

EXELON CORP  
Form 425  
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Filed by Exelon Corporation  
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Pursuant to Rule 425 under the Securities  
Act of 1933 and deemed filed pursuant to  
Rule 14a-12 of the Securities Exchange  
Act  
Of 1934

Subject Company:  
Public Service Enterprise Group  
Incorporated  
(Commission File No. 1-09120)

#### Safe Harbor Statement

Except for the historical information contained herein, certain of the matters discussed in this Filing constitute forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, both as amended by the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements regarding benefits of the proposed merger, integration plans, and expected synergies, anticipated future financial and operating performance and results, including estimates for growth. These statements are based on the current expectations of management of Exelon Corporation ( Exelon ), Commonwealth Edison Company ( ComEd ), PECO Energy Company ( PECO ), and Exelon Generation Company, LLC ( Exelon Generation and together with Exelon, ComEd and PECO, the Exelon Registrants ), and the current expectations of management of Public Service Enterprise Group Incorporated ( PSEG ), Public Service Electric and Gas Company ( PSE&G ), PSEG Power LLC ( PSEG Power ), and PSEG Energy Holdings LLC ( PSEG Holdings and together with PSEG, PSE&G and PSEG Power, the PSEG Registrants ). There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements included in this filing. For example, (1) the companies may be unable to obtain shareholder approvals required for the merger; (2) the companies may be unable to obtain regulatory approvals required for the merger, or required regulatory approvals may delay the merger or result in the imposition of conditions that could have a material adverse effect on the combined company or cause the companies to abandon the merger; (3) conditions to the closing of the merger may not be satisfied; (4) an unsolicited offer of another company to acquire assets or capital stock of Exelon or PSEG could interfere with the merger; (5) problems may arise in successfully integrating the businesses of the companies, which may result in the combined company not operating as effectively and efficiently as expected; (6) the combined company may be unable to achieve cost-cutting synergies or it may take longer than expected to achieve those synergies; (7) the merger may involve unexpected costs or unexpected liabilities, or the effects of purchase accounting may be different from the companies' expectations; (8) the credit ratings of the combined company or its subsidiaries may be different from what the companies expect; (9) the businesses of the companies may suffer as a result of uncertainty surrounding the merger; (10) the companies may experience more difficulties than expected in achieving operating

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improvements at jointly owned nuclear generating facilities; (11) the companies may not realize the values expected to be obtained for properties expected or required to be divested; (12) the industry may be subject to future regulatory or legislative actions that could adversely affect the companies; and (13) the companies may be adversely affected by other economic, business, and/or competitive factors. Other unknown or unpredictable factors could also have material adverse effects on future results, performance or achievements of the combined company. A discussion of some of these other important factors and assumptions is contained in the Exelon Registrants' and PSEG Registrants' respective filings with the SEC, including: (1) the Exelon Registrants' 2003 Annual Report on Form 10-K, Item 7. Management's Discussion and Analysis of Financial condition and Results of Operations, Business Outlook and the Challenges in Managing Our Business for Each of Exelon, ComEd, PECO, and Exelon Generation; (2) the Exelon Registrants' 2003 Annual Report on Form 10-K, Item 8. Financial Statements and Supplementary Data: Exelon, Note 19, ComEd, Note 15, PECO, Note 14, and Exelon Generation, Note 13; and (3) the PSEG Registrants' Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004, Forward Looking Statements. These risks, as well as other risks associated with the merger, will be more fully discussed in the joint proxy statement/prospectus that will be included in the Registration Statement on Form S-4 that Exelon will file with the SEC in connection with the proposed merger. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this Filing may not occur. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Filing. None of the Exelon Registrants or PSEG Registrants undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this Filing.

#### Additional Information

This communication is not a solicitation of a proxy from any security holder of Exelon Corporation (Exelon) or Public Service Enterprise Group Incorporated (PSEG). Exelon intends to file with the Securities and Exchange Commission a registration statement that will include a joint proxy statement/prospectus and other relevant documents to be mailed by Exelon and PSEG to their respective security holders in connection with the proposed merger of Exelon and PSEG. **WE URGE INVESTORS AND SECURITY HOLDERS TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION** about Exelon, PSEG and the proposed merger. Investors and security holders will be able to obtain these materials (when they are available) and other documents filed with the SEC free of charge at the SEC's website, [www.sec.gov](http://www.sec.gov). In addition, a copy of the joint proxy statement/prospectus (when it becomes available) may be obtained free of charge from Exelon Corporation, Investor Relations, 10 South Dearborn Street, P.O. Box 805398, Chicago, Illinois 60680-5398, or from Public Service Enterprise Group Incorporated, Investor Relations, 80 Park Plaza, P.O. Box 1171, Newark, New Jersey 07101-1171.

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The respective directors and executive officers of Exelon and PSEG and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding Exelon's directors and executive officers is available in its proxy statement filed with the SEC by Exelon on March 12, 2004, and information regarding PSEG's directors and executive officers is available in its proxy statement filed with the SEC by PSEG on March 10, 2004. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

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The following document is a summary of key messages used in communications to Exelon employees.

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## **EXELON AND PSEG AGREE TO HISTORIC MERGER**

### **Deal Summary:**

Exelon and PSEG to merge to create Exelon Electric & Gas

Combined company to be the nation's largest utility, serving 7 million electric customers and 2 million gas customers in Illinois, New Jersey and Pennsylvania

Combined company to have total assets of \$79 billion and approximately \$27 billion in annual revenues and a generation portfolio of 52,000 megawatts of domestic capacity

Separate two year Nuclear Operating Services Agreement securing Exelon services for PSEG starting January 2005

Exelon CEO remains CEO with full responsibility for the oversight of operations

PSEG CEO becomes non-executive Chairman of the Board of the combined entity

PSEG appoints 6 and Exelon appoints 12 of the initial directors of combined entity

Unanimously approved by both boards

Shareholders of each company must approve

Multiple regulatory approvals/clearances required

Expected closing in 12-15 months

### **Strategic Rationale:**

Improved nuclear performance

Complementary operations

Contiguous service territories

Improved T&D efficiency

Improved balance in energy portfolio (gas & electric)

Common regulatory framework

Improved financial performance driven by significant synergies and enhanced base and scope

Manageable regulatory approvals

Bigger opportunities for employees

**Employees will be treated fairly:**

Employees will know about changes as soon as possible

Full performance of union contracts

Maximum use of retirements and normal attrition to offset job losses

Severance benefits for affected employees

**Elected officials should support the deal:**

Enhanced value for current stockholders and continued financial strength for current bondholders

No impact on retirees

Continued major presence in New Jersey, as well as Pennsylvania and Illinois

Continued civic support

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