
RATE TRANSITION SURCHARGE

To stabilize the transition to market based electric supply, the charges to residential Customers taking Service under Rate Schedule R shall include, in addition to the charges specified in this tariff, a Rate Transition Surcharge at rates set forth below.

| <u>Effective for Service rendered from</u> | <u>Rate per kWh</u> |
|------------------------------------------------|---------------------|
| June 7, 2007 through December 31, 2007 | \$0.00602 |
| January 1, 2008 through December 31, 2008 | \$0.01813 |
| January 1, 2009 through May 31, 2009 | -\$0.00662 |
| June 1, 2009 through September 30, 2009 | -\$0.02110 |
| October 1, 2009 through December 31, 2009 | -\$0.00937 |

Applicable bills rendered shall include an amount equal to the rate times the number of distribution kilowatt-hours used in the billing period. The resulting charge is in addition to any minimum charge set out in the Rate Schedule and is added to the Customer's bill before any surcharge is levied against the Customer's bill.

Beginning January 1, 2009, money collected from the Rate Transition Surcharge along with accrued interest, net of taxes, will be returned to the residential Customer class in the form of per kilowatt-hour credits until December 31, 2010, or until all money has been completely refunded. Interest will accrue at the average rate the Company earns on external cash investments. The Company will file with the Commission for approval of the per kilowatt-hour credits effective during 2010 upon conclusion of its wholesale generation procurement process for the provision of market based electric supply, but no later than December 1, 2009.

Eligibility for the Rate Transition Surcharge and subsequent credits is limited to residential Customers receiving electric Service from the Company no later than October 31, 2008. All residential Customers connected and receiving electric Service from the Company on or after November 1, 2008 will not be eligible for the Rate Transition Surcharge and subsequent credits.

ISSUED BY DAVID W. MCDONALD, VICE PRESIDENT

Issued April 28, 2009

To become effective on
all service rendered on
or after June 1, 2009

Approved at Public Service Commission Administrative Meeting of May 27, 2009 in Case No. 9091

RATE TRANSITION SURCHARGE (Continued)

Refunds

Refunds of amounts paid from the Rate Transition Surcharge will be available for residential Customers that have moved out of the Company's franchised Service territory in Maryland, or to the estate of deceased residential Customers.

To validate eligibility, residential Customers of record that move out of the Company's franchised Service territory in Maryland must submit to the Company a copy of another electric utility bill in the same Customer name. In the case of deceased Customers, the estate must submit to the Company a copy of the death certificate of the residential Customer of record. The eligibility validation must be received by the Company within ninety days of finalization of the Customer's account with the Company, or by December 31, 2010, whichever occurs first.

The amount of the refund is based upon a residential average, including interest, for each of the month(s) that the Rate Transition Surcharge was applied to the eligible residential Customer, as set forth below. Partial months will be pro-rated. In addition, for any refund sought after January 1, 2009, the total will be offset by subsequent credits paid to the Customer.

Non-electric heating Customers billed on Company rate codes 100, 102 or 105:

| <u>Effective Revenue Months</u> | <u>Refund</u> | <u>Refund Offset</u> |
|---------------------------------|-------------------|----------------------|
| June through December 2007 | \$6.09 per month | |
| January through December 2008 | \$18.71 per month | |
| January through May 2009 | | -\$8.12 per month |
| June through September 2009 | | -\$22.96 per month |
| October through December 2009 | | -\$9.21 per month |

Electric heating Customers billed on Company rate code 103:

| <u>Effective Revenue Months</u> | <u>Refund</u> | <u>Refund Offset</u> |
|---------------------------------|-------------------|----------------------|
| June through October 2007 | \$7.89 per month | |
| November through December 2007 | \$11.63 per month | |
| January through March 2008 | \$35.25 per month | |
| April through October 2008 | \$24.53 per month | |
| November through December 2008 | \$35.25 per month | |
| January through May 2009 | | -\$13.83 per month |
| June through September 2009 | | -\$24.93 per month |
| October through December 2009 | | -\$15.64 per month |

ISSUED BY DAVID W. MCDONALD, VICE PRESIDENT

Issued April 28, 2009

To become effective on
all service rendered on
or after June 1, 2009

Approved at Public Service Commission Administrative Meeting of May 27, 2009 in Case No. 9091

RATE TRANSITION SURCHARGE (Concluded)

Refunds (Continued)

In the alternative to the above average refunds, eligible residential Customers may receive an individual refund by submitting billing documentation establishing the actual Rate Transition Surcharge amounts paid and credits received as a Customer of the Company. Once an individual refund is requested and refunded to the Customer, no attempts to seek the above average refunds shall be entertained by the Company.

In any event, Company arrears incurred by the residential Customer for the provision of electric Service must be satisfied prior to the issuance of a refund.

ISSUED BY DAVID W. MCDONALD, VICE PRESIDENT

Issued December 1, 2008

To become effective on
all service rendered on
or after January 1, 2009

Approved at Public Service Commission Administrative Meeting of December 31, 2008 in Case No. 9091