhibit 4.1 and is incorporated herein by reference.

In connection with the issuance of the bonds, Ballard Spahr Andrews & Ingersoll, LLP provided PECO with the legal opinions attached to this report as Exhibit 5.1 and Exhibit 8.1.

A copy of the Underwriting Agreement, dated March 12, 2007, among PECO and J.P. Morgan Securities Inc. and Greenwich Capital Markets, Inc., as representatives of the several underwriters named therein, is filed as Exhibit 1.1 to this report.

\* \* \* \* \*

Except for the historical information contained herein, certain of the matters discussed in this Report are forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to risks and uncertainties. The factors that could cause actual results to differ materially from the forward-looking statements made by PECO include those items discussed in (a) those factors discussed in the following sections of our 2006 Annual Report on Form 10-K: ITEM 1A. Risk Factors, ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operation and ITEM 8. Financial Statements and Supplementary Data: Note 18; and (b) other factors discussed herein and in other filings with the SEC.

**Item 9.01. Financial Statements and Exhibits.**

(d) *Exhibits.*

| Exhibit<br>No. | Description   |
|----------------|---|
| 1.1            | Underwriting Agreement dated March 12, 2007 among PECO and J.P. Morgan Securities Inc. and Greenwich Capital Markets, Inc., as representatives of the several underwriters named therein. |



- 4.1 One Hundred and Third Supplemental Indenture dated as of March 1, 2007 from PECO to U.S. Bank National Association, as trustee.
  - 5.1 Exhibit 5 Opinion dated March 19, 2007 of Ballard Spahr Andrews & Ingersoll, LLP.
  - 8.1 Exhibit 8 Opinion dated March 19, 2007 of Ballard Spahr Andrews & Ingersoll, LLP.
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SIGNATURES

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

PECO ENERGY COMPANY

/s/ Michael Metzner

Michael Metzner

Vice President and Treasurer

March 19, 2007

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**EXHIBIT INDEX**

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