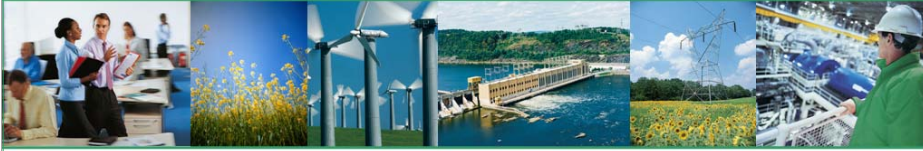




Constellation Energy



Deutsche Bank Energy & Utilities Conference

Tom Brooks

President, Constellation Energy Resources

The way energy **works**™

Thanks, John, and good morning, everyone. Thanks for joining us. I'm Tom Brooks, President of Constellation Energy Resources. I'll give a brief overview of Constellation Energy and then focus on our merchant activities.

Turning to slide two...

Forward Looking Statements Disclosure

Certain statements made in this presentation are forward-looking statements and may contain words such as “believes,” “anticipates,” “expects,” “intends,” “plans,” and other similar words. We also disclose non-historical information that represents management’s expectations, which are based on numerous assumptions. These statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to be materially different from projected results. These risks include, but are not limited to: the timing and extent of changes in commodity prices for energy including coal, natural gas, oil, electricity, nuclear fuel, freight and emissions allowances; the timing and extent of deregulation of, and competition in, the energy markets, and the rules and regulations adopted on a transitional basis in those markets; the conditions of the capital markets, interest rates, availability of credit, liquidity and general economic conditions, as well as Constellation Energy’s and BGE’s ability to maintain their current credit ratings; the ability to attract and retain customers in our competitive supply activities and to adequately forecast their energy usage; the effectiveness of Constellation Energy’s and BGE’s risk management policies and procedures and the ability and willingness of our counterparties to satisfy their financial and other commitments; the liquidity and competitiveness of wholesale markets for energy commodities; uncertainties associated with estimating natural gas reserves, developing properties and extracting gas; operational factors affecting the operations of our generating facilities (including nuclear facilities) and BGE’s transmission and distribution facilities, including catastrophic weather-related damages, unscheduled outages or repairs, unanticipated changes in fuel costs or availability, unavailability of coal or gas transportation or electric transmission services, workforce issues, terrorism, liabilities associated with catastrophic events, and other events beyond our control; the inability of BGE to recover all its costs associated with providing customers service; the effect of weather and general economic and business conditions on energy supply, demand, and prices; regulatory or legislative developments that affect deregulation, transmission or distribution rates, demand for energy, or that would increase costs, including costs related to nuclear power plants, safety, or environmental compliance; the ability of our regulated and non-regulated businesses to comply with complex and/or changing market rules and regulations; the actual outcome of uncertainties associated with assumptions and estimates using judgment when applying critical accounting policies and preparing financial statements, including factors that are estimated in applying mark-to-market accounting, such as the ability to obtain market prices and in the absence of verifiable market prices, the appropriateness of models and model impacts (including, but not limited to, extreme contractual load obligations, unit availability, forward commodity prices, interest rates, correlation and volatility factors); changes in accounting principles or practices; losses on the sale or write-down of assets due to impairment events or changes in management intent with regard to either holding or selling certain assets; our ability to successfully identify and complete acquisitions and sales of businesses and assets; and cost and other effects of legal and administrative proceedings that may not be covered by insurance, including environmental liabilities. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Please see our periodic reports filed with the SEC for more information on these factors. These forward-looking statements represent estimates and assumptions only as of the date of this presentation, and no duty is undertaken to update them to reflect new information, events or circumstances. 2

Before we begin, let me remind you that my comments today will include forward-looking statements which are subject to certain risks and uncertainties. For a complete discussion of these risks, we encourage you to read our documents on file with the SEC.

Turning to slide three...

Use of Non-GAAP Financial Measures

Constellation Energy presents several non-GAAP financial measures in this presentation in addition to information in accordance with generally accepted accounting principles (GAAP) amounts. This includes measures such as adjusted earnings per share (adjusted EPS), Gross Margin, EBIT, EBITDA, Net Debt to Total Capital, Free Cash Flow, and Funds From Operations to Debt.

Constellation Energy provides its earnings and annual earnings guidance in terms of adjusted EPS. Adjusted EPS differs from reported GAAP EPS because it excludes the cumulative effects of changes in accounting principles, discontinued operations, special items (which we define as significant items that are not related to our ongoing, underlying business or which distort comparability of results) included in operations, the impact of certain economic, non-qualifying hedges, and synfuel earnings. The mark-to-market impact of economic non-qualifying hedges is significant to reported results, but economically neutral to the company in that offsetting gains or losses on underlying accrual positions will be recognized in the future. Synfuel earnings are excluded due to the potential for oil price volatility to result in a difficult-to-forecast phase-out of tax credits. We present adjusted EPS because we believe that it is appropriate for investors to consider results excluding these items in addition to our results in accordance with GAAP. We believe this measure provides a picture of our results that is comparable among periods since it excludes the impact of items such as workforce reduction costs or gains and losses on the sale of assets, which may recur occasionally, but tend to be irregular as to timing, thereby distorting comparisons between periods. However, investors should note that this non-GAAP measure involves judgment by management (in particular, judgment as to what is classified as a special item or an economic, non-qualifying hedge to be excluded from adjusted earnings). This non-GAAP measure is also used to evaluate management's performance and for compensation purposes. Constellation Energy is unable to reconcile its annual earnings guidance to GAAP earnings per share because we do not predict the future impact of special items, economic, non-qualifying hedges or synfuel earnings due to the difficulty of doing so. The impact of special items, economic, non-qualifying hedges, or synfuel earnings could be material to our operating results computed in accordance with GAAP.

We note that adjusted EPS and the other non-GAAP measures utilized by Constellation Energy are not in accordance with GAAP and should not be viewed as an alternative to GAAP information. A reconciliation of non-GAAP information to GAAP information is included either on the slide where the information appears or on one of the slides in the Non-GAAP Measures section provided at the end of the presentation, along with additional information on why and how Constellation Energy uses this information. Please see the Summary of Non-GAAP Measures included to find the appropriate GAAP reconciliation and its related slide(s). These slides are only intended to be reviewed in conjunction with the oral presentation to which they relate.

3

I will use non-GAAP financial measures in this presentation to help you understand our operating performance. We've attached an appendix reconciling non-GAAP measures to GAAP measures.

Strategically Connected Business Across Value Chain



- **Generation Fleet**
 - Low-cost, efficient 8,700 MW generation fleet with baseload nuclear and coal-fired facilities producing approximately 96% of annual output
- **Customer Supply Group**
 - Market leading supplier of energy and risk management products to utilities, municipalities, cooperatives, and commercial and industrial customers
- **Global Commodities Group**
 - Risk manager, market leading trader, and developer of Constellation’s energy investments portfolio
- **Baltimore Gas and Electric**
 - Transmission and distribution utility for 1.2 million electricity customers and 640,000 gas customers in Central Maryland

4

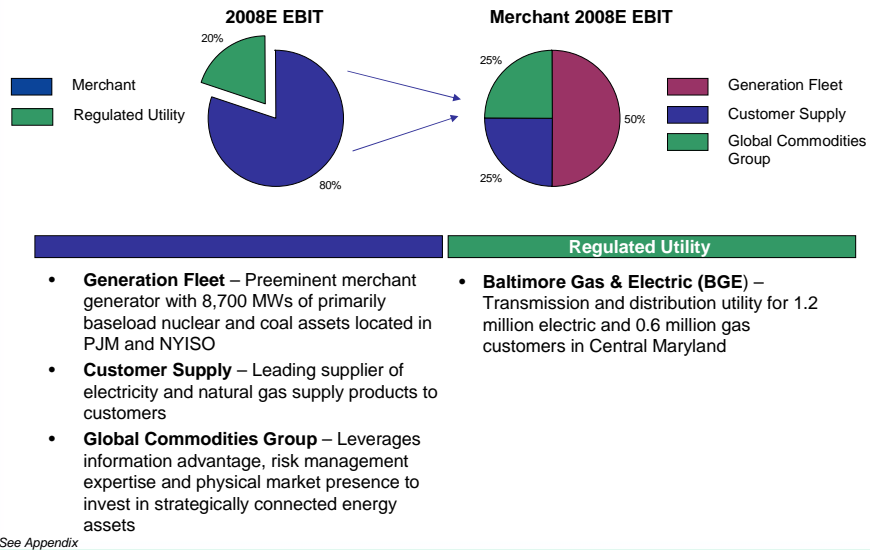
So starting in on slide four, Constellation is a broad-based energy company that competes across the value chain. As a merchant generator, we have high-quality base load nuclear and coal-fired capacity in high-value markets. Through our Customer Supply business, we're the leading supplier of electricity and natural gas products to wholesale and retail commercial and industrial customers throughout North America. Our Global Commodities Group has ownership and contractual interests in natural gas, coal, freight, and power assets.

We utilize our risk management expertise to manage our customer supply portfolio, hedge our generation fleet, provide services to our customers, and trade energy commodities. Finally, we distribute electricity and natural gas through our regulated utility, Baltimore Gas & Electric in central Maryland.

Our broad-based market participation gives us a diversified platform for future growth, and we expect to continue providing a superior return to our shareholders.

Moving to slide five...

Regulated and Competitive Businesses



Constellation has captured market opportunities to transform the company. Our strategy of serving customers in deregulated markets while maintaining a strong focus on execution and risk management has driven significant growth and has positioned us well for the long term.

Today Constellation expects to derive only about 20% of our 2008E EBIT from our regulated utility, BGE. So the majority of our earnings come from our merchant operations, which consists of our Generation fleet, our Customer Supply Group, and our Global Commodities Group.



Constellation Energy



Merchant Overview

The way energy **works**™

Let me now drill down on our merchant activities, starting on slide seven.

Constellation Energy The way energy works.™

Constellation's Merchant Business

Generation	Customer Supply	Global Commodities
<ul style="list-style-type: none"> 8,700 MW of efficient, low cost generation in high value markets  <p style="text-align: center;">50% of Merchant EBIT (2008E)</p>	<ul style="list-style-type: none"> Market leading supplier of electricity and natural gas products and services  <p style="text-align: center;">25% of Merchant EBIT (2008E)</p>	<ul style="list-style-type: none"> Risk manager, market leading trader, and developer of Constellation's energy investments portfolio   <p style="text-align: center;">25% of Merchant EBIT (2008E)</p>
<ul style="list-style-type: none"> Unhedged EBITDA Value of Hedges Impact of Hedging on EBIT 	<ul style="list-style-type: none"> Backlog Annual Gross Margin Targets Annual EBIT Forecast New Business Margins 	<ul style="list-style-type: none"> Annual Gross Margin targets MTM and Total portfolio VaR Structured Products Backlog
<p>Strong generation platform augmented by customer-facing risk management businesses</p>		
<p>Note: Included in this section of our presentation is a preliminary view of certain recast historical financial information to provide a basis for comparison to our new 2008 merchant reporting framework.</p>		

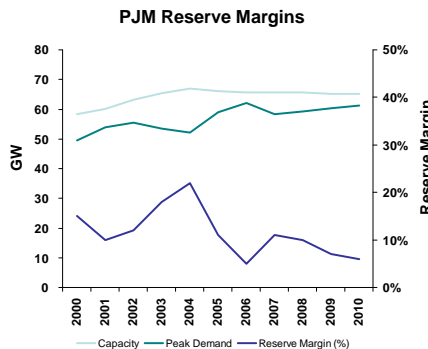
Our Merchant business is comprised of Generation, our Customer Supply Group, and our Global Commodities Group. Our nuclear and fossil generation groups operate 8,700 megawatts of mostly base load capacity, located in central New York and southeast PJM, and comprises about 50% of our Merchant EBIT.

Our Customer Supply Group is the market leader in providing electricity and natural gas supply and risk management products to a stable base of wholesale and retail customers throughout North America. And our Global Commodities Group is a risk manager, market-leading trader, and developer of our energy investments portfolio.

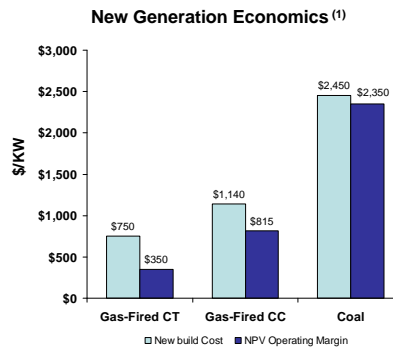
Turning to slide eight...

Generation – Market Fundamentals

Demand growth has been steady, and supply additions have not kept pace:



Power prices have risen, but new build costs have risen faster:



Strong market fundamentals provide a solid foundation for our generation business

(1) New build Cost based on CEG internal estimates for Gas-Fired CC and Coal. Gas-Fired CT is based on PJM's estimates. Net Revenue for 2007 from PJM's Market Monitoring Report Members Committee, January 24, 2008. Converted into \$/KW using 20-yr NPV at 10.0%

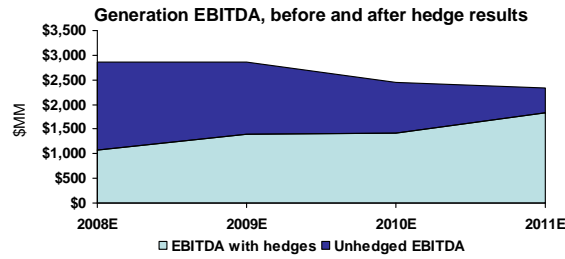
The key themes that underpin our power generation strategy are fairly simple. Nationwide demand for electric power continues to climb roughly with GDP. Supply additions are not expected to keep pace through the end of the decade. Predictably, capacity margins are tightening.

In addition, while power prices have risen steeply over the last three years, the cost of new construction has risen even faster. The result is that even in the face of a tightening supply/demand balance, spot and forward market prices support attractive returns on new investment in only limited circumstances today.

Given long lead times for new supply, we expect a continued trend of tightening reserve margins over the next five to ten years, which should motivate investment in new capacity as prices respond. If this trend plays out, it will likely benefit our existing fleet, create opportunities for us to make investments in new generating capacity, and provide incremental acquisition opportunities.

Turning to slide nine...

Generation Earnings Outlook



(\$ millions)	2008E	2009E	2010E	2011E
Total Output (MM MWhs)	53	52	52	53
Unhedged GM	3,715	3,765	3,431	3,369
O&M	(864)	(900)	(979)	(1,036)
Unhedged EBITDA	2,851	2,865	2,452	2,333
Hedge Impact	(1,773)	(1,468)	(1,031)	(514)
EBITDA with Hedges	1,078	1,397	1,421	1,819

Forecast as of approximately 3/31/08

9

This chart provides an update on how changes in forward market prices and hedging activity affect Generation EBITDA. For 2008, we're forecasting unhedged EBITDA of \$2.85 billion. Netting the hedging impacts of \$1.77 billion, our hedged EBITDA forecast is \$1.1 billion.

You will note that unhedged EBITDA is forecasted to decline over the next three years due to the backwardated forward power curve, higher coal prices, and the estimated cost of carbon credits. However, as our hedges on the Generation fleet continue to re-price at higher levels, the hedge impact diminishes significantly, resulting in a hedged EBITDA of approximately \$1.8 billion by 2011.

Our forecast includes an estimate for capacity prices in PJM. As you're aware, the 2011-2012 planning year RPM auction cleared a couple of weeks ago. While capacity cleared at levels slightly below our forecast, the increase in energy prices for that time period will more than offset the shortfall.

Constellation views the RPM auctions as a success, as they provided greater transparency to future capacity prices, which should reduce risk premiums and strengthen the investment pieces. While there've been some short-term transitional issues, overall we remain confident that durable market signals seem to be developing and investment is occurring as intended.

Turning to slide 10...

Generation Investment

	<u>Capacity (MW)</u>	<u>In service date</u>	<u>Total spend</u>
<u>At Existing Maryland and New York Sites</u>			
Uprate: Nine Mile Point			
Rehabilitation: Gould Street	178	Jul-08/Jul-09	
Reliability Enhancement: Perryman, Wagner			
Potential New Development: Riverside, Perryman	85	Dec-08	
TOTAL	368		\$330MM
Weighted average installed cost of capacity expansion projects (~\$900/KW) compares very favorably to our estimate of the weighted average replacement cost for similar capacity (~\$1,600/KW)			
<u>At New Sites</u>			
New Development: Grand Prairie – Alberta	85	Dec-08	
Acquired, Pre-Completion: Hillabee – Alabama	750	Dec-09	
Acquired, In-Service: West Valley – Utah	200	In Service	
TOTAL	1,035		\$500 – 600MM

Continue to invest to grow generation business

10

The market environment has become conducive to new development and acquisition under certain circumstances. At Constellation, we are pursuing three targeted strategies. First, at our existing sites, we're looking to increase capacity, leveraging our existing infrastructure to enable a cost benefit. These projects are expected to yield a total of about 370 megawatts of incremental capacity. At about \$900 per KW on average, this compares quite favorably to our estimate of a weighted average replacement cost for similar generation of almost \$1,600 a KW.

Second, we're investing in the development of new generation at greenfield sites. We're well under way in the development of a facility in Alberta, where the market structure supports new investment. We expect it to go online before year end. In addition, we continue to explore other options for new development, which include new gas-fired generation in Maryland.

Finally, Constellation has been successful in acquiring power plants at attractive levels. In February of this year, we purchased the partially completed Hillabee Energy Center in Alabama, which, when completed in December of 2009, will have a cost of approximately 45% of today's new-build cost.

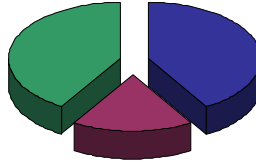
Just this month, we purchased a 200-megawatt simple cycle plant near Salt Lake City. At \$88 million we were able, again, to transact at a significant discount to today's new-build prices in a market where we're looking to strategically grow our presence.

Customer Supply Overview

2008E Gross Margin

Wholesale Power (41%)

Wholesale power marketer serving over 16,000 MW of peak load to utilities, co-ops, municipalities, and retail suppliers across North America



Retail Power (42%)

Leading retail electricity supplier providing energy products and services to over 15,000 customers and over 75 of the Fortune 100

Retail Gas (17%)

Natural gas provider serving over 7,500 commercial, industrial, municipal, and local gas distribution and power facilities across North America

Leading power and gas marketer in North America

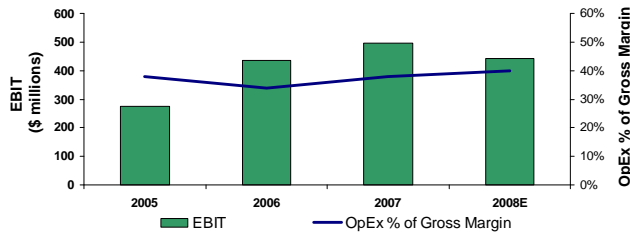
11

Our Customer Supply Group provides structured natural gas and power supply products to wholesale and end-use customers throughout North America. Our three key markets are wholesale power, retail power, and retail natural gas. Our 2008 plan expects gross margin of \$737 million, comprised of 41% wholesale power, 42% retail power, and 17% retail natural gas.

Turning to slide 12...

Customer Supply Earnings

\$ millions	2005	2006	2007	2008E
Retail	216	340	420	433
Wholesale	231	319	380	304
Gross Margin	447	659	800	737
Operating expenses	(171)	(223)	(305)	(295)
EBIT	276	436	495	442



Note: Results shown here do not include historical gross margin impact of managing certain wholesale load-related risks, primarily weather and customer behavior. Historically these impacts have been included in the Commodities Group's Portfolio Management & Trading results (loss of \$121MM in 2005, gain of \$160MM in 2006, and loss of \$1 MM in 2007). Because these risks are intrinsic to our Customer Supply activities, we will reflect their impact in our Customer Supply results prospectively.

Note: Preliminary view of recast historical information

12

Our Customer Supply margins have demonstrated a degree of cyclicity over the last several years, which you see here reflected in our results.

Between 2005 and 2007, our gross margin increased 34% annually, in part reflecting the impact of longer-dated, higher-margin sales entered into after the hurricane season of 2005. Operating expenses grew at a comparable rate as we expanded the business and developed new platforms.

As we look forward, we expect gross margin to decrease from 2007 levels as lower volatility and the absence of price shocks has reduced new sales margins somewhat.

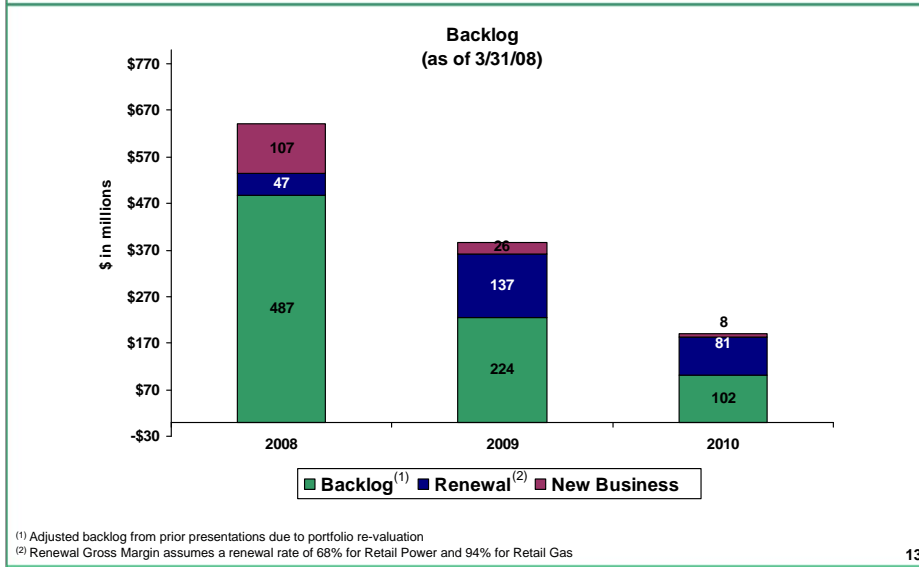
We continue to see retail power customers hesitant to make long-term purchases at the present time. They seem to be relying on shorter-term products, apparently waiting for prices to come back down.

Our retail gas and wholesale power businesses are doing well and remain on track to achieve their 2008 earnings targets.

In total, we don't expect our 2008 Customer Supply EBIT to be quite as strong as our outstanding 2007 results, but we do expect a strong year.

Turning to slide 13...

Customer Supply: Backlog



Given our basic model of selling energy products to customers over terms typically ranging from six months to two years, our Customer Supply business is supported by a backlog of gross margin sold in prior periods and expected to be realized in future periods. To better demonstrate the value of our retail franchise, we've explicitly shown here the renewal portion of our backlog. Based on historic results, we assume 68% of our retail power customers and 94% of our retail gas customers will remain with us.

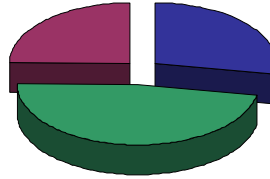
Turning to slide 14...

Global Commodities Overview

2008E Gross Margin

Energy Investments (25%)

Direct investment in energy assets that are strategically connected to our core businesses. Primarily gas production assets and dry-bulk cargo ships



Structured Products (28%)

Customized risk management products for customers in the power, gas, coal, and freight markets (e.g., generation tolls, gas transport and storage, and global coal logistics)

Portfolio Management & Trading (47%)

Centralized risk management services for entire merchant combined with Trading arm

14

Our Global Commodities Group handles all the merchant's risk management and oversees risk-taking activities in energy-related physical and financial markets. GCG's 2008 planned gross margin of \$828 million will fall into three categories -- portfolio management and trading, comprising 47% of the 2008 plan; structured products, comprising 28%; and energy investments, comprising 25% of the plan.

While our merchant first quarter results were in line with our plan, our mix of earnings came more from structured products, offset by a small loss from portfolio management and trading. We continue to forecast that Global Commodities will achieve its 2008 plan, but the mix may be ultimately a bit different from this forecast. Let me touch briefly on each area, starting on slide 15.

Structured Products

Contractually Controlled Power Generation

- 4,500 MW portfolio, generated from multiple fuel types and geographic areas
- Average contract term remaining 6 years

Natural Gas Transportation & Storage

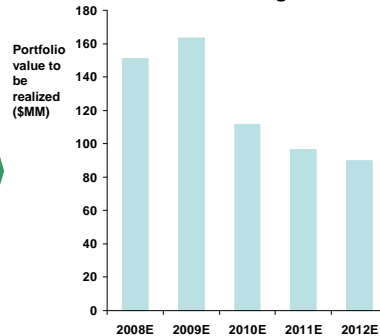
- Contractually control 15 Bcf of storage and 1.2 Bcf/day of transportation

International Coal Sales

- Delivered 22 million short tons to US and international customers in 2007



Structured Products Backlog



Structured Products is a steady earnings producer, leveraging broad customer relationships and risk management capability

15

In structured products, we originate longer-term customer risk management transactions in three key areas -- contractually controlled power generation includes the margin from long-term contracts we've entered into to purchase power from generators in support of our Customer Supply activities; coal sales, through which we delivered 22 million short tons of coal to a variety of generation and industrial customers in 2007; and natural gas transportation and storage, which includes results from managing our contractual network of natural gas storage and transportation capacity, which also backstops our supply to our customer businesses.

The earnings from these activities are generally recognized as the physical commodities are delivered, although we do occasionally transact the captured gains as market opportunities arise. As you see, our total structured products backlog amounts to \$612 million to be realized over the next five years.

Turning to slide 16...

Energy Investments

Natural Gas Production

- Own nine producing properties
- Acquired largely in 2006 and 2007
- Portfolio includes ownership interest in Constellation Energy Partners ⁽¹⁾
- 355 Bcfe proved reserves (including interest in CEP)

Coal and Freight

- Jointly own six dry-bulk shipping vessels
- Employed as part of international coal supply business
- Purchased during 2007

⁽¹⁾ Constellation Energy Partners (NYSE Arca: CEP) is an oil and gas MLP in which CEG holds a stake

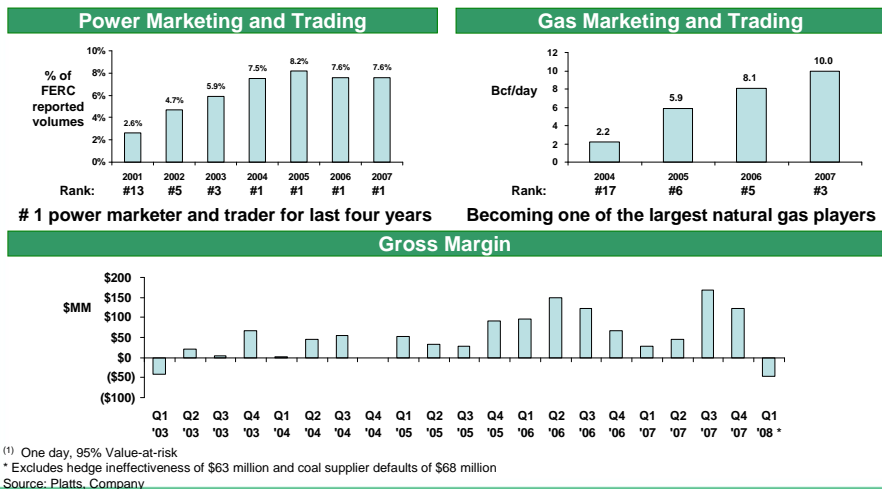
Finally, our Global Commodities Group has also made a number of direct investments in energy-related assets. These have been strategically connected to our other businesses and relied upon our core skills in valuation and risk management. They've been in two key areas -- natural gas production and dry-bulk freight.

In total, we've invested just under \$1 billion, mostly in the last two years, and generated a gain, both realized and unrealized, of about 40%. In our business plan, we included an expectation that we would realize gains from some of our current energy investments and re-deploy capital into further direct investment opportunities in areas strategically connected to our business.

Turning to slide 17...

Portfolio Management & Trading

- Total Portfolio Value-at-Risk⁽¹⁾ of \$17 million (includes both mark to market and accrual portfolios)
- Mark to Market Value-at-Risk⁽¹⁾ of \$13MM



Our portfolio management and trading group manages all the price risk associated with Constellation's Generation fleet, our Customer Supply business, both wholesale and retail, and our structured products portfolios. It also deploys risk capital in traded energy markets.

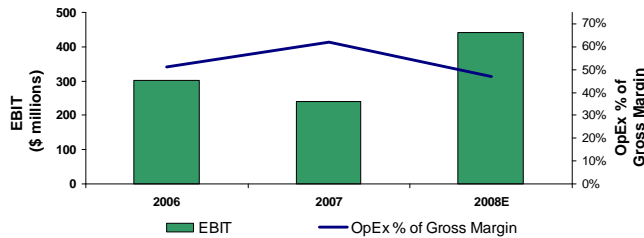
Our portfolio management and trading activities are supported by a very strong market position. We've been the number one player in U.S. power markets for the last five years. We've also become the third largest player in North American gas markets, with the only larger players being integrated oil and gas majors.

Despite a small first quarter loss, the first in five years, from portfolio management and trading, we believe our market position supports the strong and steady results over many years that you see shown on the lower part of this chart, results that we think are particularly impressive given the significant volatility that energy markets have experienced over the last five years.

Turning to slide 18...

Global Commodities Earnings

\$ millions	2006	2007	2008E
Energy Investments ⁽¹⁾	45	109	206
Structured Products	132	97	231
Portfolio Management & Trading ⁽²⁾	437	435	391
Gross Margin	614	641	828
Operating Expenses	(312)	(400)	(387)
EBIT	302	241	441



(1) Upstream Gas Reported as Contribution Margin
 (2) Included in historical Portfolio Management & Trading result is the gross margin impact of managing certain risks that are intrinsic to the Customer Supply business, primarily weather and customer behavior (a gain of \$160MM in 2006 and a loss of \$1MM in 2007). Because these risks are intrinsic to our Customer Supply activities, we will reflect their impact in Customer Supply results prospectively.
 Note: Preliminary view of recast historical information

Looking at the total Global Commodities Group earnings picture, three things are worth noting. First, we're experiencing meaningful growth from structured products in the energy investments areas, where we focused significant business-building effort over the last two years.

Second, our outlook for portfolio management and trading in 2008 is generally in line with realized results from the last two years.

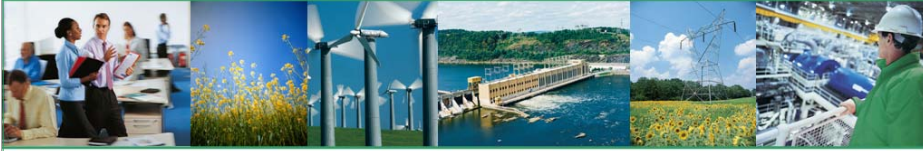
Third, our operating expense ratio has stayed within a reasonably consistent range over the last three years. The ratio did increase somewhat in 2007 as we invested to expand our structured products and energy investments capabilities, but we expect the ratio to decline meaningfully in 2008 as we realize the benefits of this 2007 investment.

In total, we expect EBIT to grow at an annual rate of 21% over the 2006-2008 period.

Turning to slide 19...



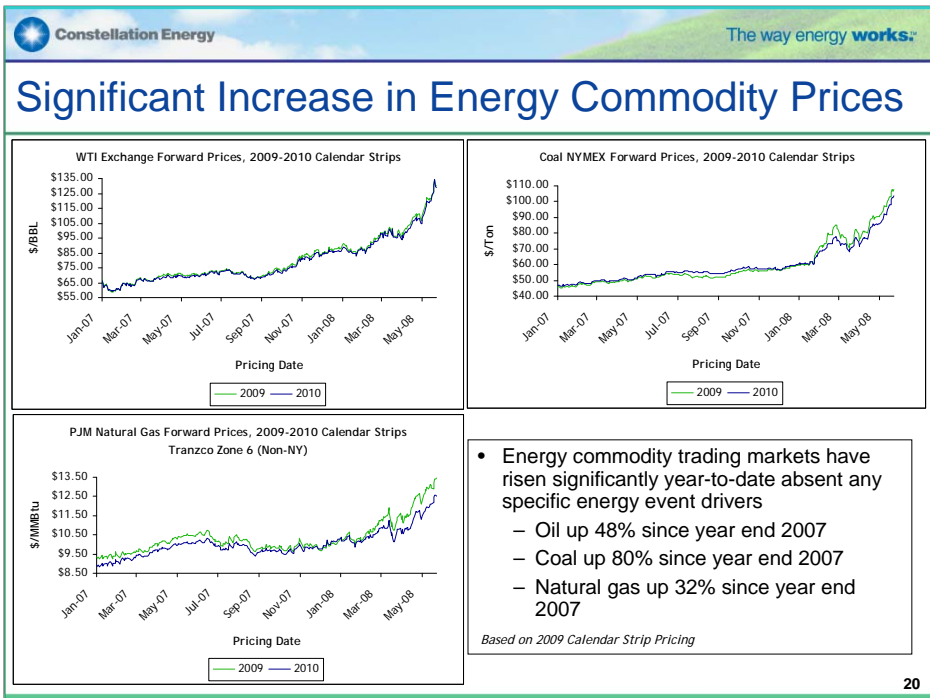
Constellation Energy



Recent Events and Outlook

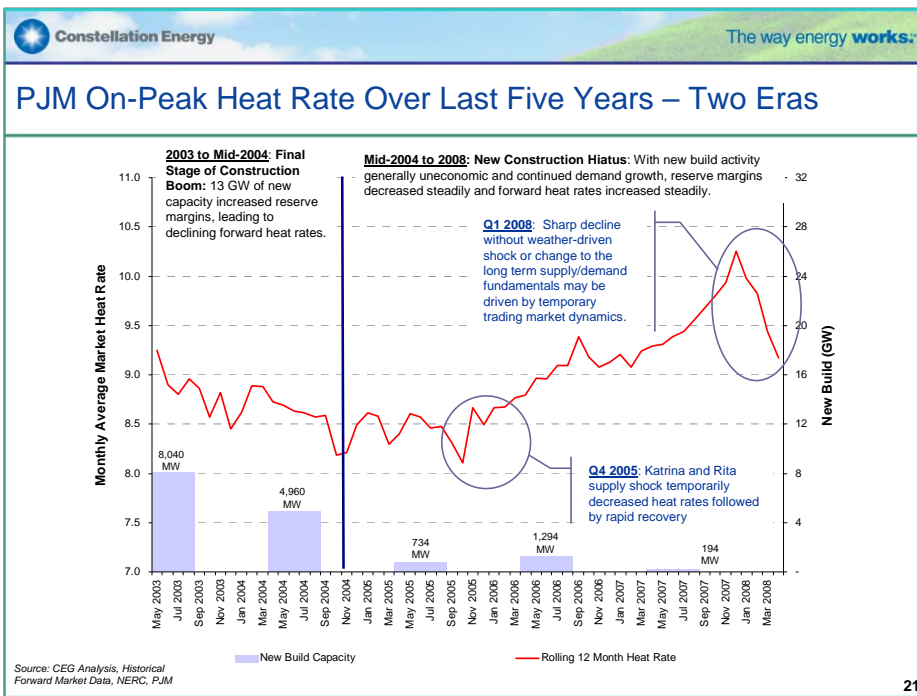
The way energy **works**™

I'm going to close with a few thoughts on the market environment and outlook, starting on slide 20.



Of course, crude oil, coal, and natural gas prices rose significantly in the first quarter. Oil was up 24%, coal was up -- increased 49%, and natural gas rose 24% over year-end 2007.

Despite the rise in these fuel inputs, power prices did not rise as quickly, resulting in a significant breakdown in the historic relationship between natural gas and power prices. We believe that this sharp decline in heat rates was a marked departure from a fairly steady trend, and we think it's likely to correct. The trend in heat rates is shown on slide 21.



Over the last five years, we've seen essentially two eras in PJM forward heat rates, separated by the blue line on the left of this chart. The period of May 2003 through the first half of 2004 was essentially the tail end of the power plant building boom that started in the early part of this decade. About 13,000 megawatts of new capacity came on-line in 2003 and 2004, causing reserve margins to increase and heat rates to decrease as a result.

In the period from mid-2004 until the present, little new capacity has come on-line given generally unattractive new-build economics. With continuous demand growth, reserve margins have declined and heat rates have increased steadily, with a brief and temporary downward detour caused by the immediate natural gas price run-up following Hurricane Katrina in the fall of 2005.

In the first quarter of this year, forward heat rates departed dramatically from this trend, as you see on the far right, with no shock event or long-term supply/demand fundamental expectation to really rationalize the move. We believe that this is most likely explained by what will be temporary trading market dynamics, as many financial players may have decreased their exposure to power products during the quarter. This could suggest some upside to the outlook if power prices return to the long-term trend.

Turning to slide 22...

Earnings Outlook



- Reaffirming earnings guidance for 2008 of \$5.25 to \$5.75 per share
- Forecasting 2009 EPS growth of 15% to 20% over 2008
- Expect compound annual growth rate of greater than 10% over the next 5 years

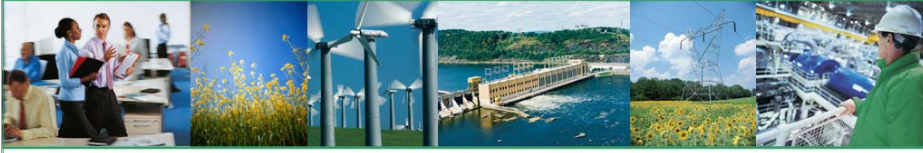
⁽¹⁾ Adjusted for the effect of special items, certain economic, non-qualifying hedges, and synfuel earnings
See Appendix

22

In closing, we're reaffirming our 2008 earnings guidance of \$5.25 to \$5.75. For 2009, we continue to forecast earnings growth of 15% to 20% over 2008, and over the five-year planning horizon, we continue to project an average growth rate of greater than 10%. Thanks very much, and I'm happy to take questions.



Constellation Energy



Non-GAAP Appendix

The way energy **works.**[™]

Summary of Non-GAAP Measures

Non-GAAP Measure	Slide(s) Where Used in Presentation	Most Comparable GAAP Measure	Slide Containing Reconciliation
Adjusted EPS			
YTD 2007 Actual	22	Reported GAAP EPS	25
YTD 2006 Actual	22		25
YTD 2005 Actual	22		26
EPS Guidance	22		25, 26

Adjusted EPS 2007 and 2006

We exclude special items and certain economic, non-qualifying fuel adjustment clause and gas transportation and storage hedges because we believe that it is appropriate for investors to consider results excluding these items, in addition to our results in accordance with GAAP. We have also adjusted earnings to exclude synfuel results due to the potential volatility and phase-out of the tax credits. We believe such a measure provides a picture of our results that is comparable among periods since it excludes the impact of items, which may recur occasionally, but tend to be irregular as to timing and magnitude, thereby distorting comparisons between periods. However, investors should note that this non-GAAP measure involves judgment by management (in particular, judgments as to what is or is not classified as a special item). We also use this measure to evaluate performance and for compensation purposes.

RECONCILIATION:

(\$ per share)

	Merchant Energy A	Regulated Electric B	Regulated Gas C	BCE D = (B+C)	Other Nonreg. E	Total F = (A+D+E)	
2007 ACTUAL RESULTS:							
Reported GAAP EPS	\$ 3.72	\$ 0.53	\$ 0.16	\$ 0.69	\$ 0.09	\$ 4.50	
Income from Discontinued Operations	(0.01)	-	-	-	-	(0.01)	GAAP MEASURES
EPS Before Discontinued Operations	3.73	0.53	0.16	0.69	0.09	4.51	
Special Items, Non-qualifying Hedges, and Synfuel Results Included in Operations:							
Non-qualifying Hedges	0.01	-	-	-	-	0.01	
Synthetic fuel facility results	(0.02)	-	-	-	-	(0.02)	
Maryland Corporate Tax Rate	0.05	(0.05)	-	(0.05)	-	-	
Impairment losses and Other Costs	(0.07)	-	-	-	-	(0.07)	
Workforce Reduction Costs	(0.01)	-	-	-	-	(0.01)	
Total Special Items, Non-qualifying Hedges, and Synfuel Results	(0.04)	(0.05)	-	(0.05)	-	(0.09)	
Adjusted EPS	\$ 3.77	\$ 0.58	\$ 0.16	\$ 0.74	\$ 0.09	\$ 4.60	NON-GAAP MEASURE
2006 ACTUAL RESULTS:							
Reported GAAP EPS	\$ 4.23	\$ 0.66	\$ 0.20	\$ 0.86	\$ 0.07	\$ 5.16	
Income from Discontinued Operations	1.03	-	-	-	0.01	1.04	GAAP MEASURES
EPS Before Discontinued Operations	3.20	0.66	0.20	0.86	0.06	4.12	
Special Items, Non-qualifying Hedges, and Synfuel Results Included in Operations:							
Gain on sale of gas-fired plants (excluding High Desert)	0.26	-	-	-	-	0.26	
Non-qualifying hedges	0.21	-	-	-	-	0.21	
Synthetic fuel facility results	0.16	-	-	-	-	0.16	
Workforce reduction costs	(0.09)	-	-	-	-	(0.09)	
Merger-related costs	(0.02)	(0.01)	-	(0.01)	-	(0.03)	
Total Special Items, Non-qualifying Hedges, and Synfuel Results	0.52	(0.01)	-	(0.01)	-	0.51	
Adjusted EPS	\$ 2.68	\$ 0.67	\$ 0.20	\$ 0.87	\$ 0.06	\$ 3.61	NON-GAAP MEASURE

EARNINGS GUIDANCE

Constellation Energy is unable to reconcile its earnings guidance excluding special items to GAAP earnings per share because we do not predict the future impact of special items such as the cumulative effect of changes in accounting principles and the disposition of assets. See above reconciliation for actual Special Items.

Adjusted EPS YTD 2005

We exclude special items and certain economic, non-qualifying fuel adjustment clause and gas transportation and storage hedges because we believe that it is appropriate for investors to consider results excluding these items, in addition to our results in accordance with GAAP. We have also adjusted earnings to exclude synfuel results due to the potential volatility and phase-out of the tax credits. We believe such a measure provides a picture of our results that is comparable among periods since it excludes the impact of items, which may recur occasionally, but tend to be irregular as to timing and magnitude, thereby distorting comparisons between periods. However, investors should note that this non-GAAP measure involves judgment by management (in particular, judgments as to what is or is not classified as a special item). We also use this measure to evaluate performance and for compensation purposes.

RECONCILIATION:

(\$ per share)	Total	
2005 ACTUAL RESULTS:		
Reported GAAP EPS	\$ 3.47	} GAAP MEASURES
Income from Discontinued Operations	0.53	
Cumulative Effects of Changes in Accounting Principles	(0.04)	
EPS Before Discontinued Operations and Cumulative Effects of Changes in Accounting Principles	2.98	
Special Items and Non-qualifying Hedges Included in Operations:		
Non-qualifying Hedges	(0.14)	
Synthetic fuel facility results	0.33	
Merger-related costs	(0.09)	
Workforce reduction costs	(0.01)	
Total Special Items, Non-qualifying Hedges, and Synfuel Results	0.09	
Adjusted EPS	\$ 2.89	NON-GAAP MEASURE

EARNINGS GUIDANCE

Constellation Energy is unable to reconcile its earnings guidance excluding special items to GAAP earnings per share because we do not predict the future impact of special items such as the cumulative effect of changes in accounting principles and the disposition of assets. See above reconciliation for actual Special Items.