

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

BALTIMORE GAS & ELECTRIC CO

CIK: **9466** | IRS No.: **520280210** | State of Incorporation: **MD** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-01910** | Film No.: **96688102**
SIC: **4931** Electric & other services combined

Business Address
GAS & ELECTRIC BLDG
CHARLES CTR
BALTIMORE MD 21201
4107835920

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): December 30, 1996

BALTIMORE GAS AND ELECTRIC COMPANY
(Exact name of registrant as specified in its charter)

Maryland (State of incorporation)	1-1910 (Commission File Number)	52-0280210 (IRS Employer Identification No.)
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39 W. Lexington Street Baltimore, Maryland (Address of principal executive offices)	21201 (Zip Code)
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410-783-5920
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed
since last report)

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ITEM 5. Other Events

Charge to Earnings for Settlement of Fuel Rate Proceedings about Calvert Cliffs

Nuclear Power Plant Extended Outage

As reported in our 1995 Annual Report on Form 10-K, during 1989 through 1991 we experienced extended outages at our Calvert Cliffs Nuclear Power Plant. The replacement energy costs associated with these extended outages are estimated to be \$458 million. The extended outages have been the subject of ongoing fuel rate proceedings before the Maryland Public Service Commission (PSC) for several years.

On December 30, 1996, we entered into a settlement agreement with People's Counsel (the advocates for residential ratepayers) and the PSC Staff proposing a resolution to these fuel rate proceedings. We agreed that ratepayers will not fund a total of \$118 million of deferred electric fuel costs associated with the extended outages. This represents \$83 million in addition to the \$35 million reserve for possible disallowance of replacement energy costs we recorded in 1990. Under the accounting rules, the agreement results in a charge to earnings in the fourth quarter of 1996 totaling \$58 million after tax, or 39 cents per share. Technically, the accounting entries are as follows: we will record a reserve to write off \$83 million of deferred electric fuel costs (in addition to the previous \$35 million reserve). Additionally, we will record a reserve to write off \$5.5 million of accrued carrying charges related to the deferred fuel balances.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BALTIMORE GAS AND ELECTRIC COMPANY
(Registrant)

Date December 30, 1996

/s/ C.W. Shivery
C. W. Shivery, Vice President
on behalf of the Registrant and
as Principal Financial Officer