

**STANDARDS OF CONDUCT COMPLIANCE POLICY
OF
BALTIMORE GAS AND ELECTRIC COMPANY**

Effective Date: January 30, 2009

This Policy applies to Baltimore Gas and Electric Company (BGE or Company) with respect to compliance with the Standards of Conduct promulgated by the Federal Energy Regulatory Commission (FERC). This Policy applies to all Company personnel including members of the Board of Directors, officers, lobbyists and other employees.

Purpose

Certain aspects of the Company's business are subject to regulation by the FERC. This regulation includes the FERC's Standards of Conduct for Transmission Providers. The Standards of Conduct are intended to protect competitors and foster competition in the electric industry by limiting the ability of an electric transmission provider, such as BGE, to grant any undue preferences to its own marketing operations or those of its affiliates.

This Policy is in place to ensure that BGE's operations continue to be conducted in strict compliance with the FERC Standards of Conduct consistent with good corporate governance practices.

Adherence to Independent Functioning Requirement

The Company shall adhere to the independent functioning requirement of the Standards of Conduct by maintaining both a physical and a functional separation between its electric transmission function employees and all affiliated marketing employees. Physical separation shall be maintained by limiting access to areas housing electric transmission information, including computer systems and databases, to transmission function employees and designated non-marketing function employees who have received FERC standards of Conduct training including the No Conduit Rule. Functional separation shall be maintained by prohibiting marketing function employees from conducting transmission functions, prohibiting transmission function employees from conducting marketing functions and limiting electric transmission system operations to transmission function employees.

Company employees and contractors, consultants and agents working on behalf of transmission function employees may not act as a conduit to communicate electric transmission system information to marketing or energy affiliate employees in accordance with the No Conduit Rule.

Notwithstanding the requirement to maintain both a physical and a functional separation between BGE and all affiliated marketing employees, BGE may take whatever steps are necessary to maintain electric transmission system reliability during emergency circumstances.

Any deviation from the Standards of Conduct resulting from an emergency must be reported to FERC and posted on BGE's website within 24 hours of such deviation.

Adherence to Non-Discrimination Requirement

The Company shall adhere to the non-discrimination requirement of the Standards of Conduct by not permitting BGE's affiliated marketing employees to have access to electric transmission system information that is not publicly available. Restricted electric transmission system information includes, but is not limited to, information associated with the planning, directing, organizing or carrying out of day-to-day transmission operations, including the granting and denying of transmission service requests. If a Company employee discloses restricted transmission system information to an affiliated marketing employee, BGE shall immediately post the information on its website.

Notwithstanding the restriction on sharing electric transmission system information with an affiliated marketing employee, BGE may share information necessary for the safe and reliable dispatch of generation units under the Standards of Conduct.

Annual Training Program

The Company shall adhere to the training requirement of the Standards of Conduct by requiring, at a minimum, that all transmission function employees participate in annual Standards of Conduct training.

Responsibility

BGE's FERC Chief Compliance Officer is responsible for administering this Policy.