

ATTACHMENT H-2A

| Baltimore Gas and Electric Company | | | 2005 |
|---|---|--|-----------------------------------|
| Formula Rate | | Notes | FERC Form 1 Page # or Instruction |
| Shaded cells are input cells | | | |
| Allocators | | | |
| Wages & Salary Allocation Factor | | | |
| 1 | Transmission Wages Expense | | 8,079,331 |
| 2 | Total Wages Expense | p354.19.b | 109,379,194 |
| 3 | Less A&G Wages Expense | p354.25b | 20,782,439 |
| 4 | Total | p354.24b (Line 2 - 3) | 88,596,755 |
| 5 | Wages & Salary Allocator | (Line 1 / 4) | 9.1192% |
| Plant Allocation Factors | | | |
| 6 | Electric Plant in Service | | 3,891,046,103 |
| 7 | Common Plant In Service - Electric | (Note A) | 310,847,768 |
| 8 | Total Plant In Service | p207.95g (Line 24) (Sum Lines 6 & 7) | 4,201,893,871 |
| 9 | Accumulated Depreciation (Total Electric Plant) | | 1,585,005,901 |
| 10 | Accumulated Intangible Amortization | (Note A) | 11,928,159 |
| 11 | Accumulated Common Amortization - Electric | (Note A) | 0 |
| 12 | Accumulated Common Plant Depreciation - Electric | (Note A) | 97,817,063 |
| 13 | Total Accumulated Depreciation | p219.28c p200.21c (Sum Lines 9 to 12) | 1,694,751,123 |
| 14 | Net Plant | (Line 8 - 13) | 2,507,142,748 |
| 15 | Transmission Gross Plant | (Line 29 - Line 28) | 618,591,394 |
| 16 | Gross Plant Allocator | (Line 15 / 8) | 14.7217% |
| 17 | Transmission Net Plant | (Line 39 - Line 28) | 356,192,205 |
| 18 | Net Plant Allocator | (Line 17 / 14) | 14.2071% |
| Plant Calculations | | | |
| Plant In Service | | | |
| 19 | Transmission Plant In Service | | 571,423,204 |
| 20 | For Reconciliation only - remove New Transmission Plant Additions for Current Calendar Year | For Reconciliation Only | |
| 21 | New Transmission Plant Additions for Current Calendar Year (weighted by months in service) | (Note B) | 2,521,501 |
| 22 | Total Transmission Plant In Service | p207.58.g Attachment 6 Attachment 6 (Line 19 - 20 + 21) | 573,944,705 |
| 23 | General & Intangible | | 178,741,252 |
| 24 | Common Plant (Electric Only) | (Notes A) | 310,847,768 |
| 25 | Total General & Common | p205.5.g & p207.90.g p356 (Line 23 + 24) | 489,589,020 |
| 26 | Wage & Salary Allocation Factor | (Line 5) | 9.11922% |
| 27 | General & Common Plant Allocated to Transmission | (Line 25 * 26) | 44,646,689 |
| 28 | Plant Held for Future Use (Including Land) | (Note C) | 379,626 |
| 29 | TOTAL Plant In Service | (Line 22 + 27 + 28) | 618,971,020 |
| Accumulated Depreciation | | | |
| 30 | Transmission Accumulated Depreciation | | 248,170,088 |
| 31 | Accumulated General Depreciation | | 46,288,999 |
| 32 | Accumulated Intangible Amortization | p219.27.c (Line 10) | 11,928,159 |
| 33 | Accumulated Common Amortization - Electric | (Line 11) | 0 |
| 34 | Common Plant Accumulated Depreciation (Electric Only) | (Notes A) | 97,817,063 |
| 35 | Total Accumulated Depreciation | (Sum Lines 31 to 34) | 156,034,221 |
| 36 | Wage & Salary Allocation Factor | (Line 5) | 9.11922% |
| 37 | General & Common Allocated to Transmission | (Line 35 * 36) | 14,229,100 |
| 38 | TOTAL Accumulated Depreciation | (Line 30 + 37) | 262,399,188 |
| 39 | TOTAL Net Property, Plant & Equipment | (Line 29 - 38) | 356,571,831 |

| Adjustment To Rate Base | | | | |
|--|---|----------------|------------------------------------|--------------------|
| Accumulated Deferred Income Taxes | | | | |
| 40 | ADIT net of FASB 106 and 109 | | Attachment 1 | -66,365,737 |
| 41 | Accumulated Investment Tax Credit Account No. 255 | (Notes A & I) | p266.h | 0 |
| 42 | Net Plant Allocation Factor | | (Line 18) | 14.21% |
| 43 | Accumulated Deferred Income Taxes Allocated To Transmission | | (Line 41 * 42) + Line 40 | -66,365,737 |
| Transmission O&M Reserves | | | | |
| 44 | Current Period Changes in Transmission Related Account 242 Reserves | Enter Negative | Attachment 5 | 0 |
| Prepayments | | | | |
| 45 | Prepayments | (Note A) | Attachment 5 | 16,057,314 |
| 46 | Total Prepayments Allocated to Transmission | | (Line 45) | 16,057,314 |
| Materials and Supplies | | | | |
| 47 | Undistributed Stores Exp | (Note A) | p227.6c & 15.c | 1,309,855 |
| 48 | Wage & Salary Allocation Factor | | (Line 5) | 9.12% |
| 49 | Total Transmission Allocated | | (Line 47 * 48) | 119,449 |
| 50 | Transmission Materials & Supplies | | p227.8c | 44,837 |
| 51 | Total Materials & Supplies Allocated to Transmission | | (Line 49 + 50) | 164,286 |
| Cash Working Capital | | | | |
| 52 | Operation & Maintenance Expense | | (Line 84) | 30,071,376 |
| 53 | 1/8th Rule | | x 1/8 | 12.5% |
| 54 | Total Cash Working Capital Allocated to Transmission | | (Line 52 * 53) | 3,758,922 |
| Network Credits | | | | |
| 55 | Outstanding Network Credits | (Note N) | From PJM | 0 |
| 56 | Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits | (Note N) | From PJM | 0 |
| 57 | Net Outstanding Credits | | (Line 55 - 56) | 0 |
| 58 | TOTAL Adjustment to Rate Base | | (Line 43 + 44 + 46 + 51 + 54 - 57) | -46,385,216 |
| 59 | Rate Base | | (Line + 58) | 310,186,616 |

| O&M | | | | |
|--|--|----------|-------------------------------------|--------------------|
| Transmission O&M | | | | |
| 60 | Transmission O&M | | p321.100.b | 16,978,657 |
| 61 | Less extraordinary property losses | | Attachment 5 | 0 |
| 62 | Plus amortization of extraordinary property losses | | Attachment 5 | 0 |
| 63 | Less Account 565 | | p321.88.b | 0 |
| 64 | Plus Schedule 12 payments billed to Transmission Owner and booked to Account 565 | (Note O) | PJM Data | 0 |
| 65 | Plus Transmission Lease Payments | (Note A) | P200.4.c | 0 |
| 66 | Transmission O&M | | (Lines 60 - 61 + 62 - 63 + 64 + 65) | 16,978,657 |
| Allocated General & Common Expenses | | | | |
| 67 | Common Plant O&M | (Note A) | p356 | 0 |
| 68 | Total A&G | | p323.168.b | 144,012,053 |
| 69 | Less Property Insurance Account 924 | | p323.156b | 1,863,592 |
| 70 | Less Regulatory Commission Exp Account 928 | (Note E) | p323.160b | 167,208 |
| 71 | Less General Advertising Exp Account 930.1 | | p323.162b | 3,868,971 |
| 72 | Less EPRI Dues | (Note D) | p352-353 | 0 |
| 73 | General & Common Expenses | | (Lines 67 + 68) - Sum (69 to 72) | 138,112,282 |
| 74 | Wage & Salary Allocation Factor | | (Line 5) | 9.1192% |
| 75 | General & Common Expenses Allocated to Transmission | | (Line 73 * 74) | 12,594,760 |
| Directly Assigned A&G | | | | |
| 76 | Regulatory Commission Exp Account 928 | (Note G) | p323.160b | 163,251 |
| 77 | General Advertising Exp Account 930.1 | (Note K) | p323.162b | 0 |
| 78 | Subtotal - Transmission Related | | (Line 76 + 77) | 163,251 |
| 79 | Property Insurance Account 924 | | p323.156b | 1,863,592 |
| 80 | General Advertising Exp Account 930.1 | (Note F) | p323.162b | 492,333 |
| 81 | Total | | (Line 79 + 80) | 2,355,925 |
| 82 | Net Plant Allocation Factor | | (Line 18) | 14.21% |
| 83 | A&G Directly Assigned to Transmission | | (Line 81 * 82) | 334,709 |
| 84 | Total Transmission O&M | | (Line 66 + 75 + 78 + 83) | 30,071,376 |

Depreciation & Amortization Expense

| | | | |
|-----------------------------|--|----------------------------|-------------------|
| Depreciation Expense | | | |
| 85 | Transmission Depreciation Expense | p336.7b&c | 12,000,920 |
| 86 | General Depreciation | p336.9b&c | 6,010,058 |
| 87 | Intangible Amortization | p336.1d&e (Note A) | 11,895,390 |
| 88 | Total | (Line 86 + 87) | 17,905,448 |
| 89 | Wage & Salary Allocation Factor | Line 5 | 9.1192% |
| 90 | General Depreciation Allocated to Transmission | (Line 88 * 89) | 1,632,837 |
| 91 | Common Depreciation - Electric Only | (Note A) p336.10.b | 12,171,955 |
| 92 | Common Amortization - Electric Only | (Note A) p356 or p336.10d | 10,110,996 |
| 93 | Total | (Line 91 + 92) | 22,282,951 |
| 94 | Wage & Salary Allocation Factor | (Line 5) | 9.1192% |
| 95 | Common Depreciation - Electric Only Allocated to Transmission | (Line 93 * 94) | 2,032,031 |
| 96 | Total Transmission Depreciation & Amortization | (Line 85 + 90 + 95) | 15,665,788 |

Taxes Other than Income

| | | | |
|----|--------------------------------------|------------------|-------------------|
| 97 | Taxes Other than Income | Exhibit B | 10,705,936 |
| 98 | Total Taxes Other than Income | (Line 97) | 10,705,936 |

Return / Capitalization Calculations

| | | | |
|---------------------------|---|---|-------------------|
| Long Term Interest | | | |
| 99 | Long Term Interest | p117.62c through 67c | 91,974,591 |
| 100 | Less LTD Interest on Securitization Bonds | (Note P) Attachment 8 | 0 |
| 101 | Long Term Interest | (Line 99) | 91,974,591 |
| 102 | Preferred Dividends | enter positive p118.29c | 13,209,000 |
| Common Stock | | | |
| 103 | Proprietary Capital | p112.16c | 1,812,544,760 |
| 104 | Less Preferred Stock | enter negative (Line 113) | -190,000,000 |
| 105 | Less Account 216.1 | enter negative p112.12c | 11,972,497 |
| 106 | Common Stock | (Sum Lines 103 to 105) | 1,634,517,257 |
| Capitalization | | | |
| 107 | Long Term Debt | p112.18d through 21d | 1,462,066,975 |
| 108 | Less Loss on Reacquired Debt | enter negative p111.81.c | 24,421,539 |
| 109 | Plus Gain on Reacquired Debt | enter positive p113.61c | 34,493 |
| 110 | Less ADIT associated with Gain or Loss | enter negative Attachment 1 | 6,313,198 |
| 111 | Less LTD on Securitization Bonds | enter negative (Note P) Attachment 8 | 0 |
| 112 | Total Long Term Debt | (Sum Lines 107 to 111) | 1,492,836,205 |
| 113 | Preferred Stock | p112.3c | 190,000,000 |
| 114 | Common Stock | (Line 106) | 1,634,517,257 |
| 115 | Total Capitalization | (Sum Lines 112 to 114) | 3,317,353,462 |
| 116 | Debt % | Total Long Term Debt (Line 112 / 115) | 45% |
| 117 | Preferred % | Preferred Stock (Line 113 / 115) | 6% |
| 118 | Common % | Common Stock (Line 114 / 115) | 49% |
| 119 | Debt Cost | Total Long Term Debt (Line 101 / 112) | 0.0616 |
| 120 | Preferred Cost | Preferred Stock (Line 102 / 113) | 0.0695 |
| 121 | Common Cost | Common Stock (Note J) Fixed | 0.1080 |
| 122 | Weighted Cost of Debt | Total Long Term Debt (WCLTD) (Line 116 * 119) | 0.0277 |
| 123 | Weighted Cost of Preferred | Preferred Stock (Line 117 * 120) | 0.0040 |
| 124 | Weighted Cost of Common | Common Stock (Line 118 * 121) | 0.0532 |
| 125 | Total Return (R) | (Sum Lines 122 to 124) | 0.0849 |
| 126 | Investment Return = Rate Base * Rate of Return | (Line 59 * 125) | 26,341,216 |

| Composite Income Taxes | | | | |
|---|--|---|--|--------------------|
| Income Tax Rates | | | | |
| 127 | FIT=Federal Income Tax Rate | | | 35.00% |
| 128 | SIT=State Income Tax Rate or Composite | (Note I) | | 7.00% |
| 129 | p | (percent of federal income tax deductible for state purposes) | Per State Tax Code | 0.00% |
| 130 | T | $T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$ | | 39.55% |
| 131 | T / (1-T) | | | 65.43% |
| ITC Adjustment | | | | |
| 132 | Amortized Investment Tax Credit | (Note I) | p266.17f | -1,451,482 |
| 133 | T/(1-T) | enter negative | (Line 131) | 65.43% |
| 134 | Net Plant Allocation Factor | | (Line 18) | 14.2071% |
| 135 | ITC Adjustment Allocated to Transmission | | [Line 129 * (1 + Line 130) * Line 131] | -341,131 |
| | | | | |
| 136 | Income Tax Component = | $CIT=(T/1-T) * Investment\ Return * (1-(WCLTD/R)) =$ | [Line 131 * 126 * (1-(122 / 125))] | 11,607,353 |
| 137 | Total Income Taxes | | (Line 135 + 136) | 11,266,223 |
| REVENUE REQUIREMENT | | | | |
| Summary | | | | |
| 138 | Net Property, Plant & Equipment | | (Line 39) | 356,571,831 |
| 139 | Adjustment to Rate Base | | (Line 58) | -46,385,216 |
| 140 | Rate Base | | (Line 59) | 310,186,616 |
| | | | | |
| 141 | O&M | | (Line 84) | 30,071,376 |
| 142 | Depreciation & Amortization | | (Line 96) | 15,665,788 |
| 143 | Taxes Other than Income | | (Line 98) | 10,705,936 |
| 144 | Investment Return | | (Line 126) | 26,341,216 |
| 145 | Income Taxes | | (Line 137) | 11,266,223 |
| 146 | Gross Revenue Requirement | | (Sum Lines 141 to 145) | 94,050,538 |
| | | | | |
| Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities | | | | |
| 147 | Transmission Plant In Service | | (Line 19) | 571,423,204 |
| 148 | Excluded Transmission Facilities | (Note M) | Attachment 5 | 0 |
| 149 | Included Transmission Facilities | | (Line 147 - 148) | 571,423,204 |
| 150 | Inclusion Ratio | | (Line 149 / 147) | 100.00% |
| 151 | Gross Revenue Requirement | | (Line 146) | 94,050,538 |
| 152 | Adjusted Gross Revenue Requirement | | (Line 150 * 151) | 94,050,538 |
| | | | | |
| Revenue Credits & Interest on Network Credits | | | | |
| 153 | Revenue Credits | | Attachment 3 | 7,290,754 |
| 154 | Interest on Network Credits | (Note N) | PJM Data | - |
| 155 | Net Revenue Requirement | | (Line 152 - 153 + 154) | 86,759,784 |
| | | | | |
| Net Plant Carrying Charge | | | | |
| 156 | Net Revenue Requirement | | (Line 155) | 86,759,784 |
| 157 | Net Transmission Plant | | (Line 19 - 30) | 323,253,116 |
| 158 | Net Plant Carrying Charge | | (Line 156 / 157) | 26.8396% |
| 159 | Net Plant Carrying Charge without Depreciation | | (Line 156 - 85) / 157 | 23.1270% |
| 160 | Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes | | (Line 156 - 85 - 126 - 137) / 157 | 11.4930% |
| | | | | |
| Net Plant Carrying Charge Calculation per 100 basis point increase in ROE | | | | |
| 161 | Net Revenue Requirement Less Return and Taxes | | (Line 155 - 144 - 145) | 49,152,346 |
| 162 | Return and Taxes per 100 basis point increase in ROE | | Attachment 4 | 40,135,715 |
| 163 | Net Revenue Requirement per 100 basis point increase in ROE | | (Line 161 + 162) | 89,288,060 |
| 164 | Net Transmission Plant | | (Line 19 - 30) | 323,253,116 |
| 165 | Net Plant Carrying Charge per 100 basis point increase in ROE | | (Line 163 / 164) | 27.6217% |
| 166 | Net Plant Carrying Charge per 100 basis point increase in ROE without Depreciation | | (Line 162 - 85) / 164 | 23.9092% |
| | | | | |
| 167 | Net Revenue Requirement | | (Line 155) | 86,759,784 |
| 168 | True-up amount | | Attachment 6 | (8,173,756) |
| 169 | Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects | | Attachment 7 | 5,100 |
| 170 | Facility Credits under Section 30.9 of the PJM OATT paid by Utility | | Attachment 5 | - |
| 171 | Net Zonal Revenue Requirement | | (Line 167 + 168 + 169 + 170) | 78,591,128 |
| | | | | |
| Network Zonal Service Rate | | | | |
| 172 | 1 CP Peak | (Note L) | PJM Data | 7,157 |
| 173 | Rate (\$/MW-Year) | | (Line 171 / 172) | 10,981 |
| 174 | Network Service Rate (\$/MW/Year) | | (Line 173) | 10,981 |

Notes

- A Electric portion only
- B Exclude Construction Work In Progress and leases that are expensed as O&M (rather than amortized). New Transmission plant included which is expected to be placed in service in the current calendar year weighted by number of months it is expected to be in-service. For the true-up, new transmission plant which was actually placed in service weighted by the number of months it was actually in service
- C Transmission Portion Only
- D All EPRI Annual Membership Dues
- E All Regulatory Commission Expenses
- F Safety related advertising included in Account 930.1
- G Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at 351.h.
- I The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and $p = \frac{\text{FIT}}{\text{FIT} + \text{SIT}}$ "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by $(1/1-T)$. A utility must not include tax credits as a reduction to rate base and as an amortization against taxable income.
- J ROE is determined initially to be 10.80% on facilities in service prior to 1-1-06 and 11.30% on facilities in service on or after 1-1-06 per settlement in ER05-515.
- K Education and outreach expenses relating to transmission, for example siting or billing
- L As provided for in Section 34.1 of the PJM OATT and the PJM established billing determinants will not be revised or updated in the annual rate reconciliations per settlement in ER05-515.
- M Amount of transmission plant excluded from rates, includes investment in generation step-up transformers to the extent included in Plant in Service.
- N Outstanding Network Credits is the balance of Network Facilities Upgrades Credits due Transmission Customers who have made lump-sum payments (net of accumulated depreciation) towards the construction of Network Transmission Facilities consistent with Paragraph 657 of Order 2003-A. Interest on the Network Credits as booked each year is added to the revenue requirement to make the Transmission Owner whole on Line 154.
- O Payments made under Schedule 12 of the PJM OATT that are not directly assessed to load in the zone under Schedule 12 are included in Transmission O&M. If they are booked to account 565, they are included in on line 64.
- P Securitization bonds may be included in the capital structure per settlement in ER05-515.

Baltimore Gas and Electric Company

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

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| | Only Transmission Related | Plant Related | Labor Related | Total ADIT |
|-----------------------------|---------------------------------|------------------|------------------|---------------|
| ADIT- 282 | 0 | (530,305,073) | 0 | |
| ADIT-283 | 0 | (10,854,921) | (5,694,366) | |
| ADIT-190 | 0 | 121,019,228 | (43,802,814) | |
| Subtotal | 0 | (420,140,765) | (49,497,180) | |
| Wages & Salary Allocator /1 | | | 9.1192% | |
| Gross Plant Allocator | | 14.7217% | | |
| ADIT | 0 | (61,851,981) | (4,513,756) | (66,365,737) |

Note ADIT associated with Gain or Loss on Reacquired Debt is included in Column A here and included in Cost of Debt on Appendix A, Line 110 Amount (6,313,198)

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns A-D and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately.

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

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| ADIT-190 | A Gas, Prod Or Other Related | B Only Transmission Related | C Plant Related | D Labor Related | E Justification for Assignment to Columns A-E |
|----------|---------------------------------------|--------------------------------------|-----------------------|-----------------------|---|
| 1901600 | ADIT-Arbitrage Inc Dr | 183,466 | | | Excluded because the underlying account(s) are not included in model |
| 1901605 | ADIT-Arbitrage Tax Rate Diff | 55,003 | | | Excluded because the underlying account(s) are not included in model |
| 190170A | ADIT-Reacq Debt Gain | 12,067 | | | Included in cost of debt computation |
| 1901800 | ADIT-CIAC Electric | | 88,490,648 | | Included because plant in service is included in rate base. Related to accelerated inclusion of CIAC in income for tax purposes. This amount is directly assigned to the electric line of business. |
| 1901900 | ADIT-CIAC Gas | 35,704,473 | | | Gas-related & accordingly excluded |
| 1901910 | ADIT- ARO Liab- Electric | 80,120 | | | Excluded because the underlying account(s) are not included in model |
| 1911915 | ADIT- ARO Liab- Gas | 16,558 | | | Gas-related & accordingly excluded |
| 1901920 | ADIT- ARO Liab- DCW | 14,888 | | | Excluded because the underlying account(s) are not included in model |
| 1902100 | ADIT - Gas Fuel Costs | 233,175 | | | Gas-related & accordingly excluded |
| 1902210 | ADIT-Delivery Service Realignment | 174,645 | | | Gas-related & accordingly excluded |
| 1902220 | ADIT- Gas Demand Charges | 1,445,333 | | | Gas-related & accordingly excluded |
| 190240A | ADIT-Cap/OH-Gas Invent | 291,077 | | | Gas-related & accordingly excluded |
| 190270A | ADIT-Cap/OH-Other Elec | 1,250,892 | 31,993,651 | | Included because plant in service is included in rate base. Related to the impact of certain tax overheads on the tax basis of property versus the absence of such recognition on the books. This amount is directly assigned to the electric line of business. |
| 190280A | ADIT-Cap/OH-Gas | 5,914,519 | | | Gas-related & accordingly excluded |
| 190290A | ADIT-Cap/OH-Common | 418,937 | 206,104 | | Included because plant in service is included in rate base. Related to the impact of certain tax overheads on the tax basis of property versus the absence of such recognition on the books. The noted allocation between gas and electric is based on the modified version of the Massachusetts formula as noted in Attachment 5a. |
| 1902999 | ADIT-Pensions/CEG Allocated Costs | 166,076 | | 485,201 | Included because the pension asset is included in rate base. Related to accrual recognition of expense for book purposes & deductibility of cash fundings for tax purposes. The amount included is the electric portion as allocated by the application of the modified version of the Massachusetts formula. |
| 1903060 | ADIT-Charitable Contributions | 3,377,500 | | | Excluded because the underlying account(s) are not included in model |
| 1903151 | ADIT-DFD ITC Elec 109 | 2,860,397 | | | Excluded as per page 8 line 16 of Alan Heintz's direct testimony in FERC Case No. ER05-515 |
| 1903161 | ADIT-Rev.Req.Gross up ITC-Elec 109 | 3,921,730 | | | Excluded as per page 8 line 16 of Alan Heintz's direct testimony in FERC Case No. ER05-515 |
| 1903251 | ADIT-DFD ITC Gas 109 | 2,436,637 | | | Gas-related & accordingly excluded |
| 1903261 | ADIT-Rev.Req.Gross up ITC-Gas 109 | 1,312,033 | | | Gas-related & accordingly excluded |
| 1903451 | ADIT-DFD ITC-Common 109 | 0 | | | Immaterial |
| 1903461 | ADIT-Rev.Req.Gross up ITC-Common 109 | (9,161) | | | Immaterial |
| 1903901 | ADIT-Misc. Contingencies | 190,422 | | | Excluded because the underlying account(s) are not included in model |
| 1903902 | ADIT-LITIGATION RESERVE | 350,000 | | | Excluded because the underlying account(s) are not included in model |
| 1903999 | ADIT-PRB/CEG Allocated Costs 106 | 236,668 | | | Excluded because the underlying account(s) are not included in model |

| | | | | | | |
|----------|---|--|--------------|---|--------------|---|
| 1904000 | ADIT-Contrib In Aid of Constr-Common | | 47,758 | | 328,826 | Included because plant in service is included in rate base. Related to accelerated inclusion of CIAC in income for tax purposes. The noted allocation between gas and electric is based on the modified version of the Massachusetts formula as noted in Attachment 5a. |
| 1904100 | ADIT - Formulary Rates Reserve | | 730,738 | | | Excluded because the underlying account(s) are not included in model |
| 1904600 | ADIT-Clearing Acct Balances-Elec. | | 52,010 | | | Excluded because the underlying account(s) are not included in model |
| 1904700 | ADIT-Clearing Acct Balances-Gas | | 104,228 | | | Gas-related & accordingly excluded |
| 21905100 | ADIT - Uncertain Tax Positions | | 337,088 | | | Excluded because the underlying account(s) are not included in model |
| 1905200 | ADIT-Powerdigm Trademark | | 0 | | | Immaterial |
| 1905500 | ADIT-W/O Billed Uncoll Accts-Electric | | 2,310,210 | | | Excluded because the underlying account(s) are not included in model |
| 190550A | ADIT-Billed Uncoll Accts-Elec | | 147,350 | | | Excluded because the underlying account(s) are not included in model |
| 1905600 | ADIT-W/O Billed Uncoll Accts-Gas | | 1,524,040 | | | Gas-related and accordingly excluded |
| 190560A | ADIT-Billed Uncoll Accts-Gas | | 118,300 | | | Gas-related and accordingly excluded |
| 1905800 | ADIT-W/O Billed Uncoll Accts-Other Util Elec | | 372,679 | | | Excluded because the underlying account(s) are not included in model |
| 1905900 | ADIT-W/O Billed Uncoll Accts-Other Util Gas | | 93,171 | | | Gas-related and accordingly excluded |
| 190650A | ADIT-Pensions | | (10,454,425) | | (30,543,321) | Included because the pension asset is included in rate base. Related to accrual recognition of expense for book purposes & deductibility of cash fundings for tax purposes. The amount included is the electric portion as allocated by the application of the modified version of the Massachusetts formula. |
| 190650B | ADIT Pensions-Accrued Construction | | (4,704,560) | | (13,744,695) | Included because the pension asset is included in rate base. Related to accrual recognition of expense for book purposes & deductibility of cash fundings for tax purposes. The amount included is the electric portion as allocated by the application of the modified version of the Massachusetts formula. |
| 1906660 | ADIT-PRB Operations-Elec 106 | | 59,625,954 | | | Excluded because the underlying account(s) are not included in model |
| 1906661 | ADIT-PRB Accrued Construction 106 | | 12,479,308 | | | Excluded because the underlying account(s) are not included in model |
| 1906662 | ADIT-PRB Accrued Jobbing 106 | | 643,784 | | | Excluded because the underlying account(s) are not included in model |
| 1906663 | ADIT-PRB Accrued Merchandise 106 | | 326,609 | | | Excluded because the underlying account(s) are not included in model |
| 1906664 | ADIT-PRB Operations-Gas 106 | | 10,768,374 | | | Gas-related & accordingly excluded |
| 1906668 | ADIT-FAS 112 Liability-Elec 112 | | 15,530,433 | | | Excluded because the underlying account(s) are not included in model |
| 1906669 | ADIT-FAS 112 Liability-Gas 112 | | 2,633,357 | | | Gas-related & accordingly excluded |
| 1906670 | ADIT-FAS 112 Liability-Merchand 112 | | 65,912 | | | Excluded because the underlying account(s) are not included in model |
| 1906700 | ADIT-FAS 112 Liability-CWIP/RWIP 112 | | (2,037,915) | | | Excluded because the underlying account(s) are not included in model |
| 1906701 | ADIT-FAS 112 Liability-Job/Shop 112 | | (75,316) | | | Excluded because the underlying account(s) are not included in model |
| 1907000 | ADIT-DCW Partnership | | (5,591,027) | | | Excluded because the underlying account(s) are not included in model |
| 1907700 | ADIT-IBNR Worker's Comp Reserve | | 449,863 | | | Excluded because the underlying account(s) are not included in model |
| 1907800 | ADIT-Carefirst IBNR Liability | | 544,457 | | | Excluded because the underlying account(s) are not included in model |
| 1908000 | ADIT-RL POLR Fuel Deferral | | (6,195,631) | | | Excluded because the underlying account(s) are not included in model |
| 1908100 | ADIT-RL POLR Hourly NITS Deferral | | 295,890 | | | Excluded because the underlying account(s) are not included in model |
| 1909151 | ADIT- Reg Asset Oil Recovery Fac. | | 4,514,370 | | | Excluded because the underlying account(s) are not included in model |
| 1909550 | ADIT-SPECO Write-Off | | 1,778,000 | | | Excluded because the underlying account(s) are not included in model |
| 1909999 | ADIT-Uranium Enrichment D/D Fund | | 2,414,243 | | | Excluded because the underlying account(s) are not included in model |
| | | | | | | |
| | | | | | | |
| | Subtotal - p234 | | 149,486,706 | 0 | 121,019,228 | (43,802,814) |
| | Less FASB 109 Above if not separately removed | | | 0 | 0 | |
| | Less FASB 106 Above if not separately removed | | | 0 | 0 | 0 |
| | Total | | 149,486,706 | 0 | 121,019,228 | (43,802,814) |

Instructions for Account 190:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column A
- ADIT items related only to Transmission are directly assigned to Column B
- ADIT items related Plant and not in Columns A & B are directly assigned to Column C
- ADIT items related to labor and not in Columns A & B are directly assigned to Column D
- Since deferred income taxes arise when items are included in taxable income in different periods than they are included in rates - therefore, if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

| | | | Or Other Related | Transmission Related | Plant Related | Labor Related | Justification for Assignment to Columns A-C |
|---------|--|--|---------------------|-------------------------|------------------|------------------|---|
| 2821100 | ADIT-Other Property Elec. | | | | (387,742,170) | | Included because plant in service is included in rate base. Related to the use of accelerated depreciation for tax purposes. This amount is directly assigned to the electric line of business. |
| 2821102 | ADIT-Accretion Exp ARO - Electric | | | | (26,165) | | Included because plant in service is included in rate base. Related to the use of accelerated depreciation for tax purposes. This amount is directly assigned to the electric line of business. |
| 2821105 | ADIT-Other Elec Taxes Rate Diff | | | | (6,461,698) | | Included because plant in service is included in rate base. Related to the use of accelerated depreciation for tax purposes. This amount is directly assigned to the electric line of business. |
| 2821200 | ADIT-ARO MDD-Elec | | (38,633) | | | | Excluded because the underlying account(s) are not included in model |
| 2821300 | ADIT-Percentage Rep Allow Elec | | | | (46,143,856) | | Included because plant in service is included in rate base. Related to the use of accelerated depreciation for tax purposes. This amount is directly assigned to the electric line of business. |
| 2821450 | ADIT-Intern Dev. Software Cust Choice | | | | (8,215,454) | | Included because plant in service is included in rate base. Related to the use of accelerated depreciation for tax purposes. This amount is directly assigned to the electric line of business. |
| 2821460 | ADIT-Intern Dev. Software Atlas Project-Elec | | | | (6,849,599) | | Included because plant in service is included in rate base. Related to the use of accelerated depreciation for tax purposes. This amount is directly assigned to the electric line of business. |
| 2821470 | ADIT-Intern Dev Software CMS Project | | | | (3,781,233) | | Included because plant in service is included in rate base. Related to the use of accelerated depreciation for tax purposes. This amount is directly assigned to the electric line of business. |
| 2821480 | ADIT-Internally Developed SW-Multitask | | (91,288) | | (501,489) | | Included because plant in service is included in rate base. Related to the use of accelerated depreciation for tax purposes. The noted allocation between gas and electric is based on the modified version of the Massachusetts formula as noted in Attachment 5a. |
| 2821500 | ADIT-ARO Asset-DCW | | (7,876) | | | | Immaterial |
| 2821600 | ADIT-Reacq Debt Gain | | (75,368) | | | | Included in cost of debt computation |
| 2821605 | ADIT-Reacq Debt Gain Tax Rate Diff | | (13,766) | | | | Included in cost of debt computation |
| 2821700 | ADIT- Electric-COR Method Change | | | | (190,559) | | Included because plant in service is included in the model. |
| 2821900 | ADIT-Spring Gardens Env Cleanup | | (5,223,868) | | | | Gas-related & accordingly excluded |
| 2822100 | ADIT-Other Prop. Gas | | (141,909,006) | | | | Gas-related & accordingly excluded |
| 2822102 | ADIT-Accretion Exp ARO - Gas | | (4,666) | | | | Gas-related & accordingly excluded |
| 2822105 | ADIT-Gas Tax Rate Diff | | (2,039,375) | | | | Gas-related & accordingly excluded |
| 2822200 | ADIT-ARO MDD-Gas | | (7,516) | | | | Gas-related & accordingly excluded |
| 2822460 | ADIT-Intern Dev. Software Atlas Project-Gas | | (2,252,800) | | | | Gas-related & accordingly excluded |
| 2822700 | ADIT- Gas COR- Method Change | | 348 | | | | Immaterial |
| 2823100 | ADIT-Prepaid Taxes EPR Elec | | | | (11,948,542) | | Included because prepayments are included in rate base. Related to accelerated deductibility of these amounts for tax purposes. This amount is directly assigned to the electric line of business. |
| 2823200 | ADIT-Prepaid Taxes EPR Gas | | (4,052,301) | | | | Gas-related and accordingly excluded |
| 2823500 | ADIT-Prepaid Taxes EPR OID | | | | | | Immaterial |
| 2823600 | ADIT-Prepaid Insurance Electric | | | | (887,352) | | Included because prepayments are included in rate base. Related to accelerated deductibility of these amounts for tax purposes. This amount is directly assigned to the electric line of business. |
| 2823700 | ADIT-Prepaid Insurance Gas | | (460,986) | | | | Gas-related and accordingly excluded |
| 2823810 | ADIT-CEG Allocation of Comp Software-Elec | | | | (2,689,882) | | Included because plant in service is included in rate base. Related to the use of accelerated depreciation for tax purposes. This amount is directly assigned to the electric line of business. |
| 2823820 | ADIT-CEG Allocation of Comp Software-Gas | | (663,738) | | | | Gas-related and accordingly excluded |
| 2824100 | ADIT-Other Prop.Com | | (6,118,324) | | (48,058,928) | | Included because plant in service is included in rate base. Related to the use of accelerated depreciation for tax purposes. The noted allocation between gas and electric is based on the modified version of the Massachusetts formula as noted in Attachment 5a. |
| 2824110 | ADIT-Common CIS Project | | (1,747,218) | | (5,220,714) | | Included because common assets are included in rate base. Related to the use of accelerated depreciation for tax purposes. The noted allocation between gas and electric is based on the modified version of the Massachusetts formula as noted in Attachment 5a. |
| 2824125 | ADIT-Trans Veh Tax Rate Diff | | 0 | | | | Immaterial |

| | | | | | | | |
|---------|--|--|---------------|---|---------------|---|---|
| 2824400 | ADIT-BIS Project-Common | | (1,072,173) | | (7,155,177) | | Included because common assets are included in rate base. Related to the use of accelerated depreciation for tax purposes. The noted allocation between gas and electric is based on the modified version of the Massachusetts formula as noted in Attachment 5a. |
| 2824700 | ADIT- Common Accrued IT Expense- Method Change | | | | (280,016) | | Included-- the underlying accounts are included in the model. |
| 2826101 | ADIT-Utility Plant Diff. Electric 109 | | (16,705,292) | | | | Excluded as per page 8 line 16 of Alan Heintz's direct testimony in FERC Case No. ER05-515 |
| 2826121 | ADIT-ARA/NOL Tax Rate Diff Elec 109 | | 6,468,466 | | | | Excluded as per page 8 line 16 of Alan Heintz's direct testimony in FERC Case No. ER05-515 |
| 2826201 | ADIT-Utility Plant Diff. Gas 109 | | (10,025,085) | | | | Gas-related & accordingly excluded |
| 2826221 | ADIT-ARA/NOL Tax Rate Diff Gas 109 | | 2,038,583 | | | | Gas-related & accordingly excluded |
| 2827100 | ADIT-Other Property OID | | 823,993 | | | | Excluded because the underlying account(s) are not included in model |
| 2827900 | ADIT-Pensions | | 3,938,101 | | 14,511,154 | | Included because plant in service is included in rate base. Related to accrual recognition of expense for book purposes & deductibility of cash fundings for tax purposes and associated impact on the book versus tax basis of assets. The amount included is the electric portion as allocated by the application of the modified version of the Massachusetts formula. |
| 2828000 | ADIT-PRB | | (2,009,995) | | (10,469,313) | | Included because plant in service is included in rate base. Related to accrual recognition of expense for book purposes & deductibility of cash fundings for tax purposes and associated impact on the book versus tax basis of assets. The amount included is the electric portion as allocated by the application of the modified version of the Massachusetts formula. |
| 2828100 | ADIT-FAS 112 | | 231,995 | | 1,805,920 | | Included because plant in service is included in rate base. Related to accrual recognition of expense for book purposes & deductibility of cash fundings for tax purposes and associated impact on the book versus tax basis of assets. The amount included is the electric portion as allocated by the application of the modified version of the Massachusetts formula. |
| 2829300 | ADIT-Gain on Involuntary Conversion | | (585,414) | | | | Excluded because the underlying account(s) are not included in model |
| | | | | | | | |
| | | | | | | | |
| | Subtotal - p275 | | (181,603,202) | 0 | (530,305,073) | 0 | |
| | Less FASB 109 Above if not separately removed | | | | | | |
| | Less FASB 106 Above if not separately removed | | | | | | |
| | Total | | (181,603,202) | 0 | (530,305,073) | 0 | |

Instructions for Account 282:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column A
2. ADIT items related only to Transmission are directly assigned to Column B
3. ADIT items related Plant and not in Columns A & B are directly assigned to Column C
4. ADIT items related to labor and not in Columns A & B are directly assigned to Column D
5. Since deferred income taxes arise when items are included in taxable income in different periods than they are included in rates - therefore, if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

| ADIT-283 | | A | B | C | D | E |
|----------|--------------------------------------|----------------------------|---------------------------|---------------|---------------|---|
| | | Gas, Prod Or Other Related | Only Transmission Related | Plant Related | Labor Related | Justification for Assignment to Columns A-C |
| 2831103 | ADIT-Uranium Enrichment D/D Fun | (242,676) | | | | Excluded because the underlying account(s) are not included in model |
| 2831111 | ADIT-MD State Electric | (3,790,779) | | (6,374,959) | (5,694,366) | Included because a portion of the grand total electric state deferred income tax balance is related to electric plant in service. |
| 283170A | ADIT-Reacq Debl Loss | (6,236,131) | | | | Included in cost of debt computation |
| 2832100 | ADIT-Gas Fuel Costs | 0 | | | | Gas-related & accordingly excluded |
| 2832222 | ADIT-MD State Gas | (3,674,389) | | | | Gas-related & accordingly excluded |
| 2833100 | ADIT-ISP-Gas-RA | (121,986) | | | | Gas-related & accordingly excluded |
| 2834000 | ADIT-Reclass DFD tax Impl AFUDC Elec | (186,615) | | (3,734,682) | | Included because plant in service is included in rate base. Related to the impact of certain overheads on the book basis of property versus the absence of such recognition for tax. This amount is directly assigned to the electric line of business. |
| 2834002 | ADIT-Reclass DFD tax Impl AFUDC Gas | (893,811) | | | | Gas-related & accordingly excluded |

| | | | | | | | |
|---|---|--|---------------|---|--------------|-------------|---|
| 2834004 | ADIT-Reclass DFD tax impl AFUDC Common | | (335,457) | | (745,280) | | Included because plant in service is included in rate base. Related to the impact of certain overheads on the book basis of property versus the absence of such recognition for tax. The noted allocation between gas and electric is based on the modified version of the Massachusetts formula as noted in Attachment 5a. |
| 2836111 | ADIT-Rev Req, Gross Up Elec 109 | | (29,190,622) | | | | Excluded as per page 8 line 16 of Alan Heintz's direct testimony in FERC Case No. ER05-515 |
| 2836131 | ADIT-Rev Req, ARA/NOL Rate Dif Elec 109 | | 3,483,011 | | | | Excluded as per page 8 line 16 of Alan Heintz's direct testimony in FERC Case No. ER05-515 |
| 2836211 | ADIT-Rev Req, Gross Up Gas 109 | | (5,398,107) | | | | Gas-related and accordingly excluded |
| 2836231 | ADIT-Rev Req, ARA/NOL Rate Dif Gas 109 | | 1,097,698 | | | | Gas-related and accordingly excluded |
| 2836300 | ADIT-POLR RA | | (548,132) | | | | Excluded because the underlying account(s) are not included in model |
| 2836666 | ADIT-MD State OID | | 540,538 | | | | Excluded because the underlying account(s) are not included in model |
| 2837000 | ADIT-PRB RA-Elec 106 | | (2,914,834) | | | | Excluded because the underlying account(s) are not included in model |
| 2837001 | ADIT-PRB RA-Gas 106 | | (678,614) | | | | Gas-related and accordingly excluded |
| 2837004 | ADIT-FAS 112 RA Elec 112 | | (3,108,569) | | | | Excluded because the underlying account(s) are not included in model |
| 2837005 | ADIT-FAS 112 RA Gas 112 | | (1,200,798) | | | | Gas-related and accordingly excluded |
| 2837311 | ADIT-ECCA-Gas | | (102,417) | | | | Gas-related and accordingly excluded |
| 2837995 | ADIT-TVSERP-Gas | | 0 | | | | Gas-related and accordingly excluded |
| 2837996 | ADIT-VSERP 2001-Gas | | (1,282,045) | | | | Gas-related and accordingly excluded |
| 2837997 | ADIT-50-54 VSERP 2002-Gas RA | | (1,148,139) | | | | Gas-related and accordingly excluded |
| 2839996 | ADIT-Gen Related RA Not in Rate | | (37,278,951) | | | | Excluded because the underlying account(s) are not included in model |
| 2839997 | ADIT-Gen Related RA Rate Base | | (23,481,049) | | | | Excluded because the underlying account(s) are not included in model |
| 2839999 | ADIT-Site DFD Tax Revenue Required 109 | | 0 | | | | Excluded as per page 8 line 16 of Alan Heintz's direct testimony in FERC Case No. ER05-515 |
| Subtotal - p277 | | | (116,692,874) | - | (10,854,921) | (5,694,366) | |
| Less FASB 109 Above if not separately removed | | | | | | | |
| Less FASB 106 Above if not separately removed | | | | | | | |
| Total | | | (116,692,874) | - | (10,854,921) | (5,694,366) | |

Instructions for Account 283:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column A
- ADIT items related only to Transmission are directly assigned to Column B
- ADIT items related Plant and not in Columns A & B are directly assigned to Column C
- ADIT items related to labor and not in Columns A & B are directly assigned to Column D
- Since deferred income taxes arise when items are included in taxable income in different periods than they are included in rates - therefore, if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

Attachment 1- Accumulated Deferred Income Taxes (ADIT) Worksheet

ADITC-255

| | Item | Balance | Amortization |
|---|--|----------------------------|--------------|
| 1 | Rate Base Treatment | | 0 |
| 2 | Balance to line 41 of Appendix A | Total | |
| 3 | Amortization | | |
| 4 | Amortization to line 132 of Appendix A | Total | 1451482 |
| 5 | Total | 8172565 | 1451482 |
| 6 | Total Form No. 1 (p xxx.z) | Form No. 1 balance (p.266) | 1451482 |
| 7 | Difference /1 | | 0 |
| 8 | /1 Difference must be zero | | |

Baltimore Gas and Electric Company
Attachment 2 - Taxes Other Than Income Worksheet

| <i>Other Taxes</i> | <i>Page 263 Col (i)</i> | <i>Allocator</i> | <i>Allocated Amount</i> |
|---|---|-------------------------------------|-----------------------------|
| Plant Related | | | |
| | | Gross Plant Allocator | |
| 1 Real property (State, Municipal or Local) | 5,322,146 | | |
| 2 Personal property | | | |
| 3 Capital Stock Tax | 62,176,099 | | |
| 4 Gross Premium (insurance) Tax | | | |
| 5 PURTA | | | |
| 6 Corp License | | | |
| Total Plant Related | 67,498,245 | 14.7217% | 9,936,908 |
| Labor Related | | | |
| | | Wages & Salary Allocator | |
| 7 Federal FICA | 8,002,112 | | |
| 8 Unemployment | 361,597 | | |
| Total Labor Related | 8,363,709 | 9.1192% | 762,705 |
| Other Included | | | |
| | | Gross Plant Allocator | |
| 9 Miscellaneous | 42,950 | | |
| 10 Use & Sales Tax | | | |
| Total Other Included | 42,950 | 14.7217% | 6,323 |
| Total Included | | | 10,705,936 |
| Currently Excluded | | | |
| 11 Federal Income | 88,433,129 | | |
| 12 Maryland Income | 13,587,209 | | |
| 13 Pennsylvania Income | (23,841) | | |
| 14 Franchise | 40,172,369 | | |
| 15 PSC Assessment | 3,273,347 | | |
| 16 Environmental Surcharge | 4,467,955 | | |
| 17 Pole License | 417,427 | | |
| 18 Fuel Energy | 1,817,330 | | |
| 19 Montgomery County Fuel Energy | - | | |
| 20 Universal Service Fund | 17,673,925 | | |
| 21 Total as reported on p. 263(i) | <u>245,723,754</u> | | |
| Difference | - | | |
| Criteria for Allocation: | | | |
| A | Other taxes that are incurred through ownership of plant including transmission plant will be allocated based on the Gross Plant Allocator. If the taxes are 100% recovered at retail they may not be included | | |
| B | Other taxes that are incurred through ownership of only general or intangible plant will be allocated based on the Wages and Salary Allocator. If the taxes are 100% recovered at retail they may not be included | | |
| C | Other taxes that are assessed based on labor, will be allocated based on the Wages and Salary Allocator | | |
| D | Other taxes except as provided for in A, B and C above, that are incurred and (1) are not fully recovered at retail or (2) are directly or indirectly related to transmission service will be allocated based on the Gross Plant Allocator; provided, however, that | | |

Baltimore Gas and Electric Company

Attachment 3 - Revenue Credit Workpaper

| | | |
|--|------------------|-------------|
| Account 454 - Rent from Electric Property | | |
| 1 Rent from Electric Property - Transmission Related (Note 3) | | 7,608,685 |
| 2 Total Rent Revenues | (Sum Line 1) | 7,608,685 |
| Account 456 - Other Electric Revenues (Note 1) | | |
| 3 Schedule 1A | | 1,538,078 |
| 4 Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (difference between NITS credits from PJM and PJM NITS charges paid by Transmission Owner) (Note 4) | | - |
| 5 Point to Point Service revenues for which the load is not included in the divisor received by transmission owner | | 3,722,565 |
| 6 PJM Transitional Revenue Neutrality (Note 1) | | - |
| 7 PJM Transitional Market Expansion (Note 1) | | - |
| 8 Professional Services (Note 3) | | - |
| 9 Revenues from Directly Assigned Transmission Facility Charges (Note 2) | | - |
| 10 Rent or Attachment Fees associated with Transmission Facilities (Note 3) | | - |
| 11 Gross Revenue Credits | (Sum Lines 2-10) | 12,869,328 |
| 12 Less line 17g | | (5,578,574) |
| 13 Total Revenue Credits | | 7,290,754 |
| | | |
| Revenue Adjustment to determine Revenue Credit | | |
| 14 Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula will be included as a revenue credit or included in the peak on line 172 of Appendix A. | | |
| 15 Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates. | | |
| 16 Note 3: Ratemaking treatment for the following specified secondary uses of transmission assets: (1) right-of-way leases and leases for space on transmission facilities for telecommunications; (2) transmission tower licenses for wireless antennas; (3) right-of-way property leases for farming, grazing or nurseries; (4) licenses of intellectual property (including a portable oil degasification process and scheduling software); and (5) transmission maintenance and consulting services (including energized circuit maintenance, high-voltage substation maintenance, safety training, transformer oil testing, and circuit breaker testing) to other utilities and large customers (collectively, products). Company will retain 50% of net revenues consistent with Pacific Gas and Electric Company, 90 FERC ¶ 61,314. Note: in order to utilize lines 17a - 17g, the utility must track in separate subaccounts the revenues and costs associated with each secondary use (except for the cost of the associated income taxes). | | |
| 17a Revenues included in lines 1-11 which are subject to 50/50 sharing | | 7,608,685 |
| 17b Costs associated with revenues in line 17a | | 3,631,901 |
| 17c Net Revenues (17a - 17b) | | 3,976,784 |
| 17d 50% Share of Net Revenues (17c/2) | | 1,988,392 |
| 17e Costs associated with revenues in line 17a that are included in FERC accounts recovered through the formula times the allocator used to functionalize the amounts in the FERC account to the transmission service at issue. | | 41,719 |
| 17f Net Revenue Credit (17d + 17e) | | 2,030,111 |
| 17g Line 17f less line 17a | | (5,578,574) |
| 18 Note 4: If the facilities associated with the revenues are not included in the formula, the revenue is shown here, but not included in the total above and is explained in the Cost Support; for example, revenues associated with distribution facilities. In addition, revenues from Schedule 12 are not included in the total above to the extent they are credited under Schedule 12. | | 7,382,990 |
| 19 Amount offset in line 4 above | | 21,871,755 |
| 20 Total Account 454 and 456 | | 42,124,074 |
| | FN1 # | 42,124,074 |
| | Difference | - |

Baltimore Gas and Electric Company

Attachment 4 - Calculation of 100 Basis Point Increase in ROE

| | | | |
|---|---|-----------------------|------------|
| A | Return and Taxes with 100 Basis Point increase in ROE 100 Basis Point increase in ROE and Income Taxes | (Line 126 + Line 137) | 40,135,715 |
| B | 100 Basis Point increase in ROE | | 1.00% |

Return Calculation

| | | | | |
|-----|--|---|---------------------------------|---------------|
| 59 | Rate Base | | (Line + 58) | 310,186,616 |
| | Long Term Interest | | | |
| 99 | Long Term Interest | | p117.62c through 67c | 91,974,591 |
| 101 | Long Term Interest | | (Line 99) | 91,974,591 |
| 102 | Preferred Dividends | enter positive | p118.29c | 13,209,000 |
| | Common Stock | | | |
| 103 | Proprietary Capital | | p112.16c | 1,812,544,760 |
| 104 | Less Preferred Stock | enter negative | (Line 113) | -190,000,000 |
| 105 | Less Account 216.1 | enter negative | p112.12c | 11,972,497 |
| 106 | Common Stock | | (Sum Lines 103 to 105) | 1,634,517,257 |
| | Capitalization | | | |
| 107 | Long Term Debt | | p112.18d through 21d | 1,462,066,975 |
| 108 | Less Loss on Reacquired Debt | enter negative | p111.81.c | 24,421,539 |
| 109 | Plus Gain on Reacquired Debt | enter positive | p113.61c | 34,493 |
| 110 | Less ADIT associated with Gain or Loss | enter negative | Attachment 1 | 6,313,198 |
| 111 | Less LTD on Securitization Bonds | enter negative | Attachment 8 | 0 |
| 112 | Total Long Term Debt | | (Sum Lines 107 to 111) | 1,492,836,205 |
| 113 | Preferred Stock | | p112.3c | 190,000,000 |
| 114 | Common Stock | | (Line 106) | 1,634,517,257 |
| 115 | Total Capitalization | | (Sum Lines 112 to 114) | 3,317,353,462 |
| 116 | Debt % | Total Long Term Debt | (Line 112 / 115) | 45% |
| 117 | Preferred % | Preferred Stock | (Line 113 / 115) | 6% |
| 118 | Common % | Common Stock | (Line 114 / 115) | 49% |
| 119 | Debt Cost | Total Long Term Debt | (Line 101 / 112) | 0.0616 |
| 120 | Preferred Cost | Preferred Stock | (Line 102 / 113) | 0.0695 |
| 121 | Common Cost | See (Note J) on Appendix / Common Stock | Appendix A % plus 100 Basis Pts | 0.1180 |
| 122 | Weighted Cost of Debt | Total Long Term Debt (WCLTD) | (Line 116 * 119) | 0.0277 |
| 123 | Weighted Cost of Preferred | Preferred Stock | (Line 117 * 120) | 0.0040 |
| 124 | Weighted Cost of Common | Common Stock | (Line 118 * 121) | 0.0581 |
| 125 | Total Return (R) | | (Sum Lines 122 to 124) | 0.0898 |
| 126 | Investment Return = Rate Base * Rate of Return | | (Line 59 * 125) | 27,869,559 |

Composite Income Taxes

(Note L)

| | | | | |
|-----|---|---|--|-------------------|
| | Income Tax Rates | | | |
| 127 | FIT=Federal Income Tax Rate | | 0 | 35.00% |
| 128 | SIT=State Income Tax Rate or Composite | | 0 | 7.00% |
| 129 | p = percent of federal income tax deductible for state purposes | | Per State Tax Code | 0.00% |
| 130 | T | $T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\}$ | | 39.55% |
| 131 | T/(1-T) | | | 65.43% |
| | ITC Adjustment | | | |
| 132 | Amortized Investment Tax Credit | enter negative | p266.17f | -1,451,482 |
| 133 | T/(1-T) | | (Line 131) | 65.43% |
| 134 | Net Plant Allocation Factor | | (Line 18) | 14.2071% |
| 135 | ITC Adjustment Allocated to Transmission | (Note I) | [Line 129 * (1 + Line 130) * Line 131] | -341,131 |
| 136 | Income Tax Component = | $CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$ | | 12,607,287 |
| 137 | Total Income Taxes | | | 12,266,156 |

Baltimore Gas and Electric Company

Attachment 5 - Cost Support

Electric / Non-electric Cost Support

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Form 1 Amount | Electric Portion | Non-electric Portion | Details |
|--|---|---------------|------------------|---------------|------------------|----------------------|---|
| Plant Allocation Factors | | | | | | | |
| 10 | Accumulated Intangible Amortization | (Note A) | p200.21c | 11,928,159 | 11,928,159 | 0 | Amounts in Form 1 are already electric only. |
| 11 | Accumulated Common Amortization - Electric | (Note A) | p356 | 0 | 0 | 0 | |
| 12 | Accumulated Common Plant Depreciation - Electric | (Note A) | p356.1 | 97,817,063 | 97,817,063 | 0 | Amounts in Form 1 are already electric only. |
| Plant In Service | | | | | | | |
| 24 | Common Plant (Electric Only) | (Notes A) | p356 | 416,128,204 | 310,847,768 | 105,280,436 | Respondent is both Electric and Gas Utility. Plant generally allocated using the net plant ratio. |
| Accumulated Deferred Income Taxes | | | | | | | |
| 41 | Accumulated Investment Tax Credit Account No. 255 | (Notes A & I) | p266.h | 15,134,385 | 0 | 15,134,385 | Respondent amortizes investment tax credits against income tax expense. Therefore zero is reported on this line. |
| Materials and Supplies | | | | | | | |
| 47 | Undistributed Stores Exp | (Note A) | p227.6c & 15.c | 1,753,487 | 1,309,855 | 443,632 | Respondent is both Electric and Gas Utility. Undistributed stores expense allocated using the net plant ratio. |
| Allocated General & Common Expenses | | | | | | | |
| 65 | Plus Transmission Lease Payments | (Note A) | P200.4.c | | | | |
| 67 | Common Plant O&M | (Note A) | p356.1 | 15,153,773 | 11,289,561 | 3,864,212 | Respondent is both Electric and Gas Utility. Common allocated to gas and electric using the Modified version of the Massachusetts Formula approved by the MD PSC. |
| Depreciation Expense | | | | | | | |
| 87 | Intangible Amortization | (Note A) | p336.1d&e | 11,895,390 | 11,895,390 | 0 | Amounts in Form 1 are already electric only. |
| 91 | Common Depreciation - Electric Only | (Note A) | p336.10.b | 12,171,955 | 12,171,955 | 0 | Amounts in Form 1 are already electric only. |
| 92 | Common Amortization - Electric Only | (Note A) | p356 or p336.10d | 10,110,996 | 10,110,996 | 0 | Amounts in Form 1 are already electric only. |

Transmission / Non-transmission Cost Support

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Form 1 Amount | Transmission Related | Non-transmission Related | Details |
|--|--|----------|------|---------------|----------------------|--------------------------|--|
| 28 | Plant Held for Future Use (Including Land) | (Note C) | p214 | 2,741,242 | 379,626 | 2,361,616 | Specific identification based on plant records 1 \$159,230- Transmission Substation 2 \$220.396- 115kv Land Rights 3 Remainder-- Allocation of Common 4 5 |

CWIP & Expensed Lease Worksheet

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Form 1 Amount | CWIP in Form 1 Amount | Expensed Lease in Form 1 Amount | Details |
|--|---------------------------------------|-----------|-----------|---------------|-----------------------|---------------------------------|--|
| Plant Allocation Factors | | | | | | | |
| 6 | Electric Plant In Service | 0 | p207.95g | 3,891,046,103 | 0 | 0 | See Form 1 |
| Plant In Service | | | | | | | |
| 19 | Transmission Plant In Service | 0 | p207.58.g | 571,423,204 | 0 | 0 | See Form 1 |
| 24 | Common Plant (Electric Only) | (Notes A) | p356 | 310,847,768 | 0 | 0 | Electric / non-electric cost support above |
| Accumulated Depreciation | | | | | | | |
| 30 | Transmission Accumulated Depreciation | 0 | p219.25.c | 248,170,088 | 0 | 0 | See Form 1 |

EPRI Dues Cost Support

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Form 1 Amount | EPRI Dues | Details |
|--|---|----------|----------|---------------|-----------|--|
| 72 | Allocated General & Common Expenses Less EPRI Dues | (Note D) | p352-353 | 0 | 0 | EPRI Dues paid by Holding company (Constellation Energy) |

Total Electric Administrative & General Cost Support

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Form 1 Amount | Merger Costs | Not Merger Related | Details |
|--|--|---|------------|---------------|--------------|--------------------|---|
| 68 | Allocated General & Common Expenses Total A&G | 0 | p323.168.b | 148,058,148 | 4,046,095.00 | 144,012,053.00 | Excluded costs from merger with FPL Group- see FERC Docket EC06-77-000. |

Regulatory Expense Related to Transmission Cost Support

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Form 1 Amount | Transmission Related | Non-transmission Related | Details |
|--|--|----------|-----------|---------------|----------------------|--------------------------|---------|
| 70 | Allocated General & Common Expenses Less Regulatory Commission Exp Account 928 Directly Assigned A&G | (Note E) | p323.160b | 167,208 | | | |

Baltimore Gas and Electric Company

Attachment 5 - Cost Support

| | | | | | | | |
|----|---------------------------------------|----------|-----------|--------|--------|------|--|
| 76 | Regulatory Commission Exp Account 928 | (Note G) | p323.160b | 167208 | 163251 | 3957 | Included amount associated with proceedings before FERC. |
|----|---------------------------------------|----------|-----------|--------|--------|------|--|

Safety Related Advertising Cost Support

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Form 1 Amount | Safety Related | Non-safety Related | Details |
|--|--|----------|-----------|---------------|----------------|--------------------|--|
| 80 | Directly Assigned A&G General Advertising Exp Account 930.1 | (Note F) | p323.162b | 3,868,971 | 492,333 | 3,376,638 | Electric's share of common common advertising associated with safety |

MultiState Workpaper

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | State 1 | State 2 | State 3 | State 4 | State 5 | Details |
|--|--|----------|--|-------------------|------------------------|------------------------|------------------------|------------------------|------------------------------------|
| 128 | Income Tax Rates SIT=State Income Tax Rate or Composite | (Note I) | | Maryland 7.00% | Enter State Enter % | Enter State Enter % | Enter State Enter % | Enter State Enter % | Enter Calculation Maryland Only |

Education and Out Reach Cost Support

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Form 1 Amount | Education & Outreach | Other | Details |
|--|--|----------|-----------|---------------|----------------------|-------|---------|
| 77 | Directly Assigned A&G General Advertising Exp Account 930.1 | (Note K) | p323.162b | 3,868,971 | 0 | 0 | |

Excluded Plant Cost Support

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Excluded Transmission Facilities | Description of the Facilities |
|--|--|----------|--------------|----------------------------------|---------------------------------------|
| 148 | Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities Excluded Transmission Facilities | (Note M) | Attachment 5 | 0 | General Description of the Facilities |
| Instructions: | | | | Enter \$ | None |
| 1 Remove all investment below 69 kV or generator step up transformers included in transmission plant in service that are not a result of the RTEP Process | | | | Or | |
| 2 If unable to determine the investment below 69kV in a substation with investment of 69 kV and higher as well as below 69 kV, the following formula will be used: | | | | Enter \$ | |
| Example | | | | | |
| A Total investment in substation | | | | 1,000,000 | |
| B Identifiable investment in Transmission (provide workpapers) | | | | 500,000 | |
| C Identifiable investment in Distribution (provide workpapers) | | | | 400,000 | |
| D Amount to be excluded (A x (C / (B + C))) | | | | 444,444 | |
| <i>Add more lines if necessary</i> | | | | | |

Outstanding Network Credits Cost Support

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Outstanding Network Credits | Description of the Credits |
|--|---|----------|----------|-----------------------------|------------------------------------|
| 55 | Network Credits Outstanding Network Credits | (Note N) | From PJM | 0 | General Description of the Credits |
| | | | | Enter \$ | None |
| 56 | Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits | (Note N) | From PJM | 0 | |
| | | | | Enter \$ | None |
| <i>Add more lines if necessary</i> | | | | | |

Transmission Related Account 242 Reserves

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Total | Allocation | Transmission Related | Details |
|--|--|--|--|----------|------------|----------------------|---------|
| 44 | Transmission Related Account 242 Reserves (exclude current year environmental site related reserves) | | | Enter \$ | Amount | | |
| Directly Assignable to Transmission | | | | - | 100% | - | |
| Labor Related, General plant related or Common Plant related | | | | - | 9.12% | - | |
| Plant Related | | | | - | 14.72% | - | |
| Other | | | | - | 0.00% | - | |
| Total Transmission Related Reserves | | | | - | | - | |

Baltimore Gas and Electric Company

Attachment 5 - Cost Support

Prepayments

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Utility Total Amount | Electric Portion | Non-electric Portion | Description of the Prepayments |
|--|---|-------------|-----------|----------------------|------------------|----------------------|--|
| 45 | Prepayments | | Allocator | | | | |
| | Prepayments except Prepaid Pensions, except Other Taxes | 37,990,433 | 14.207% | 5,397,338 | 51,236,532 | 37,990,433 | 13,246,099 Primarily Property taxes. BGE is combination utility. |
| | Prepaid Pensions | 116,895,730 | 9.119% | 10,659,976 | 156,907,020 | 116,895,730 | 40,011,290 Pension Asset is recorded as an intercompany receivable due to BGE's participation in CE pension plan |
| | Total | | | 16,057,314 | | | |

Extraordinary Property Loss

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Amount | Number of years | Amortization | w/ Interest |
|--|--|--|--------------|--------|-----------------|--------------|-------------|
| 61 | Less extraordinary property losses | | Attachment 5 | | | | |
| 62 | Plus amortization of extraordinary property losses | | Attachment 5 | | | 5 \$ | - \$ |

Outstanding Network Credits Cost Support

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Outstanding Network Credits | Description of the Credits |
|--|---|----------|----------|-----------------------------|------------------------------------|
| 55 | Network Credits | | | 0 | General Description of the Credits |
| | Outstanding Network Credits | (Note N) | From PJM | Enter \$ | None |
| 56 | Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits | (Note N) | From PJM | 0 | |
| | | | | Enter \$ | None |

Add more lines if necessary

Interest on Outstanding Network Credits Cost Support

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Interest on Network Credits | Description of the Interest on the Credits |
|--|-----------------------------|----------|----------|-----------------------------|--|
| 154 | Interest on Network Credits | (Note N) | PJM Data | 0 | General Description of the Credits |
| | | | | Enter \$ | None |

Add more lines if necessary

Facility Credits under Section 30.9 of the PJM OATT paid by Utility

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | Amount | Description & PJM Documentation |
|--|--|--------|---------------------------------|
| 171 | Net Revenue Requirement Net Zonal Revenue Requirement | - | |

PJM Load Cost Support

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | 1 CP Peak | Description & PJM Documentation |
|--|----------------------------|----------|----------|-----------|--|
| 172 | Network Zonal Service Rate | | | 7,157 | PJM Zonal Peak Load per 34.1 of the PJM OATT |
| | 1 CP Peak | (Note L) | PJM Data | | |

Statements BG/BH (Present and Proposed Revenues)

| Customer | Billing Determinant | Current Rate | Proposed Rate | Current Revenues | Proposed Revenues | Change in Revenues |
|-----------|---------------------|--------------|---------------|------------------|-------------------|--------------------|
| BG&E Zone | 6267 | 14847 | 10981.02 | 93,045,818 | 78,591,128 | (14,454,690) |
| Total | | | | 93,045,818 | 78,591,128 | (14,454,690) |

Baltimore Gas and Electric Company

Attachment 5a - Allocations of Costs to Affiliates

Constellation Energy (CE, BGE's holding company) allocates only A&G costs to BGE.

| Expense Items | Amount Allocated to BG&E Electric | Amount Allocated to BG&E Gas |
|---------------|--|---------------------------------------|
| A&G | \$58,910,616 | \$20,164,037 |

Explanation of the method

CE costs are allocated to all affiliates. The allocation is based on composite ratios computed annually from key financial totals published in the prior year end's financial statements. Specifically, each affiliate's pro rata share of total CE employees, assets, shareholders equity, and gross margin is developed and this percentage is used to allocate CE costs not directly attributable to specific affiliate companies. This approach to expense allocation has been in place since 2002 and was instituted in recognition of independent auditor recommendations documented during an audit of BGE's Cost Allocation Manual, a document filed annually with the Maryland Public Service Commission. This approach to holding company cost allocation has furthermore elicited no comment from financial statement auditors or the audit firm engaged to review our most recently issued Cost Allocation Manual published earlier this year. Costs allocated to BGE are recorded to the appropriate common A&G expense accounts on BGE's books. All common expenses (including allocations of cost from CE) are distributed to the electric and gas lines of business as noted on page 356.1 of the FERC Form 1. Specifically, the ratio to distribute common regulated utility expenses to gas and electric is based on a modified version of the Massachusetts formula and is influenced by each line of business's share of total utility labor, depreciation, amortization, and taxes. BGE has consistently used this approach to distribute common costs to the gas and electric lines of business for the last 20 years with no adverse comment from state or federal regulators during this interval.

Actual calculation of the results of the method for 2004

In 2005, BGE received 31.89% of CE costs not directly charged to specific affiliates. Additionally, in 2005 the regulated electric business received 74.5% of common utility expenses and gas received a 25.5% share.

Baltimore Gas and Electric Company

Attachment 6 - Estimate and True-up Worksheet

Step Month Year Action

Exec Summary

- 1 April Year 2 TO populates the formula with Year 1 data from FERC Form 1 for Year 1 (e.g., 2004)
- 2 April Year 2 TO estimates all transmission Cap Adds for Year 2 weighted based on Months expected to be in service in Year 2 (e.g. 2005)
- 3 April Year 2 TO adds weighted Cap Adds to plant in service in Formula
- 4 May Year 2 Post results of Step 3 on PJM web site
- 5 June Year 2 Results of Step 3 go into effect for the Rate Year 1 (e.g., June 1, 2005 - May 31, 2006)

- 6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g. 2005)
- 7 April Year 3 TO estimates Cap Adds during Year 3 weighted based on Months expected to be in service in Year 3 (e.g., 2006)
- 8 April Year 3 Reconciliation - TO calculates Reconciliation by removing from Year 2 data - the total Cap Adds placed in service in Year 2 and adding weighted average in Year 2 actual Cap Adds in Reconciliation (adjusted to include any Reconciliation amount from prior year)
- 9 April Year 3 Reconciliation - TO adds the difference between the Reconciliation in Step 8 and the forecast in Line 5 with interest to the result of Step 7 (this difference is also added to Step 8 in the subsequent year)
- 10 May Year 3 Post results of Step 9 on PJM web site
- 11 June Year 3 Results of Step 9 go into effect for Rate Year 2 (e.g., June 1, 2006 - May 31, 2007)

- 1 April Year 2 TO populates the formula with Year 1 data from FERC Form 1 for Year 1 (e.g., 2004)
\$ 92,460,278 Rev Req based on Year 1 data without Cap Adds Must run Appendix A to get this number (without any cap adds in line 21)

- 2 April Year 2 TO estimates all transmission Cap Adds for Year 2 weighted based on Months expected to be in service in Year 2 (e.g. 2005)

| | Est. In Service Date | Weighting | Amount | One 12th |
|---|----------------------|-----------|-------------------|------------------|
| Jan | | 11.5 | - | - |
| Feb | | 10.5 | - | - |
| Mar | | 9.5 | - | - |
| Apr | 332,000 | 8.5 | 2,822,000 | 235,167 |
| May | 4,343,000 | 7.5 | 32,572,500 | 2,714,375 |
| Jun | 893,000 | 6.5 | 5,804,500 | 483,708 |
| Jul | | 5.5 | - | - |
| Aug | | 4.5 | - | - |
| Sep | | 3.5 | - | - |
| Oct | 342,000 | 2.5 | 855,000 | 71,250 |
| Nov | 478,000 | 1.5 | 717,000 | 59,750 |
| Dec | 2,978,000 | 0.5 | 1,489,000 | 124,083 |
| Total | 9,366,000 | | 44,260,000 | 3,688,333 |
| New Transmission Plant Additions for Year 2 (weighted by months in service) | | | | 3,688,333 |

- 3 April Year 2 TO adds weighted Cap Adds to plant in service in Formula
\$ 3,688,333 Input to Formula Line 21

- 4 May Year 2 Post On PJM Web Site Rev Req and Formula with Exhibits
\$ 93,045,818 Must run Appendix A to get this number (with prospective weighted cap adds in line 21)

- 5 June Year 2 Results of Step 3 go into effect for the Rate Year 1 (e.g., June 1, 2005 - May 31, 2006)
\$ 93,045,818

- 6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g. 2005)
\$ 86,436,950 Rev Req based on Year 1 data without Cap Adds Must run Appendix A to get this number (without any cap adds in line 21 of Appendix A)

- 7 April Year 3 TO estimates Cap Adds during Year 3 weighted based on Months expected to be in service in Year 3 (e.g., 2006)
- | | Est. In Service Date | Weighting | Amount | One 12th |
|---|----------------------|-----------|-------------------|------------------------------------|
| Jan | 21,701 | 11.5 | 249,562 | 20,797 |
| Feb | 50,778 | 10.5 | 533,169 | 44,431 |
| Mar | 79,458 | 9.5 | 754,851 | 62,904 |
| Apr | 45,351 | 8.5 | 385,484 | 32,124 |
| May | 34,980 | 7.5 | 262,350 | 21,863 |
| Jun | 2,156,579 | 6.5 | 14,017,764 | 1,168,147 |
| Jul | 378,899 | 5.5 | 2,083,945 | 173,662 |
| Aug | 980,527 | 4.5 | 4,412,372 | 367,698 |
| Sep | 253,617 | 3.5 | 887,660 | 73,972 |
| Oct | 290,082 | 2.5 | 725,205 | 60,434 |
| Nov | 248,626 | 1.5 | 372,939 | 31,078 |
| Dec | 11,145,417 | 0.5 | 5,572,709 | 464,392 |
| Total | 15,686,015 | | 30,258,007 | 2,521,501 |
| New Transmission Plant Additions for Year 3 (weighted by months in service) | | | | 2,521,501 Input to Formula Line 21 |

- 8 April Year 3 Reconciliation - TO calculates Reconciliation by removing from Year 2 data - the total Cap Adds placed in service in Year 2 and adding weighted average in Year 2 actual Cap Adds in Reconciliation

Remove all Cap Adds placed in service in year 2

For Reconciliation only - remove actual New Transmission Plant Additions for Year 2 12,932,627 Input to Formula Line 20

Add weighted Cap Adds actually placed in service in Year 2

| | Actual In Service Date | Weighting | Amount | One 12th | |
|---|------------------------|-----------|------------|-----------|--------------------------|
| Jan | 2,229,855 | 11.5 | 25,643,328 | 2,136,944 | |
| Feb | 334,047 | 10.5 | 3,507,494 | 292,291 | |
| Mar | 644,283 | 9.5 | 6,120,691 | 510,058 | |
| Apr | 417,622 | 8.5 | 3,549,785 | 295,815 | |
| May | 13,115 | 7.5 | 98,362 | 8,197 | |
| Jun | 44,542 | 6.5 | 289,524 | 24,127 | |
| Jul | 3,051,745 | 5.5 | 16,784,598 | 1,398,717 | |
| Aug | 83,800 | 4.5 | 377,101 | 31,425 | |
| Sep | 68,746 | 3.5 | 240,612 | 20,051 | |
| Oct | 783,335 | 2.5 | 1,958,336 | 163,195 | |
| Nov | 254,684 | 1.5 | 382,026 | 31,836 | |
| Dec | 5,006,853 | 0.5 | 2,503,426 | 208,619 | |
| Total | 12,932,627 | | 61,455,285 | 5,121,274 | |
| New Transmission Plant Additions for Year 2 (weighted by months in service) | | | | 5,121,274 | Input to Formula Line 21 |

85,436,842 Result of Formula for true-up Must run Appendix A with cap adds from row 99 in line 21 & line 20 filled as per row 85 to get this number
(Year 2 data with total of Year 2 Cap Adds removed and monthly weighted average of Year 2 actual Cap Adds added in)

9 April Year 3 Reconciliation - TO adds the difference between the Reconciliation in Step 8 and the forecast in Line 5 with interest to the result of Step 7 (this difference is also added to Step 8 in the subsequent year)

| | | | | | | |
|-----------------------|------------|---|----------------------------|------------|---|-------------|
| The true-up in Step 8 | 85,436,842 | - | The forecast in Prior Year | 93,045,818 | = | (7,608,976) |
|-----------------------|------------|---|----------------------------|------------|---|-------------|

Interest on Amount of Refunds or Surcharges

Interest 35.19a for March Current Yr 0.5800%

| Month | Yr | 1/12 of Step 9 | Interest 35.19a for March Current Yr | Months | Interest | Refunds Owed |
|-------|------|----------------|--------------------------------------|--------|----------|--------------|
| Jun | 2005 | (634,081) | 0.5800% | 11.5 | (42,293) | (676,375) |
| Jul | 2005 | (634,081) | 0.5800% | 10.5 | (38,616) | (672,697) |
| Aug | 2005 | (634,081) | 0.5800% | 9.5 | (34,938) | (669,019) |
| Sep | 2005 | (634,081) | 0.5800% | 8.5 | (31,260) | (665,342) |
| Oct | 2005 | (634,081) | 0.5800% | 7.5 | (27,583) | (661,664) |
| Nov | 2005 | (634,081) | 0.5800% | 6.5 | (23,905) | (657,986) |
| Dec | 2005 | (634,081) | 0.5800% | 5.5 | (20,227) | (654,309) |
| Jan | 2006 | (634,081) | 0.5800% | 4.5 | (16,550) | (650,631) |
| Feb | 2006 | (634,081) | 0.5800% | 3.5 | (12,872) | (646,953) |
| Mar | 2006 | (634,081) | 0.5800% | 2.5 | (9,194) | (643,276) |
| Apr | 2006 | (634,081) | 0.5800% | 1.5 | (5,517) | (639,598) |
| May | 2006 | (634,081) | 0.5800% | 0.5 | (1,839) | (635,920) |
| Total | | (7,608,976) | | | | (7,873,768) |

| | Balance | Interest | Amort | Balance |
|---------------------|-------------|----------|-------------|-------------|
| Jun | (7,873,768) | 0.5800% | (681,146) | (7,238,290) |
| Jul | (7,238,290) | 0.5800% | (681,146) | (6,599,126) |
| Aug | (6,599,126) | 0.5800% | (681,146) | (5,956,254) |
| Sep | (5,956,254) | 0.5800% | (681,146) | (5,309,654) |
| Oct | (5,309,654) | 0.5800% | (681,146) | (4,659,304) |
| Nov | (4,659,304) | 0.5800% | (681,146) | (4,005,181) |
| Dec | (4,005,181) | 0.5800% | (681,146) | (3,347,265) |
| Jan | (3,347,265) | 0.5800% | (681,146) | (2,685,533) |
| Feb | (2,685,533) | 0.5800% | (681,146) | (2,019,962) |
| Mar | (2,019,962) | 0.5800% | (681,146) | (1,350,532) |
| Apr | (1,350,532) | 0.5800% | (681,146) | (677,219) |
| May | (677,219) | 0.5800% | (681,146) | (0) |
| Total with interest | | | (8,173,756) | |

The difference between the true-up in Step 8 and the forecast in Prior Year with interest (8,173,756)
 Rev Req based on Current Year data with estimated Cap Adds for Year 3 (Step 8) \$ 86,759,784 Must run Appendix A to get this number (with prospective weighted cap adds in line 21)
 Revenue Requirement for Year 3 78,586,028

10 May Year 3 Post results of Step 9 on PJM web site
 \$ 78,586,028 Post On PJM Web Site Rev Req and Formula with Exhibits

11 June Year 3 Results of Step 9 go into effect for Rate Year 2 (e.g., June 1, 2006 - May 31, 2007)
 \$ 78,586,028

Baltimore Gas and Electric Company
Attachment 8 - Company Exhibit - Securitization Workpaper

Line #

| | | | |
|------------|--|--|----------|
| | Long Term Interest | | |
| 100 | Less LTD Interest on Securitization Bonds | | 0 |
| | Capitalization | | |
| 111 | Less LTD on Securitization Bonds | | 0 |

Calculation of the above Securitization Adjustments

