

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D

(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO RULE 13d-2(a)

NEON Communications, Inc.

(Name of Issuer)

Common Stock, \$.01 par value per share

(Title of Class of Securities)

640 506 10 1

(CUSIP Number)

Edward P. Reardon, Jr., Esq., Consolidated Edison Company of New York, Inc.
4 Irving Place, New York, NY 10003, (212) 460-4374

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

September 14, 2000

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on
Schedule 13G to report the acquisition that is the subject of this
Schedule 13D, and is filing this schedule because of Rule 13-d1(e),
13d-1(f) or 13d-1(g), check the following box .

Note. Schedules filed in paper format shall include a signed
original and five copies of the schedule, including all exhibits. See
Rule 13d-7 for other parties to whom copies are to be sent.

1 NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATIN NO. OF ABOVE PERSONS (ENTITIES ONLY)
Consolidated Edison Communications, Inc. (EIN 13-3984646)

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) _____ (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*
AF, WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT
TO ITEM 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
New York

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER None
	8	SHARED VOTING POWER 9,381,916
	9	SOLE DISPOSITIVE POWER 2.476,735
	10	SHARED DISPOSITIVE POWER None

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
9,381,916 (Includes 6,905,181 shares beneficially held by
others who, together with Exelon Ventures Corp.,
may be held to constitute a group.)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
56.3 %

14 TYPE OF REPORTING PERSON*
CO

*SEE INSTRUCTIONS BEFORE FILLING OUT!

1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATIN NO. OF ABOVE PERSONS (ENTITIES ONLY)
Consolidated Edison, Inc. (EIN 13-3965100)

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a) (b) x

3 SEC USE ONLY

4 SOURCE OF FUNDS*
None

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT
TO ITEM 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
New York

NUMBER OF SHARES 7 SOLE VOTING POWER
BENEFICIALLY OWNED BY EACH None (Item 5)
REPORTING PERSON WITH

8 SHARED VOTING POWER
None

9 SOLE DISPOSITIVE POWER
None (Item 5)

10 SHARED DISPOSITIVE POWER
None

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
9,381,916 (Includes 6,905,181 shares beneficially held by
others who may be held to constitute a group of
which subsidiary is a member.)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
56.3 %

14 TYPE OF REPORTING PERSON*
CO, HC

*SEE INSTRUCTIONS BEFORE FILLING OUT!

Item 1. Security and Issuer.

(a) Class:

Common Stock, par value \$.01 per share

(b) Name of Issuer:

NEON Communications, Inc

(c) Address of Issuer's Principal Executive

Office:

2200 West Park Drive, Westborough, Massachusetts 01851

Item 2. Identity and Background.

Consolidated Edison, Inc., a New York corporation, owns all of the issued and outstanding stock of Consolidated Edison Communications, Inc.

(a) Name of Filing Person:

Consolidated Edison, Inc.,

(b) Residence or Business Address:

4 Irving Place, New York, NY 10003

(c) Present Principal Occupation:

Holding company for provider of power transmission and distribution and providers of other services.

Directors of Consolidated Edison, Inc.,

(a) Name:

Eugene R. McGrath

(b) Residence or Business Address:

4 Irving Place, New York, New York 10003

(c) Present Principal Occupation:

Chairman, President and Chief Executive Officer of Consolidated Edison, Inc.

(a) Name:

George Campbell, Jr.

(b) Residence or Business Address:

4 Irving Place, New York, New York 10003

(c) Present Principal Occupation:

President, The Cooper Union for the Advancement of Science and Art

(a) Name:

E. Virgil Conway

(b) Residence or Business Address:

4 Irving Place, New York, New York 10003

(c) Present Principal Occupation:

Chairman, Metropolitan Transportation Authority, New York, NY

- (a) Name:
Gordon J. Davis
- (b) Residence or Business Address:
4 Irving Place, New York, New York 10003
- (c) Present Principal Occupation:
Partner, LeBoeuf Lamb Greene & McRae, Attorneys at Law, New York NY.

- (a) Name:
Ruth M. Davis
- (b) Residence or Business Address:
4 Irving Place, New York, New York 10003
- (c) Present Principal Occupation:
President and Chief Executive Officer, The Pymatuning Group, Inc.,
Alexandria, VA (Technology Management).

- (a) Name:
Michael J. Del Giudice
- (b) Residence or Business Address:
4 Irving Place, New York, New York 10003
- (c) Present Principal Occupation:
Managing Director/Principal, Millennium Credit Markets, LLC, New York, NY.

- (a) Name:
Joan S. Freilich
- (b) Residence or Business Address:
4 Irving Place, New York, New York 10003
- (b) Present Principal Occupation:
Executive Vice President and Chief Financial Officer.

- (a) Name:
Ellen V. Futter
- (b) Residence or Business Address:
4 Irving Place, New York, New York 10003
- (c) Present Principal Occupation:
President, American Museum of Natural History, New York, NY.

a) Name:
Sally Hernandez-Pinero
(b) Residence or Business Address:
4 Irving Place, New York, New York 10003
(c) Present Principal Occupation:
Senior Vice President, The Related Companies, L.P., New York, New York.

(a) Name:
Peter W. Likins
(b) Residence or Business Address:
4 Irving Place, New York, New York 10003
(c) Present Principal Occupation:
President, The University of Arizona, Tucson, AZ

(a) Name:
Richard A. Voell
(b) Residence or Business Address:
4 Irving Place, New York, New York 10003
(c) Present Principal Occupation:
Private investor and retired President and Chief Executive Officer,
The Rockefeller Group, Inc., New York, NY (real estate services and
communications and communications services).

(a) Name:
Stephen R. Volk
(b) Residence or Business Address:
4 Irving Place, New York, New York 10003
(c) Present Principal Occupation:
Senior Partner, Shearman & Sterling, Attorneys at Law, New York, NY.

Officers of Consolidated Edison, Inc.:

(a) Name:

Eugene R. McGrath

(b) Residence or Business Address:

4 Irving Place, New York, New York 10003

(c) Present Principal Occupation:

Chairman, President and Chief Executive Officer.

(a) Name:

Joan S. Freilich

(b) Residence or Business Address:

4 Irving Place, New York, New York 10003

(c) Present Principal Occupation:

Executive Vice President and Chief Financial Officer.

(a) Name:

John D. McMahon

(b) Residence or Business Address:

4 Irving Place, New York, New York 10003

(c) Present Principal Occupation:

Senior Vice-President and General Counsel.

(a) Name:

Archie M. Bankston

(b) Residence or Business Address:

4 Irving Place, New York, New York 10003

(c) Present Principal Occupation:

Secretary.

(a) Name:

Hyman Schoenblum

(b) Residence or Business Address:

4 Irving Place, New York, New York 10003

(c) Present Principal Occupation:

Vice-President and Controller.

- (a) Name:
Robert P. Stelben
- (b) Residence or Business Address:
4 Irving Place, New York, New York 10003
- (c) Present Principal Occupation:
Vice-President and Treasurer.

(d) , (e) Neither Consolidated Edison, Inc. nor, to the best knowledge of Consolidated Edison, Inc., any director or officer of Consolidated Edison, Inc., has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), or has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which he or she is subject to a judgment, decree or final order enjoining future violations of or prohibiting or mandating activities subject to, federal or state securities laws or finding any violations with respect to such laws.

- (f) Citizenship:
Consolidated Edison, Inc. is organized under the laws of the State of New York.

Each of Consolidated Edison, Inc.'s Officers and Directors are citizens of the United States of America.

- (a) Name of Person Filing:
Consolidated Edison Communications, Inc., a New York corporation, is a wholly-owned subsidiary of Consolidated Edison, Inc.
- (b) Residence or Business Address:
132 West 31st Street, 13th Floor, New York, NY 10001
- (c) Present Principal Occupation:
Owns and manages fiber optic infrastructure and capital investments.

Directors of Consolidated Edison Communications, Inc.:

- (a) Name:
John A. Nutant
- (b) Residence or Business Address:
132 West 31st Street, 13th Floor, New York, NY 10001
- (c) Present Principal Occupation:
Chairman, Consolidated Edison Communications, Inc.

- (a) Name:
Louis Rana
- (b) Residence or Business Address:
4 Irving Place New York, New York 10003
- (c) Present Principal Occupation:
Vice President, Manhattan Customer Service,
Consolidated Edison Company of New York, Inc.

- (a) Name:
Robert P. Stelben
- (b) Residence or Business Address:
4 Irving Place New York, New York 10003
- (c) Present Principal Occupation:
Vice-President and Treasurer, Consolidated Edison Company of New York, Inc.

Officers of Consolidated Edison Communications, Inc.:

- (a) Name:
Peter A. Rust
- (b) Residence or Business Address:
132 West 31st Street, 13th Floor, New York, NY 10001
- (c) Present Principal Occupation:
President and Chief Executive Officer.

- (a) Name:
Felipe J. Alvarez
- (b) Residence or Business Address:
132 West 31st Street, 13th Floor, New York, NY 10001
- (c) Present Principal Occupation:
Vice-President, Marketing and Sales.

- (a) Name:
Christopher Metaxas
- (b) Residence or Business Address:
132 West 31st Street, 13th Floor, New York, NY 10001
- (c) Present Principal Occupation:
Vice President, Business Development.

- (a) Name:
John F. Pinto
- (b) Residence or Business Address:
132 West 31st Street, 13th Floor, New York, NY 10001
- (c) Present Principal Occupation:
Vice President, Engineering.

- (a) Name:
Edward P. Reardon, Jr.
- (b) Residence or Business Address:
4 Irving Place, New York, New York 10003
- (c) Present Principal Occupation:
Secretary.
Also Senior Attorney, Consolidated Edison Company of New York, Inc.

(d), (e) Neither Consolidated Edison Communications, Inc. nor, to the best knowledge of Consolidated Edison Communications, Inc., any director or officer of Consolidated Edison Communications, Inc. has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), or has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which he or she is subject to a judgment, decree or final order enjoining future violations of or prohibiting or mandating activities subject to, federal or state securities laws or finding any violations with respect to such laws.

(f) Citizenship:
Consolidated Edison Communications, Inc. is organized under the laws of the State of New York. Each of Consolidated Edison Communications, Inc.'s Officers and Directors are citizens of the United States of America.

Item 3. Source and Amount of Funds or Other Consideration.
Pursuant to the terms of a Subscription Agreement between Northeast Optic Network, Inc., NEON Communications, Inc. ("NEON Communications") and Consolidated Edison Communications, Inc., dated as of November 23, 1999, as amended by Amendment No. 1 dated May 1, 2000 among the parties and Amendment No. 2 dated September 6, 2000 among the parties (as amended the "Subscription Agreement"), executed in connection with the transaction described in Item 4, below, NEON Communications issued 2,476,735 shares to Consolidated Edison Communications, Inc., in exchange for certain intangible rights of use and services related thereto to be provided by Consolidated Edison Communications, Inc., and certain cash payments made or to be made in the aggregate amount of approximately \$13.5 million, the sources of which are and will be the parent affiliate and working capital.

Item 4. Purpose of Transaction.

On September 14, 2000, NEON Communications and Consolidated Edison Communications, Inc. completed a transaction (the "Transaction") which involved, among other things, (i) the issuance by NEON Communications of the 2,476,735 shares of its Common Stock (the "Shares") to Consolidated Edison Communications, Inc., in exchange for the agreement by Consolidated Edison Communications, Inc., to pay to NEON Communications approximately \$13.5 million, \$5,889,750 of which was paid at closing, and Consolidated Edison Communications, Inc.'s agreement to provide certain intangible rights of use and services related thereto.

The Shares were acquired as an investment in connection with the completion of the Transaction.

On the same date, NEON Communications and Exelon Ventures Corp. completed a similar transaction (the "Exelon Transaction").

In connection with the Transaction and the Exelon Transaction, NEON Communications' Board of Directors was set at nine members. One individual designated by each of Consolidated Edison Communications, Inc., and Exelon Ventures Corp. were elected to the Board of Directors of NEON Communications on September 14, 2000.

Although neither Consolidated Edison, Inc., nor Consolidated Edison Communications, Inc., ("the Reporting Persons") have no current intention to do so, the Reporting Persons may, from time to time, determine to purchase additional shares of NEON Communications on the open market, in negotiated transactions, pursuant to the rights described in Item 6, below, or otherwise. Although the Reporting Persons have no current intention to do so, the Reporting Persons may also sell the Shares.

Except as described herein, the Reporting Persons have no plans or proposals of the type described in paragraphs (a) through (j) of Item 4 of this Schedule 13D.

Item 5. Interest in Securities of the Issuer.

(a) and (b). The following table sets forth the aggregate number of shares and percentages of the outstanding shares of Common Stock of NEON Communications beneficially owned by each Reporting Persons and by each executive officer, director and controlling person, if any, of the Reporting Persons, and, with respect to the knowledge of the Reporting Persons, each other party who may be deemed together with Exelon Ventures Corp. to constitute a group. Any of the aforementioned persons whose names do not appear in the table below do not beneficially own any shares of Common Stock of NEON Communications. Except as otherwise noted, each person listed has sole voting and dispositive power over all shares listed opposite its name.

Name of Person -----	Number of shares beneficially owned -----	Percentage of outstanding shares -----
Consolidated Edison, Inc.,	9,381,916*	56.3%
Consolidated Edison Communications, Inc.	9,381,916*	56.3%
Exelon Ventures Corp.	9,381,916*	56.3%
Mode 1 Communications, Inc.	9,381,916*	56.3%

Consolidated Edison, Inc. owns all of the issued and outstanding shares of Consolidated Edison Communications, Inc., and is, therefore, indirect beneficial owner of all of the Shares. Pursuant to Section 13(d)(3) under the Securities Exchange Act, Consolidated Edison Communications, Inc., Exelon Ventures Corp., and Mode 1 may be deemed to beneficially own the shares of Common Stock of NEON Communications owned by the others as result of the limited agreement as to voting described in Item 6, below.

*Shared voting power as to all shares for the limited purpose described in Item 6, below, and sole dispositive power over 2,476,735, as to Consolidated Edison Communications, Inc., 2,131,143, as to Exelon Ventures Corp., and 4,774,038, as to Mode 1.

No person named in response to Item 2 has effected any transaction in the class of securities reported on during the past 60 days. To the knowledge of the reporting persons named herein, neither Exelon Ventures Corp nor Mode 1 has effected any transaction in the class of securities reported on during the past 60 days.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

Subscription Agreement

As noted in Item 3, Consolidated Edison Communications, Inc. and NEON Communications are parties to a Subscription Agreement pursuant to which the reporting persons acquired the Shares.

Stockholders' Agreement

Consolidated Edison Communications, Inc., Exelon Ventures Corp., Mode 1 Communications, Inc. ("Mode 1" and together with Exelon Ventures Corp. and Consolidated Edison Communications, Inc., collectively the, "Stockholders" and individually a "Stockholder") and NEON Communications are parties to a Stockholders' Agreement dated as of September 14, 2000 under which the Stockholders agreed to vote all of the shares of Common Stock of NEON Communication owned by them or over which any of them had voting control, so as to fix the numbers of directors of NEON Communications at nine, to elect two directors designated by Mode 1 initially John H. Forsgren and Gary D. Simon, one director designated by Exelon Ventures Corp., initially Robert A. Shinn, and one member designated by Consolidated Edison Communications, Inc., initially Peter A. Rust. Each of the Stockholders also agreed not to vote to remove any director designated by any of the other Stockholders, except for bad faith or willful misconduct. Mode 1's right to designate two directors shall be reduced to one in the event its stock ownership is reduced below certain specified levels.

Each of the Stockholders also granted to the other Stockholders on a pro rata basis certain rights of first offer with respect to any transfers (including upon the occurrence of certain bankruptcy or insolvency events) of shares of Common Stock of Neon Communications owned by it, except for transfers of up to 160,000 shares within any rolling 12-month period, transfers to certain affiliated parties, and certain change in control transactions with respect to the ultimate parent of the Stockholder.

In addition, under a certain FiveCom, Inc. Principal Stockholders Agreement (the "CMP Agreement"), dated May 28, 1998 between Northeast Utilities, Inc., the parent of Mode 1, and Central Maine Power Company ("CMP"), Mode 1 and NEON Communications have certain rights to acquire shares of NEON Communications owned by CMP and NEON Communications has certain rights to acquire its shares owned by Mode 1, in each case in the event of a third party offer and upon the occurrence of certain bankruptcy and insolvency events. NEON Communications has granted to each of the Stockholders on a pro rata basis an option to acquire any shares of NEON Communications which NEON Communications has a right to acquire from CMP and to each of the Stockholders other than Mode 1 on a pro rata basis an option to acquire any shares of NEON Communications which NEON Communications has a right to acquire from Mode 1. NEON Communications has agreed to exercise its rights under the CMP Agreement upon exercise of these rights by the Stockholders.

Registration Rights Agreement

Under the terms of a Registration Rights Agreement, (the "Registration Agreement") among NEON Communications, Consolidated Edison Communications, Inc., and Exelon Ventures Corp. dated as of September 14, 2000, NEON Communications granted to each of Exelon Ventures Corp. (with respect to the Shares which it acquired in the Exelon transaction) and Consolidated Edison Communications, Inc., (with respect to the shares of NEON Communication which it acquired in the Transaction) the right to one demand registration on Form S-3 at any time after the first anniversary of the date of closing of the Transaction, and to participate in the demand registration of the other, which such offering(s) may be underwritten at the election of the initiating holder(s). In the event that Form S-3 is not available, Consolidated Edison Communications, Inc. and Exelon Ventures Corp. are entitled to jointly demand one registration on Form S-1 in lieu of their right to demand registration on Form S-3. In addition, Consolidated Edison Communications, Inc. and Exelon Ventures Corp. were granted certain "piggyback" registration rights with under the terms of the Registration Rights Agreement. In connection with any such registration, NEON Communications and the selling holders will mutually indemnify each other against certain liabilities, including liabilities under the federal securities laws.

Item 7. Material to be Filed as Exhibits.

Exhibit A: Subscription Agreement dated November 23, 1999, incorporated by reference to the Annual Report on Form 10-K for the year ended December 31, 1999 filed by Northeast Optic Network Inc.

Exhibit B: Stockholders' Agreement dated September 14, 2000.

Exhibit C: Registration Rights Agreement dated September 14, 2000.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: September 25, 2000

/s/ Peter A. Rust
Peter A. Rust
President and Chief Executive Officer
Consolidated Edison Communications, Inc.

Date: September 25, 2000

/s/ Hyman Schoenblum
Hyman Schoenblum
Vice President and Controller
Consolidated Edison, Inc.

EXHIBIT B

NEON COMMUNICATIONS, INC.

STOCKHOLDERS' AGREEMENT

This Stockholders' Agreement dated as of September 14, 2000, is entered into by and among Mode 1 Communications, Inc. a Connecticut corporation ("M1"), Exelon Ventures Corp., a Pennsylvania corporation ("Exelon"), Consolidated Edison Communications, Inc., a New York corporation ("CEC") and NEON Communications, Inc., a Delaware corporation (the "Company"). M1, Exelon and CEC are sometimes referred to in this Agreement collectively as the "Stockholders."

Recitals:

A. M1 owns, either directly or indirectly, certain outstanding shares of the Common Stock, par value \$.01 per share ("Common Stock"), of the Company;

B. Exelon and CEC shall receive certain shares of the Common Stock of the Company pursuant to the transactions contemplated by those certain Subscription Agreements, dated as of November 23, 1999, by and between the Company, NorthEast Optic Network, Inc. and each of Exelon and CEC (the "Subscription Agreements"), and those certain System Agreements of even date herewith, by and between the Company and each of Exelon and CEC (together with the Subscription Agreements, the "Touchdown Agreements"); and

C. The Company and the Stockholders wish to provide for the continuing representation of the Stockholders on the Board of Directors of the Company in the manner set forth below.

In consideration of the mutual covenants contained herein and the consummation of the transactions contemplated by the Touchdown Agreements, and for other valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Voting of Shares.

(a) In any and all elections of directors of the Company (whether at a meeting or by written consent in lieu of a meeting), each Stockholder shall vote or cause to be voted all Shares (as defined in Section 2 below) owned by it, or over which it has voting control, and otherwise use its respective best efforts, so as to fix the number of directors of the Company at nine and to elect (i) two members designated by M1, initially John H. Forsgren and Gary D. Simon, (ii) one member designated by Exelon, initially Robert A. Shinn and (iii) one member designated by CEC, initially Peter A. Rust; provided, however, that the Stockholders shall have no obligation to elect any designee whom the Board of Directors of the Company, in its reasonable discretion, has deemed an unacceptable candidate for election.

(b) No Stockholder shall vote to remove any director designated by another Stockholder, except for bad faith or willful misconduct with respect to the business affairs of the Company on the part of such director.

2. Shares. "Shares" shall mean and include any and all shares of Common Stock and/or shares of any other class of the capital stock of the Company, by whatever name called, which carry voting rights (including voting rights which arise by reason of default) and shall include any such shares now owned or subsequently acquired by a Stockholder, or any of its respective affiliates, as such term is defined in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended ("Affiliates"), however acquired, including, without limitation, shares acquired as a result of any stock splits, stock dividends or recapitalizations. Without limiting the generality of the foregoing, "Shares" shall include, as applicable, all shares of Common Stock of the Company received by Exelon or CEC under their respective Subscription Agreements including, without limitation, any such shares received by Exelon or CEC under Section 12.04 ("Assignment; No Third Party Beneficiaries") of their respective Subscription Agreements.

3. Reduction in Board Representation. Subject to the provisions of Section 4 of this Agreement, in the event that M1 shall hold a number of the outstanding Shares of the Company which is both (i) equal to or less than the lower of the number of such shares then held by either Exelon or CEC, and (ii) less than the number of shares held by such entity on the date hereof (other than as a result of a reverse stock split, recapitalization or the like), then M1 shall only be entitled to designate one member of the Board of Directors pursuant to Section 1(a) of this Agreement.

4. Termination. This Agreement shall terminate in its entirety upon the sale of all or substantially all of the assets or stock of the Company, whether by merger, sale of assets or otherwise. If any Stockholder shall hold less than one half of the percentage of the outstanding Shares of the Company beneficially owned on the date hereof by Exelon or CEC, whichever is lower (the "Minimum Percentage"), then such Stockholder's rights and obligations hereunder (but not the rights and obligations of the other Stockholders hereunder) shall terminate.

5. No Revocation. The voting agreements contained herein are coupled with an interest and may not be revoked, except by an amendment, modification or termination effected in accordance with Section 9(e) hereof. Nothing in this Section 5 shall be construed as limiting the provisions of Section 4 or 9(e) hereof.

6. Representations and Warranties. Each Stockholder hereby represents and warrants to the others that, as of the date of this Agreement, such Stockholder owns, directly or indirectly, the number of Shares set forth opposite such Stockholder's name on Schedule 1 hereto.

7. Legend. Each of the Stockholders agrees that, upon the execution of this Agreement and for so long as this Agreement remains in effect, such Stockholder will cause all certificates for Shares now owned or hereafter acquired by such Stockholder to be submitted to the Company, which shall then cause such certificates to be endorsed with a legend in substantially the following form:

"This Certificate and the shares represented hereby are subject to the provisions of a Stockholders' Agreement, dated September 14, 2000, by and among certain stockholders of the Company. A copy of that Stockholders' Agreement is on file at the principal office of the Company and is available from the Company upon request."

8. Right of First Offer; Option to Purchase on Certain Events; Determination of Fair Market Value.

(a) Right of First Offer. Except as set forth in the last sentence of Section 8(a), in Section 8(e) or in Section 8(h), no Stockholder shall sell, transfer or otherwise dispose for value or agree to sell, transfer or otherwise dispose for value, in either case directly or indirectly (i.e., if control of the Stockholder, or an Affiliate of the Stockholder which holds its Shares, is sold or otherwise transferred to a third party other than (A) an Affiliate of the Stockholder or of such Affiliate of the Stockholder or (B) in or by way of any merger, consolidation, sale of assets or similar transaction where control of the ultimate parent of the Stockholder is assumed or acquired by another entity whose common shares are publicly traded), all or any of its Shares, unless in each such case such Stockholder (the "Offering Stockholder") shall have first complied with this Agreement. Such Offering Stockholder shall deliver to each of the other Stockholders (the "Offeree Stockholders") a written notice (the "Offer Notice") of any proposed or intended sale, transfer or other disposition for value of the Shares (the "Offered Securities"), which Offer Notice shall:

- (i) identify the number of Shares to be transferred;
- (ii) describe the price and other terms upon which they are to be sold, transferred or otherwise disposed;
- (iii) at the election of the Offering Stockholder, identify the persons or entities to which the Offered Securities are to be sold, transferred or otherwise disposed (the "Proposed Transferee"); and
- (iv) offer to sell or transfer to each of the Offeree Stockholders such portion of the Offered Securities as the aggregate number of Shares then held by such Offeree Stockholder bears to the total number of Shares then held by all of the Offeree Stockholders (the "Basic Amount").

The terms set forth in the Offer Notice is referred to herein as the "Offer". In determining the pro rata portions of Shares owned by Exelon or CEC, any Shares that they have a right to acquire if they satisfy certain objectives set forth in the Subscription Agreements shall be deemed to be owned by them for the purposes of this Agreement even if not yet issued to them or issued to them but subject to divestment if those objectives are not satisfied. Notwithstanding the foregoing, any Stockholder may sell, transfer or otherwise dispose of up to 160,000 Shares in any rolling 12-month period, such amount to be adjusted appropriately in the event of stock splits, stock dividends, recapitalizations and the like, or any or all Shares owned beneficially by

such Stockholder to an Affiliate of such Stockholder, in either case without compliance with the terms of this Section 8.

(b) Acceptance Procedures. To accept an Offer, in whole or in part, an Offeree Stockholder shall deliver a written notice to the Offering Stockholder (with copies to the other parties to this Agreement) within five Business Days of the delivery of the Offer Notice (the "Acceptance Date"), setting forth (i) the portion of such Offeree Stockholder's Basic Amount that such Offeree Stockholder elects to purchase and (ii) whether such Offeree Stockholder desires to purchase its pro rata portion or any Offered Securities not accepted or purchased by the other Offeree Stockholders in accordance with this Agreement (the "Notice of Acceptance") and confirming its agreement to pay 105% of the price stipulated in Section 8(a)(ii). For purposes of this Agreement, "Business Day" shall mean any day other than Saturday, Sunday and any day which is a legal holiday or a day on which banking institutions in New York, NY are authorized or required by law or other action of any applicable governmental authority to close.

(c) Sales Procedures. If less than all Offered Securities are subscribed by a Notice(s) of Acceptance by the Acceptance Date, then the provisions of this Agreement shall be deemed satisfied and the Offering Stockholder, during the 100 calendar days following the Acceptance Date, may sell, transfer or otherwise dispose of the Offered Securities on substantially the terms stated in the Offer Notice and at a price no lower than the price set forth in the Offer Notice. If all of the Offered Securities have been subscribed by a Notice(s) of Acceptance by the Acceptance Date, then the Offeree Stockholders who have so accepted the Offer shall have 30 calendar days after the Acceptance Date in which to consummate the purchase (the "Closing Period"). The Closing Period shall be extended by a reasonable period, not to exceed 30 calendar days, in the event that an Offeree Stockholder must obtain regulatory approval in order to purchase the Offered Securities in compliance with applicable laws. In the event that any Offeree Stockholder who has submitted a Notice of Acceptance is unable to consummate the purchase within the Closing Period for reasons beyond such Offeree Stockholder's control (as such period may be extended pursuant to the preceding sentence), then the Offering Stockholder, within 100 calendar days after the expiration of the Closing Period, may sell, transfer or otherwise dispose of the Offered Securities on substantially the terms stated in the Offer Notice and at a price no lower than the price set forth in the Offer Notice. Under no circumstance shall any Offering Stockholder be required to consummate a sale to any Offeree Stockholder unless and until all Offered Securities have been subscribed by a Notice(s) of Acceptance from one or more Offeree Stockholders which are able to consummate their respective purchases within the Closing Period, or any permitted extension thereof. Notwithstanding the fact that the compensation offered by the Proposed Transferee has an in-kind component (as discussed below), all purchases of Offered Securities by the Offeree Stockholders shall be made in cash, by certified check or wire transfer of immediately available funds.

(d) Valuation of In-Kind Compensation. If the compensation offered by the Proposed Transferee has an in-kind component, then the Offering Stockholder shall submit an appraisal of the cash value of such in-kind component (which may be prepared by the Offering Stockholder or by a third party, at the Offering Stockholder's election) to the Offeree Stockholders with the Offer Notice. If the Offeree Stockholders, or any of them, desire to obtain

an independent appraisal of the cash value of the in-kind component, such Offeree Stockholders may do so at their expense (to be shared pro rata among such Offeree Stockholders), and, except as set forth in the next sentence, the Acceptance Period shall run from the date such independent appraisal is rendered (which date shall not be more than 30 calendar days after the date of the Offer Notice). If the Offering Stockholder does not accept such independent appraisal, or the parties cannot otherwise agree on the cash value of the in-kind component within 15 calendar days of the delivery of such independent appraisal, then the parties shall submit their respective appraisals to an arbitrator appointed by the Boston Office of the American Arbitration Association who will choose one of the appraisals, and the Offering Stockholder and the Offeree Stockholders shall each be responsible for a pro rata portion of the costs of such arbitration process, which decision shall be binding upon the parties.

(e) Option to Purchase on Certain Events. Upon any Stockholder's filing for bankruptcy or other similar relief, making a general assignment for benefit of its creditors or having a petition for bankruptcy or similar relief filed against it which results in an order not dismissed within 60 days, the other Stockholders shall have a right of first offer to purchase their pro rata portions of the Shares owned by such Stockholder's predecessor in interest (or, in the case of the debtor in possession, owned by such Stockholder) under the procedures set forth in Sections 8(b) and (c), except that (i) the applicable purchase price shall be the Fair Market Value, as determined in accordance with subsection (f) below, and (ii) if an Offeree Stockholder does not receive an Offer Notice, the rights of the other Stockholders shall accrue upon the receipt of actual notice of the event triggering its rights under this subsection (e). The provisions of Sections 8(a) and 8(b) above shall also govern in the event that the options under this subsection (e) are not fully exercised.

(f) Determination of Fair Market Value. If the Company's Common Stock is traded on the Nasdaq National or Small Capital Markets or any other national securities market, the "Fair Market Value" per share shall be the average of the closing prices over the 20 trading days preceding the date as of which the Fair Market Value is to be determined. If the Company's Common Stock is not so traded, then the parties shall attempt to agree on the Fair Market Value of the Shares. If not agreed to by the parties within 30 calendar days after a request seeking an agreement as to Fair Market Value, then the procedures set forth in Section 8(d) shall apply.

(g) Identity of the Proposed Transferee. If the Offering Stockholder has elected not to identify the Proposed Transferee in the Offer Notice and wishes to transfer the right to designate a director or directors as permitted by Section 1(a) of this Agreement relating to the election of directors of the Company, then the Offering Stockholder shall notify the other parties to this Agreement of the name of the Proposed Transferee and the procedures set forth in Sections 8(a) - (c) shall commence again starting with the delivery of the notice identifying the Proposed Transferee which, along with the terms set forth in the original Offer Notice, as they may be modified in the notice identifying the Proposed Transferee, shall be deemed to constitute a new Offer Notice.

(h) Rights under Principal Stockholders' Agreement. Northeast Utilities ("NU"), the parent of M1, is a party to that certain FiveCom, Inc. Principal Stockholders Agreement, dated May 28, 1998 (the "NU/CMP Agreement") with Central Maine Power

Company ("CMP"). As long as the NU/CMP Agreement remains in effect, the terms of this Section 8(h) shall apply.

(i) The Company hereby agrees that, in the event that the Company is entitled to purchase shares of the Common Stock of the Company held by CMP, Mainecom Services or any other Affiliate of CMP (the "CMP Shares") pursuant to Article 2 of the NU/CMP Agreement, the Company will forward to the Stockholders a copy of any notice received by the Company under Section 2.1(a) or 2.1(b) of the NU/CMP Agreement, herein referred to as a "CMP Offer Notice") within five Business Days of receiving such notice. Except for the price for the CMP Shares, which shall be as set forth in the CMP Offer Notice, and except as otherwise set forth below, the procedures set forth in Section 8(b) and Section 8(c) of this Agreement shall then apply as if the Company were the Offering Stockholder and the CMP Shares were the Offered Securities. The Company shall purchase such number of CMP Shares as have been subscribed for by a Notice(s) of Acceptance from one or more Offeree Stockholders which are able to consummate their respective purchases within the Closing Period, which, for purposes of this Section 8(h)(i) shall be deemed to end no later than 30 calendar days after delivery of the CMP Offer Notice to the Company (up to the total number of CMP Shares offered to the Company in the CMP Offer Notice). If the Company's entitlement to purchase the CMP Shares arises pursuant to Section 2.1(b) of the NU/CMP Agreement, the Closing Period may be extended for a period of 120 calendar days after the date on which CMP or the Company makes a request for an agreement as to Fair Market Value, as provided in Section 2.1(c) of the NU/CMP Agreement, and the Offeree Stockholders who have agreed to purchase CMP Shares hereby agree to pay the Fair Market Value negotiated by the Company in accordance with the provisions of Section 2.1(c) of the NU/CMP Agreement. Notwithstanding anything in Section 8(c) of this Agreement to the contrary, the Offeree Stockholders who have agreed to purchase CMP Shares will deposit the purchase price for their portion of the CMP Shares with the Company on or prior to the last day of the Closing Period, and the Company will deliver to each Offeree Stockholder the number of CMP Shares subscribed to by such Offeree Stockholder promptly upon delivery of such shares to the Company. Any Offeree Stockholder who fails to deposit the purchase price for its portion of the CMP Shares on or prior to the last day of the Closing Period shall be deemed to have withdrawn its Notice of Acceptance.

(ii) Notwithstanding anything to the contrary contained in this Agreement, M1 shall satisfy its obligations under Section 8(a) of this Agreement by sending a copy of the Offer Notice to the Company (the "M1 Offer Notice", which term shall include any notice received by the Company under Section 2.1(a) or 2.1(b) of the NU/CMP Agreement). The Company shall immediately forward a copy of the M1 Offer Notice to the other Stockholders, and, except as set forth below, the procedures set forth in Section 8(b) and Section 8(c) of this Agreement shall then apply as if the Company were the Offering Stockholder. The Company shall purchase such number of Offered Securities offered to the Company in the M1 Offer Notice as have been subscribed for by a Notice(s) of Acceptance from one or more Offeree Stockholders which are able to consummate their respective purchases within the Closing Period, which, for purposes of this Section 8(h)(ii) shall be deemed to be no later than 30 calendar days after delivery of the M1 Offer Notice to the Company, unless the Company is purchasing the Offered Securities pursuant to Section 2.1(b) of the NU/CMP Agreement in which case the Closing Period may be extended for a period of 120 calendar days after the date on which NU or the Company makes a request

for an agreement as to Fair Market Value (as defined in the NU/CMP Agreement), provided, however, NU hereby agrees that the Fair Market Value shall be determined in accordance with Section 8(f) of this Agreement and not the NU/CMP Agreement. Notwithstanding anything in Section 8(c) of this Agreement to the contrary, the Offeree Stockholders who have agreed to purchase Offered Securities under this Section 8(h)(ii) will deposit the purchase price for their portion of the Offered Securities with the Company on or prior to the last day of the Closing Period, and the Company will deliver to each Offeree Stockholder the number of Offered Securities subscribed to by such Offeree Stockholder promptly upon delivery of such shares to the Company. Any Offeree Stockholder who fails to deposit the purchase price for its portion of the Offered Securities set forth in the M1 Offer Notice on or prior to the last day of the Closing Period shall be deemed to have withdrawn its Notice of Acceptance.

(iii) NU agrees that it will enforce the obligation of CMP under the NU/CMP Agreement to offer the CMP Shares to the Company pursuant to the terms of Article 2 of the NU/CMP Agreement.

9. General.

(a) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(b) Specific Performance. In addition to any and all other remedies that may be available at law in the event of any breach of this Agreement, each Stockholder shall be entitled to specific performance of the agreements and obligations of the other Stockholders hereunder and to such other injunctive or other equitable relief as may be granted by a court of competent jurisdiction.

(c) Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware (without reference to the conflicts of law provisions thereof).

(d) Notices. All notices and other communications hereunder shall be in writing and shall be deemed given (as of the time of delivery or, in the case of a telecopied communication, of confirmation and accompanied by another manner of giving notice provided in this Section) if delivered personally, telecopied (which is confirmed) or sent by overnight courier (providing proof of delivery) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

if to M1:

Mode 1 Communications, Inc.
107 Selden Street
Berlin, CT 06037
Attention: John H. Forsgren
Facsimile: (860) 665-3718

if to Exelon:

Exelon Ventures Corp.
2301 Market Street
Philadelphia, PA 19101
Attention: President
Facsimile: (215) 841-6374

with a copy to:

PECO Law Department
2301 Market Street, 23rd Floor
Philadelphia, PA 19101
Attention: John Halderman
Facsimile: 215-841-4474

if to CEC:

Consolidated Edison Communications, Inc.
132 West 31st Street 13th Floor
New York, NY 10001
Attention: President
Facsimile: (212) 324-5050

with a copy to:

Consolidated Edison, Inc.
4 Irving Place, Room 1800
New York, NY 10003
Attention: Senior Vice President and General Counsel
Facsimile: (212) 674-7329

if to the Company:

NorthEast Optic Network, Inc.
2200 West Park Drive
Westborough, MA 01581
Attention: President
Facsimile: (508) 616-7895

(e) Complete Agreement; Amendments. This Agreement constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings relating to such subject matter. No amendment, modification or termination of, or waiver under, any provision of this Agreement shall be valid unless in writing and signed by all Stockholders (and, with respect to Section 8(h), the Company and NU).

(f) Pronouns. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural, and vice versa.

(g) Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement may be executed by facsimile signatures.

(h) Section Headings. The section headings are for the convenience of the parties and in no way alter, modify, amend, limit or restrict the contractual obligations of the parties.

(i) Assignment; Transfers of Shares; No Third Party Beneficiaries; Successors and Assigns.

- (1) No Stockholder hereunder shall assign its rights or obligations under this Agreement to any third person or entity (except to an Affiliate of such Stockholder), unless and until (a) such Stockholder shall have complied with Section 8 hereof and (b) such Stockholder shall have transferred to such assignee an amount of Shares (i) which constitutes at least the Minimum Percentage and (ii) such that, after giving effect to such transfer, the Stockholder no longer holds any Shares, provided that such transferee shall have agreed to be bound by the terms of this Agreement.
- (2) The Company shall not effect any transfer of Shares in connection with any transfer or assignment not in compliance with the terms of this Agreement.
- (3) Nothing in this Agreement is intended to confer upon any other person not party to this Agreement any rights or remedies hereunder.
- (4) The terms of his Agreement shall be binding upon the parties hereto and their respective successors and assigns.

(j) Effectiveness. This Agreement shall become binding upon each party upon execution of this Agreement by such party. No party shall have the right to exercise its rights under this Agreement until it has executed this Agreement.

IN WITNESS WHEREOF, the parties have caused this Stockholders' Agreement to be executed by their duly authorized officers as of the day and year first above written.

MODE 1 COMMUNICATIONS, INC.

By: /s/ David R. McHale
Name: David R. McHale
Title: Vice President and Treasurer

EXELON VENTURES CORP.

By: /s/ Gregory A. Cucchi
Name: Gregory A. Cucchi
Title: Chairman and Chief Executive Officer

CONSOLIDATED EDISON COMMUNICATIONS, INC.

By: /s/ John F. Pinto
Name: John F. Pinto
Title: Vice President, Engineering

NEON COMMUNICATIONS, INC.

By: /s/ Victor Colantonio
Name: Victor Colantonio
Title: President

Northeast Utilities executes this Agreement for the sole purpose of being bound by its obligations under Section 8(h) hereof.

NORTHEAST UTILITIES

By: /s/ David R. McHale
Name: David R. McHale
Title: Vice President and Treasurer

Schedule 1

Mode 1 Communications, Inc.	4,774,038 Shares
Exelon Ventures Corp.	2,131,143 Shares
Consolidated Edison Communications, Inc.	2,476,735 Shares

NEON COMMUNICATIONS, INC.

REGISTRATION RIGHTS AGREEMENT 1

This Agreement dated as of September 14, 2000 is entered into by and among NEON Communications, Inc., a Delaware corporation (the "Company"), Consolidated Edison Communications, Inc., a New York corporation ("CEC") and Exelon Ventures Corp., a Pennsylvania corporation ("Exelon," and together with CEC, the "Investors").

Recitals

WHEREAS, the Company has entered into a separate Subscription Agreement with each of CEC and Exelon dated as of November 23, 1999 (the "Subscription Agreements"); and

WHEREAS, the Company and the Investors desire to provide for certain arrangements with respect to the registration of shares of capital stock of the Company under the Securities Act of 1933;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the parties hereto agree as follows:

1. Certain Definitions.

As used in this Agreement, the following terms shall have the following respective meanings:

"Business Day" means any day other than Saturday, Sunday and any day which is a legal holiday or a day on which banking institutions in New York are authorized or required by law or other action of a governmental authority to close.

"Commission" means the Securities and Exchange Commission, or any other federal agency at the time administering the Securities Act.

1 In the event that the Reorganization is not consummated on or prior to the Closing Date of the Subscription Agreement, then Exelon and CEC will assign their respective Shares to Exelon Capital Partners, Inc. and CEC Delaware, Inc., respectively, on the Closing Date and the parties to this agreement will be amended accordingly.

"Common Stock" means the common stock, \$.01 par value per share, of the Company.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor federal statute, and the rules and regulations of the Commission issued under such Act, as they each may, from time to time, be in effect.

"Initiating Holders" means the Investor or Investors initiating a request for registration pursuant to Section 2.1(a).

"Other Holders" shall have the meaning set forth in Section 2.1(c).

"Prospectus" means the prospectus included in any Registration Statement, as amended or supplemented by an amendment or prospectus supplement, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"Registration Statement" means a registration statement filed by the Company with the Commission for a public offering and sale of securities of the Company (other than a registration statement on Form S-8 or Form S-4, or their successors, or any other form for a similar limited purpose, or any registration statement covering only securities proposed to be issued in exchange for securities or assets of another corporation).

"Registration Expenses" means the expenses described in Section 2.4.

"Registrable Shares" means (i) the Shares and (ii) any other shares of Common Stock issued in respect of the Shares (because of stock splits, stock dividends, reclassifications, recapitalizations, or similar events); provided, however, that shares of Common Stock which are Registrable Shares shall cease to be Registrable Shares upon (i) any sale pursuant to a Registration Statement or Rule 144 under the Securities Act (ii) their eligibility for sale pursuant to Rule 144(k) under the Securities Act or (iii) any sale in any manner to a person or entity which, by virtue of Section 3 of this Agreement, is not entitled to the rights provided by this Agreement.

"Securities Act" means the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations of the Commission issued under such Act, as they each may, from time to time, be in effect.

"Selling Stockholder" means any Stockholder owning Registrable Shares included in a Registration Statement.

"Shares" means the CEC NEON shares and the Exelon NEON shares as defined in the Subscription Agreements.

"Stockholders" means the Investors and any persons or entities to whom the rights granted under this Agreement are transferred by any Investors, their successors or assigns pursuant to Section 3 hereof.

2. Registration Rights

2.1 Required Registrations.

(1) At any time after the first anniversary of the closing of the Subscription Agreements, either Investor may request, in writing, that the Company effect the registration on Form S-3 (or any successor form or any other registration statement form which the Company is eligible to use) of Registrable Shares owned by such Investor having an aggregate value of at least \$5,000,000 (based on the then current market price or fair value).

(2) Upon receipt of any request for registration pursuant to this Section 2, the Company shall promptly give written notice of such proposed registration to all other Stockholders. Such Stockholders shall have the right, by giving written notice to the Company within 30 days after the Company provides its notice, to elect to have included in such registration such of their Registrable Shares as such Stockholders may request in such notice of election, subject in the case of an underwritten offering to the approval of the managing underwriter as provided in Section 2.1(c) below. Thereupon, the Company shall, as expeditiously as possible, effect the registration of all Registrable Shares which the Company has been requested to so register.

(3) If the Initiating Holders intend to distribute the Registrable Shares covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Section 2.1(a), and the Company shall include such information in its written notice referred to in Section 2.1(b). The right of any other Stockholder to include its Registrable Shares in such registration pursuant to Section 2.1(a) shall be conditioned upon such other Stockholder's participation in such underwriting on the terms set forth herein. If the Company desires that any officers or directors of the Company holding securities of the Company be included in any registration for an underwritten offering requested pursuant to Section 2.1(c) or if other holders of securities of the Company who are entitled, by contract with, or other instrument executed by, the Company prior to the date hereof, to have securities included in such a registration (the "Other Holders") request such inclusion, the Company may include the securities of such officers, directors and Other Holders in such registration and underwriting on the terms set forth herein. The Company shall (together with all Stockholders, officers, directors and Other Holders proposing to distribute their securities through such underwriting) enter into an underwriting agreement in customary form (including, without limitation, customary

indemnification and contribution provisions on the part of the Company) with the managing underwriter; provided that such underwriting agreement shall not provide for indemnification or contribution obligations on the part of Stockholders materially greater than the obligations of the Stockholders pursuant to Section 2.5. Notwithstanding any other provision of this Section 2.1(c), if the managing underwriter advises the Company that the inclusion of all shares requested to be registered would adversely affect the offering, the securities of the Company held by officers or directors of the Company (other than Registrable Shares) shall be excluded from such registration and underwriting to the extent deemed advisable by the managing underwriter, and if a further limitation of the number of shares is required, the number of shares that may be included in such registration and underwriting shall be allocated among all Other Holders and holders of Registrable Shares pro rata in proportion to the respective number shares they have requested to be registered. If any holder of Registrable Shares, officer, director or Other Holder who has requested inclusion in such registration as provided above disapproves of the terms of the underwriting, such person may elect to withdraw therefrom by written notice to the Company, and the securities so withdrawn shall also be withdrawn from registration. If the managing underwriter has not limited the number of Registrable Shares or other securities to be underwritten, the Company may include securities for its own account in such registration if the managing underwriter so agrees and if the number of Registrable Shares and other securities which would otherwise have been included in such registration and underwriting will not thereby be limited.

(4) The Initiating Holders shall have the right to select the managing underwriter(s) for any underwritten offering requested pursuant to Section 2.1(a), subject to the approval of the Company, which approval will not be unreasonably withheld.

(5) The Company shall not be required to effect more than two registrations pursuant to Section 2.1(a), and neither Investor, acting individually, shall be entitled to request a registration pursuant to Section 2.1(a) more than once. In addition, in the event that Form S-3 is not available to the Company, the Company shall not be required to effect more than one registration on Form S-1 pursuant to Section 2.1(a), and any request to effect a registration on Form S-1 shall be made jointly by both Investors. For purposes of this Section 2.1(e), a Registration Statement shall not be counted until such time as such Registration Statement has been declared effective by the Commission (unless the Initiating Holders withdraw their request for such registration (other than as a result of information concerning the business or financial condition of the Company which is made known to the Stockholders after the date on which such registration was requested) and elect not to pay the Registration Expenses therefor pursuant to Section 2.4).

(6) If at the time of any request to register Registrable Shares by Initiating Holders pursuant to this Section 2.1, the Company is engaged or has plans to engage in a registered public offering or is engaged in any other activity which, in the good faith determination of the Company's Board of Directors, would be adversely affected by the requested registration, then the Company may at its option direct that such request be delayed for a period not in excess of 90 days from the date of such request, such right to delay a request to be exercised by the Company not more than once in any 12-month period.

2.2 Incidental Registration.

(1) Whenever the Company proposes to file a Registration Statement (other than a Registration Statement filed pursuant to Section 2.1) at any time and from time to time, it will, prior to such filing, give written notice to all Stockholders of its intention to do so; provided, that no such notice need be given if no Registrable Shares are to be included therein as a result of a determination of the managing underwriter pursuant to Section 2.2(b). Upon the written request of a Stockholder or Stockholders given within 20 days after the Company provides such notice, the Company shall use its best efforts to cause all Registrable Shares which the Company has been requested by such Stockholder or Stockholders to register to be registered under the Securities Act to the extent necessary to permit their sale or other disposition in accordance with the intended methods of distribution specified in the request of such Stockholder or Stockholders; provided that the Company shall have the right to postpone or withdraw any registration effected pursuant to this Section 2.2 without obligation to any Stockholder.

(2) If the registration for which the Company gives notice pursuant to Section 2.2(a) is a registered public offering involving an underwriting, the Company shall so advise the Stockholders as a part of the written notice given pursuant to Section 2.2(a). In such event, the right of any Stockholder to include its Registrable Shares in such registration pursuant to Section 2.2 shall be conditioned upon such Stockholder's participation in such underwriting on the terms set forth herein. All Stockholders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for the underwriting by the Company. Notwithstanding any other provision of this Section 2.2, if the managing underwriter determines that the inclusion of all shares requested to be registered would adversely affect the offering, the Company may limit the number of Registrable Shares to be included in the registration and underwriting. The Company shall so advise all holders of Registrable Shares requesting registration, and the number of shares that are entitled to be included in the registration and underwriting shall be allocated in the following manner. The securities of the Company held by holders other than Stockholders and Other Holders shall be excluded from such registration and underwriting to the extent deemed

advisable by the managing underwriter, and, if a further limitation on the number of shares is required, the number of shares that may be included in such registration and underwriting shall be allocated among all Stockholders and Other Holders requesting registration in proportion, as nearly as practicable, to the respective number of shares of Common Stock which they held at the time the Company gives the notice specified in Section 2.2(a). If any Stockholder or Other Holder would thus be entitled to include more securities than such holder requested to be registered, the excess shall be allocated among other requesting Stockholders and Other Holders pro rata in the manner described in the preceding sentence. If any holder of Registrable Shares or any officer, director or Other Holder disapproves of the terms of any such underwriting, such person may elect to withdraw therefrom by written notice to the Company, and any Registrable Shares or other securities excluded or withdrawn from such underwriting shall be withdrawn from such registration.

(c) Notwithstanding the foregoing, the Company shall not be required, pursuant to this Section 2.2, to include any Registrable Shares in a Registration Statement if such Registrable Shares can then be sold pursuant to Rule 144(k) under the Securities Act.

2.3 Registration Procedures.

(1) If and whenever the Company is required by the provisions of this Agreement to use its best efforts to effect the registration of any Registrable Shares under the Securities Act, the Company shall:

(1) file with the Commission a Registration Statement with respect to such Registrable Shares and use its best efforts to cause that Registration Statement to become effective as soon as possible;

(2) as expeditiously as possible prepare and file with the Commission any amendments and supplements to the Registration Statement and the prospectus included in the Registration Statement as may be necessary to comply with the provisions of the Securities Act (including the anti-fraud provisions thereof) and to keep the Registration Statement effective for 12 months from the effective date or such lesser period until all such Registrable Shares are sold;

(3) as expeditiously as possible furnish to each Selling Stockholder such reasonable numbers of copies of the Prospectus, including any preliminary Prospectus, in conformity with the requirements of the Securities Act, and such other documents as such Selling Stockholder may reasonably request in order to facilitate the public sale or other disposition of the Registrable Shares owned by such Selling Stockholder;

(4) as expeditiously as possible use its best efforts to register or qualify the Registrable Shares covered by the Registration Statement under the securities or Blue Sky laws of such states as the Selling Stockholders shall reasonably request, and do any and all other acts and things that may be necessary or desirable to enable the Selling Stockholders to consummate the public sale or other disposition in such states of the Registrable Shares owned by the Selling Stockholder; provided, however, that the Company shall not be required in connection with this paragraph (iv) to qualify as a foreign corporation or execute a general consent to service of process in any jurisdiction;

(5) as expeditiously as possible, cause all such Registrable Shares to be listed on each securities exchange or automated quotation system on which similar securities issued by the Company are then listed;

(6) promptly provide a transfer agent and registrar for all such Registrable Shares not later than the effective date of such registration statement;

(7) promptly make available for inspection by the Selling Stockholders, any managing underwriter participating in any disposition pursuant to such Registration Statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the Selling Stockholders, all financial and other records, pertinent corporate documents and properties of the Company and cause the Company's officers, directors, employees and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such Registration Statement;

(8) as expeditiously as possible, notify each Selling Stockholder, promptly after it shall receive notice thereof, of the time when such Registration Statement has become effective or a supplement to any Prospectus forming a part of such Registration Statement has been filed; and

(9) as expeditiously as possible following the effectiveness of such Registration Statement, notify each seller of such Registrable Shares of any request by the Commission for the amending or supplementing of such Registration Statement or Prospectus.

(2) If the Company has delivered a Prospectus to the Selling Stockholders and after having done so the Prospectus is amended to comply with the requirements of the Securities Act, the Company shall promptly notify the Selling Stockholders and, if requested, the Selling Stockholders shall immediately cease making offers of Registrable Shares and return all Prospectuses to the Company. The Company shall promptly provide the Selling Stockholders with revised Prospectuses

and, following receipt of the revised Prospectuses, the Selling Stockholders shall be free to resume making offers of the Registrable Shares.

(3) In the event that, in the judgment of the Company, it is advisable to suspend use of a Prospectus included in a Registration Statement due to pending material developments or other events that have not yet been publicly disclosed and as to which the Company believes public disclosure would be detrimental to the Company, the Company shall notify all Selling Stockholders to such effect, and, upon receipt of such notice, each such Selling Stockholder shall immediately discontinue any sales of Registrable Shares pursuant to such Registration Statement until such Selling Stockholder has received copies of a supplemented or amended Prospectus or until such Selling Stockholder is advised in writing by the Company that the then current Prospectus may be used and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such Prospectus. Notwithstanding anything to the contrary herein, the Company shall not exercise its rights under this Section 2.3(c) to suspend sales of Registrable Shares for a period in excess of 60 days in any 365-day period.

2.4 Allocation of Expenses.

The Company will pay all Registration Expenses for all registrations under this Agreement; provided, however, that if a registration under Section 2.1 is withdrawn at the request of the Initiating Holders (other than as a result of information concerning the business or financial condition of the Company which is made known to the Stockholders after the date on which such registration was requested) and if the Initiating Holders elect not to have such registration counted as a registration requested under Section 2.1, the requesting Stockholders shall pay the Registration Expenses of such registration pro rata in accordance with the number of their Registrable Shares included in such registration. For purposes of this Section, the term "Registration Expenses" shall mean all expenses incurred by the Company in complying with this Agreement, including, without limitation, all registration and filing fees, exchange listing fees, printing expenses, fees and expenses of counsel for the Company and the fees and expenses of one counsel selected by the Selling Stockholders to represent the Selling Stockholders, state Blue Sky fees and expenses, and the expense of any special audits incident to or required by any such registration, but excluding underwriting discounts, selling commissions and the fees and expenses of Selling Stockholders' own counsel (other than the counsel selected to represent all Selling Stockholders).

2.5 Indemnification and Contribution.

(1) In the event of any registration of any of the Registrable Shares under the Securities Act pursuant to this Agreement, the Company will indemnify and hold harmless the seller of such Registrable Shares, each underwriter of such Registrable Shares, and each other person, if any, who controls such seller or underwriter within the meaning of the Securities Act or the Exchange Act against any losses, claims, damages or liabilities, joint or several, to which such seller, underwriter or controlling person may become subject under the Securities Act, the Exchange Act, state securities or Blue Sky laws or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement under which such Registrable Shares were registered under the Securities Act, any preliminary prospectus or final prospectus contained in the Registration Statement, or any amendment or supplement to such Registration Statement, or arise out of or are based upon the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and the Company will reimburse such seller, underwriter and each such controlling person for any legal or any other expenses reasonably incurred by such seller, underwriter or controlling person in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any untrue statement or omission made in such Registration Statement, preliminary prospectus or prospectus, or any such amendment or supplement, in reliance upon and in conformity with information furnished to the Company, in writing, by or on behalf of such seller, underwriter or controlling person specifically for use in the preparation thereof.

(2) In the event of any registration of any of the Registrable Shares under the Securities Act pursuant to this Agreement, each seller of Registrable Shares, severally and not jointly, will indemnify and hold harmless the Company, each of its directors and officers and each underwriter (if any) and each person, if any, who controls the Company or any such underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages or liabilities, joint or several, to which the Company, such directors and officers, underwriter or controlling person may become subject under the Securities Act, Exchange Act, state securities or Blue Sky laws or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement under which such Registrable Shares were registered under the Securities Act, any preliminary prospectus or final prospectus contained in the Registration Statement, or any amendment or supplement to the Registration Statement, or arise out of or are based upon any omission or alleged omission to state a material fact required to be stated

therein or necessary to make the statements therein not misleading, if the statement or omission was made in reliance upon and in conformity with information relating to such seller furnished in writing to the Company by or on behalf of such seller specifically for use in connection with the preparation of such Registration Statement, prospectus, amendment or supplement; provided, however, that the obligations of a Stockholder hereunder shall be limited to an amount equal to the net proceeds to such Stockholder of Registrable Shares sold in connection with such registration.

(3) Each party entitled to indemnification under this Section (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom; provided, that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not be unreasonably withheld); and, provided, further, that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section except to the extent that the Indemnifying Party is adversely affected by such failure. The Indemnified Party may participate in such defense at such party's expense; provided, however, that the Indemnifying Party shall pay such expense if representation of such Indemnified Party by the counsel retained by the Indemnifying Party would be inappropriate due to actual or potential differing interests between the Indemnified Party and any other party represented by such counsel in such proceeding; provided further that in no event shall the Indemnifying Party be required to pay the expenses of more than one law firm per jurisdiction as counsel for the Indemnified Party. The Indemnifying Party also shall be responsible for the expenses of such defense if the Indemnifying Party does not elect to assume such defense. No Indemnifying Party, in the defense of any such claim or litigation shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect of such claim or litigation, and no Indemnified Party shall consent to entry of any judgment or settle such claim or litigation without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld.

(4) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Section 2.5 is due in accordance with its terms but for any reason is held to be unavailable to an Indemnified Party in respect to any losses, claims, damages and liabilities referred to herein, then the Indemnifying Party shall, in lieu of indemnifying such Indemnified Party, contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities to which such party may be subject in such

proportion as is appropriate to reflect the relative fault of the Company on the one hand and the Stockholders on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company and the Stockholders shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of material fact related to information supplied by the Company or the Stockholders and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Stockholders agree that it would not be just and equitable if contribution pursuant to this Section 2.5 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph of Section 2.5, (a) in no case shall any one Stockholder be liable or responsible for any amount in excess of the net proceeds received by such Stockholder from the offering of Registrable Shares and (b) the Company shall be liable and responsible for any amount in excess of such proceeds; provided, however, that no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this Section, notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties from whom contribution may be sought shall not relieve such party from any other obligation it or they may have thereunder or otherwise under this Section. No party shall be liable for contribution with respect to any action, suit, proceeding or claim settled without its prior written consent, which consent shall not be unreasonably withheld.

2.6 Other Matters with Respect to Underwritten Offerings.

In the event that Registrable Shares are sold pursuant to a Registration Statement in an underwritten offering pursuant to Section 2.1, the Company agrees to (a) enter into an underwriting agreement containing customary representations and warranties with respect to the business and operations of the Company and customary covenants and agreements to be performed by the Company, including without limitation customary provisions with respect to indemnification by the Company of the underwriters of such offering; (b) use its best efforts to cause its legal counsel to render customary opinions to the underwriters with respect to the Registration Statement; and (c) use its best efforts to cause its independent public accounting firm to issue customary "cold comfort letters" to the underwriters with respect to the Registration Statement.

2.7 Information by Holder.

Each holder of Registrable Shares included in any registration shall furnish to the Company such information regarding such holder and the distribution proposed by such holder as the Company may reasonably

request in writing and as shall be required in connection with any registration, qualification or compliance referred to in this Agreement.

2.8 Confidentiality of Notices.

Any Stockholder receiving any written notice from the Company regarding the Company's plans to file a Registration Statement shall treat such notice confidentially and shall not disclose such information to any person other than as necessary to exercise its rights under this Agreement.

2.9 Rule 144 Requirements.

The Company hereby agrees to:

(1) make and keep current public information about the Company available, as those terms are understood and defined in Rule 144;

(2) file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

(3) furnish to any holder of Registrable Shares upon request (i) a written statement by the Company as to its compliance with the reporting requirements of Rule 144 and of the Securities Act and the Exchange Act, (ii) a copy of the most recent annual or quarterly report of the Company, and (iii) such other reports and documents of the Company as such holder may reasonably request to avail itself of any similar rule or regulation of the Commission allowing it to sell any such securities without registration.

2.10 Termination.

All of the Company's obligations to register Registrable Shares under Sections 2.1 and 2.2 of this Agreement shall terminate five years after the date hereof.

3. Transfers of Rights.

This Agreement, and the rights and obligations of each Investor hereunder, may be assigned by such Investor to any person or entity to which at least 25% of the Shares held by such Investor are transferred by such Investor, provided, however, that for purposes of Section 2.1(a), any such transferees, together with the transferring Investor if such Investor continues to hold any Registrable Securities, shall be counted as one Investor, and any decision to demand a registration pursuant to Section 2.1(a) shall be made by the holders of a majority of the Registrable Securities held by the transferring Investor and such transferees.

4. General.

(1) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(2) Specific Performance. In addition to any and all other remedies that may be available at law in the event of any breach of this Agreement, each Investor shall be entitled to specific performance of the agreements and obligations of the Company hereunder and to such other injunctive or other equitable relief as may be granted by a court of competent jurisdiction.

(3) Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts (without reference to the conflicts of law provisions thereof).

(4) Notices. All notices, requests, consents, and other communications under this Agreement shall be in writing and shall be deemed delivered (i) two Business Days after being sent by registered or certified mail, return receipt requested, postage prepaid or (ii) one Business Day after being sent via a reputable nationwide overnight courier service guaranteeing next Business Day delivery, in each case to the intended recipient as set forth below:

If to the Company, to: NEON Communications, Inc.
 2200 West Park Drive
 Westborough, MA 01581
 Attention: President

or at such other address or addresses as may have been furnished in writing by the Company to the Investors

with a copy to: Hale and Dorr LLP
60 State Street
Boston, MA 02109
Attention: Alexander A. Bernhard, Esq.
Facsimile Number: (617) 526-5000

If to Exelon, to: Exelon Ventures Corp.
2301 Market Street
Philadelphia, PA 19101
Attention: President
Facsimile: (215) 841-6374

with a copy to: PECO Law Department
2301 Market Street, 23rd Floor
Philadelphia, PA 19101
Attention: John Halderman
Facsimile Number: 215-841-4474

If to CEC: Consolidated Edison Communications, Inc.
132 West 31st Street 13th Floor
New York, NY 10001
Attention: President
Facsimile Number: (212) 324-5050

with a copy to: Consolidated Edison, Inc.
4 Irving Place, Room 1800
New York, NY 10003
Attention: Senior Vice President
and General Counsel
Facsimile Number: (212) 324-5001]

or at such other addresses as may have been furnished in writing by CEC or Exelon to the Company.

Any party may give any notice, request, consent or other communication under this Agreement using any other means (including, without limitation, personal delivery, messenger service, telecopy, first class mail or electronic mail), but no such notice, request, consent or other communication shall be deemed to have been duly given unless and until it is actually received by the party for whom it is intended. Any party may change the address to which notices, requests, consents or other communications hereunder are to be delivered by giving the other parties notice in the manner set forth in this Section.

(5) Complete Agreement. This Agreement constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter.

(6) Amendments and Waivers. Any term of this Agreement may be amended or terminated and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the holders of at least 51% of the Registrable Shares held by all of the Stockholders; provided, that this Agreement may be amended with the consent of the holders of less than all Registrable Shares only in a manner which applies to all such holders in the same fashion. Any such amendment, termination or waiver effected in accordance with this Section 4(f) shall be binding on all parties hereto, even if they do not execute such consent. No waivers of or exceptions to any term, condition or provision of this Agreement, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

(7) Pronouns. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural, and vice versa.

(8) Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement may be executed by facsimile signatures.

(9) Section Headings. The section headings are for the convenience of the parties and in no way alter, modify, amend, limit or restrict the contractual obligations of the parties.

Executed as of the date first written above.

NEON COMMUNICATIONS, INC.

By: /s/ Victor Colantonio
Name: Victor Colantonio
Title: President

CONSOLIDATED EDISON COMMUNICATIONS, INC.

By: /s/ John F. Pinto
Name: John F. Pinto
Title: Vice President, Engineering

EXELON VENTURES CORP.

By: /s/ Gregory A. Cucchi
Name: Gregory A. Cucchi
Title: Chairman and Chief Executive Officer