

3. Miscellaneous Taxes and Surcharges

The Company remits to the State of Maryland various state taxes and surcharges which are included on a customer's bill as described below in this Rider.

Electric Environmental Surcharge (EES) - A surcharge which established the Environmental Trust Fund to support the Power Plant Research Program. Funding for the program is provided through an electric environmental surcharge (EES) that is assessed on all electricity delivered in the State.

Universal Service Charge - A State program to help low-income electric customers receive affordable electric service. The rates for Universal Service are as follows:

Residential Rate Schedules: \$0.32 per month

Non-Residential Rate Schedules:

If the Delivery Service component of the annual bill is:

The Universal Service Charge
Per Month is:

| | |
|--------------------|----------|
| Under \$175 | \$0.25 |
| \$175-1,299 | \$1.85 |
| \$1,300-2,599 | \$6.14 |
| \$2,600-6,499 | \$12.28 |
| \$6,500-12,999 | \$24.56 |
| \$13,000-25,999 | \$36.85 |
| \$26,000-51,999 | \$49.13 |
| \$52,000-77,999 | \$92.12 |
| \$78,000 - 103,999 | \$122.82 |
| \$104,000-129,999 | \$184.22 |
| \$130,000-181,999 | \$276.35 |
| \$182,000-233,999 | \$368.46 |

The Universal Service Charge
Per Month is:

| | |
|-----------------------|------------|
| \$234,000-259,999 | \$552.69 |
| \$260,000-519,999 | \$736.91 |
| \$520,000-779,999 | \$982.55 |
| \$780,000-1,039,999 | \$1,228.19 |
| \$1,040,000-1,299,999 | \$1,473.83 |
| \$1,300,000-1,559,999 | \$1,719.47 |
| \$1,560,000-1,819,999 | \$1,965.10 |
| \$1,820,000-2,079,999 | \$2,149.33 |
| \$2,080,000-2,339,999 | \$2,333.56 |
| \$2,340,000-2,599,999 | \$2,456.38 |
| \$2,600,000-3,249,999 | \$2,579.20 |
| Over \$3,250,000 | \$2,763.43 |

Public Service Commission (PSC) Assessment - Surcharge assessed on all regulated revenues, the purpose of which is to fund the Maryland Public Service Commission and the Office of People's Counsel.

Franchise Tax - A tax, measured on all electricity delivered, imposed, for each calendar year, on each public service company doing business in the State.

State Sales Tax - The State assesses a sales and use tax of 6% on the sale of utility services. Energy for residential use, manufacturing, the Federal government, State & Municipal government and certain non-profit organizations are exempt from this tax.

Local Taxes - The various jurisdictions in BGE's service territory assess tax on electric energy use in addition to the State sales tax. Certain exemptions are granted by each local tax jurisdictions.