



Quarterly Financial Summary

June 2002

Constellation Generation Group
Constellation Power Source
Baltimore Gas and Electric Company
BGE Home Products and Services
Constellation Energy Source

Consolidated Statements of Income (Unaudited)

	<i>Three Months Ended</i> <i>June 30,</i>		<i>Six Months Ended</i> <i>June 30,</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
	<i>(In Millions, Except Per Share Amounts)</i>			
Revenues				
Nonregulated revenues	\$ 449.8	\$ 219.1	\$ 808.7	\$ 505.2
Regulated electric revenues	480.4	497.4	940.7	989.6
Regulated gas revenues	90.6	109.6	311.4	461.8
Total revenues	1,020.8	826.1	2,060.8	1,956.6
Expenses				
Operating expenses	639.0	514.7	1,308.9	1,264.8
Workforce reduction costs	13.3	-	39.2	-
Loss on sale of turbine	6.0	-	6.0	-
Depreciation and amortization	117.2	102.0	234.3	205.6
Taxes other than income taxes	63.6	55.5	129.2	113.9
Total expenses	839.1	672.2	1,717.6	1,584.3
Gains on Sale of Investments and Other Assets	3.2	17.1	260.3	33.7
Income from Operations	184.9	171.0	603.5	406.0
Other Income	5.1	4.2	8.9	3.0
Income Before Fixed Charges and Income Taxes	190.0	175.2	612.4	409.0
Fixed Charges				
Interest expense	79.5	72.5	146.6	150.5
Interest capitalized and allowance for borrowed funds used during construction	(20.1)	(18.8)	(31.9)	(34.1)
BGE preference stock dividends	3.3	3.3	6.6	6.6
Total fixed charges	62.7	57.0	121.3	123.0
Income Before Income Taxes	127.3	118.2	491.1	286.0
Income Taxes				
Current	6.7	36.5	167.7	112.4
Deferred	41.3	8.1	17.4	(1.2)
Investment tax credit adjustments	(2.0)	(2.0)	(4.0)	(4.1)
Total income taxes	46.0	42.6	181.1	107.1
Income Before Cumulative Effect of Change in Accounting Principle	81.3	75.6	310.0	178.9
Cumulative Effect of Change in Accounting Principle, Net of Taxes of \$5.6	-	-	-	8.5
Net Income	\$ 81.3	\$ 75.6	\$ 310.0	\$ 187.4
Earnings Applicable to Common Stock	\$ 81.3	\$ 75.6	\$ 310.0	\$ 187.4
Average Shares of Common Stock Outstanding	164.0	163.7	163.9	157.8
EARNINGS PER COMMON SHARE				
Merchant energy	\$ 0.39	\$ 0.32	\$ 0.57	\$ 0.60
Regulated electric	0.13	0.11	0.31	0.29
Regulated gas	0.02	0.02	0.19	0.20
Other nonregulated	0.02	(0.05)	(0.02)	(0.09)
Earnings per share before special items and cumulative effect of change in accounting principle	0.56	0.40	1.05	1.00
Gains on sale of investments and other assets (includes Orion sales) *	0.01	0.06	1.01	0.13
Workforce reduction costs *	(0.05)	-	(0.15)	-
Loss on sale of turbine *	(0.02)	-	(0.02)	-
Earnings Per Share of Common Stock and Earnings Per Share of Common Stock Assuming Dilution Before Cumulative Effect of Change in Accounting Principle	0.50	0.46	1.89	1.13
Cumulative effect of change in accounting principle, net of income taxes	-	-	-	0.06
Earnings Per Share of Common Stock and Earnings Per Share of Common Stock - Assuming Dilution	\$ 0.50	\$ 0.46	\$ 1.89	\$ 1.19
Equity investment in nonregulated businesses at end of period	\$ 2,568.8	\$ 2,937.6	\$ 2,568.8	\$ 2,937.6
Equity investment in utility business at end of period	\$ 1,386.9	\$ 868.8	\$ 1,386.9	\$ 868.8

Certain prior-period amounts have been reclassified to conform with the current period's presentation.

** Special items included in earnings from operations.*

Consolidated Balance Sheets

	June 30, 2002 *	December 31, 2001
(In Millions)		
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 251.0	\$ 72.4
Accounts receivable (net of allowance for uncollectibles of \$24.9 and \$22.8, respectively)	757.9	738.9
Trading securities	88.2	178.2
Mark-to-market energy assets	403.0	398.4
Fuel stocks	118.2	108.0
Materials and supplies	213.4	205.3
Prepaid taxes other than income taxes	9.1	93.4
Other	36.6	65.6
Total current assets	<u>1,877.4</u>	<u>1,860.2</u>
Investments And Other Assets		
Real estate projects and investments	96.9	210.7
Investments in power projects	455.9	499.1
Investment in Orion Power Holdings, Inc.	-	442.5
Financial investments	38.3	60.7
Nuclear decommissioning trust funds	676.4	683.5
Mark-to-market energy assets	1,184.4	1,819.8
Other	275.0	207.4
Total investments and other assets	<u>2,726.9</u>	<u>3,923.7</u>
Property, Plant and Equipment		
Regulated property, plant and equipment	5,005.1	4,948.7
Nonregulated generation property, plant and equipment	6,676.8	6,551.1
Other nonregulated property, plant and equipment	201.7	192.9
Nuclear fuel (net of amortization)	201.4	169.5
Accumulated depreciation	<u>(4,234.9)</u>	<u>(4,161.8)</u>
Net property, plant and equipment	<u>7,850.1</u>	<u>7,700.4</u>
Deferred Charges		
Regulatory assets (net)	428.2	463.8
Other	130.4	129.5
Total deferred charges	<u>558.6</u>	<u>593.3</u>
Total Assets	<u>\$ 13,013.0</u>	<u>\$ 14,077.6</u>
LIABILITIES AND CAPITALIZATION		
Current Liabilities		
Short-term borrowings	\$ 15.5	\$ 975.0
Current portion of long-term debt	637.5	1,406.7
Accounts payable	616.4	523.3
Mark-to-market energy liabilities	275.9	323.3
Dividends declared	42.7	23.0
Other	303.5	308.2
Total current liabilities	<u>1,891.5</u>	<u>3,559.5</u>
Deferred Credits And Other Liabilities		
Deferred income taxes	1,335.2	1,431.0
Mark-to-market energy liabilities	802.5	1,476.5
Net pension liability	126.3	173.3
Postretirement and postemployment benefits	347.2	330.9
Deferred investment tax credits	89.6	93.4
Other	249.9	266.9
Total deferred credits and other liabilities	<u>2,950.7</u>	<u>3,772.0</u>
Long-Term Debt		
Long-term debt of Constellation Energy	2,100.0	935.0
Long-term debt of nonregulated businesses	403.1	769.1
First refunding mortgage bonds of BGE	1,040.7	1,040.7
Other long-term debt of BGE	918.1	1,129.6
Company obligated mandatorily redeemable trust preferred securities of subsidiary trust holding solely 7.16% debentures of BGE due June 30, 2038	250.0	250.0
Unamortized discount and premium	(12.8)	(5.2)
Current portion of long-term debt	(637.5)	(1,406.7)
Total long-term debt	<u>4,061.6</u>	<u>2,712.5</u>
BGE Preference Stock Not Subject To Mandatory Redemption	<u>190.0</u>	<u>190.0</u>
Common Shareholders' Equity		
Common stock	2,060.1	2,042.2
Retained earnings	1,841.2	1,611.5
Accumulated other comprehensive income	17.9	189.9
Total common shareholders' equity	<u>3,919.2</u>	<u>3,843.6</u>
Total capitalization	<u>8,170.8</u>	<u>6,746.1</u>
Total Liabilities And Capitalization	<u>\$ 13,013.0</u>	<u>\$ 14,077.6</u>

*Unaudited

Certain prior-period amounts have been reclassified to conform with the current period's presentation.

Consolidated Statements of Cash Flows (Unaudited)

	Six Months Ended June 30,	
	2002	2001
	(In Millions)	
Cash Flows From Operating Activities		
Net income	\$ 310.0	\$ 187.4
Adjustments to reconcile to net cash provided by operating activities		
Cumulative effect of change in accounting principle	-	(8.5)
Depreciation and amortization	251.4	227.6
Deferred income taxes	17.4	(1.2)
Investment tax credit adjustments	(4.0)	(4.1)
Deferred fuel costs	24.6	42.8
Pension and postemployment benefits	(96.0)	14.0
Gain on sale of investments	(260.3)	(33.7)
(Loss) Gain on sale of plant assets	6.0	(9.5)
Workforce reduction costs	39.2	-
Equity in earnings of affiliates and joint ventures (net)	43.2	(14.2)
Changes in mark-to-market energy assets and liabilities	(90.6)	(107.8)
Changes in other current assets	93.4	94.0
Changes in other current liabilities	102.8	(99.0)
Other	(103.6)	(26.8)
Net cash provided by operating activities	333.5	261.0
Cash Flows From Investing Activities		
Purchases of property, plant and equipment and other capital expenditures	(426.3)	(669.6)
Contributions to nuclear decommissioning trust funds	(8.8)	(13.2)
Purchases of marketable equity securities	(0.4)	(23.7)
Sales of marketable equity securities	116.8	70.9
Sale of investment in Orion Power Holdings, Inc.	454.1	26.2
Sale of real estate investments	113.8	-
Sale of property, plant and equipment	38.4	49.5
Other investments	7.9	(8.6)
Net cash provided by (used in) investing activities	295.5	(568.5)
Cash Flow From Financing Activities		
Net (maturity) issuance of short-term borrowings	(959.5)	66.6
Proceeds from issuance of		
Long-term debt	1,823.0	844.6
Common stock	10.7	504.4
Repayment of long-term debt	(1,255.6)	(1,106.6)
Common stock dividends paid	(59.0)	(81.4)
Other	(10.0)	9.0
Net cash (used in) provided by financing activities	(450.4)	236.6
Net Increase (Decrease) in Cash and Cash Equivalents	178.6	(70.9)
Cash and Cash Equivalents at Beginning of Period	72.4	182.7
Cash and Cash Equivalents at End of Period	\$ 251.0	\$ 111.8
Other Cash Flow Information:		
Cash paid during the year for:		
Interest (net of amounts capitalized)	\$ 86.2	\$ 116.9
Income taxes	\$ 134.1	\$ 113.5

Certain prior-period amounts have been reclassified to conform with the current period's presentation.

Merchant Energy Operating Statistics

	<i>Three Months Ended June 30,</i>		<i>Six Months Ended June 30,</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
Revenues (In Millions)				
Standard Offer Service Revenue from BGE	\$ 297.0	\$ 309.1	\$ 569.6	\$591.9
Other Generation Revenue	194.4	24.0	324.4	69.9
Mark-to-Market Energy Revenues	90.3	47.0	154.1	59.0
Other Revenue	-	3.9	-	8.9
Total Revenue	<u>\$ 581.7</u>	<u>\$ 384.0</u>	<u>\$ 1,048.1</u>	<u>\$729.7</u>

	Six Months Ended June 30,					
	Nuclear *	Coal	Oil	Hydro & Gas	Other	Total
Generation by Fuel Type (%)						
2002	53.8	36.8	1.8	4.4	3.2	100.0
2001	37.3	51.1	4.1	4.9	2.6	100.0

* Includes our ownership percentage of generation at Nine Mile Point as of November 2001.

Utility Operating Statistics

	<i>Three Months Ended June 30,</i>		<i>Six Months Ended June 30,</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
ELECTRIC				
Revenues (In Millions)				
Residential--with househeating	\$ 77.0	\$ 75.8	\$ 181.5	\$193.1
--other	137.7	130.2	252.7	245.6
--total	<u>214.7</u>	<u>206.0</u>	<u>434.2</u>	<u>438.7</u>
Commercial	210.5	228.9	402.9	426.4
Industrial	46.6	54.6	88.4	106.7
System Sales	<u>471.8</u>	<u>489.5</u>	<u>925.5</u>	<u>971.8</u>
Other	8.6	8.0	15.3	18.0
Total	<u>\$ 480.4</u>	<u>\$ 497.5</u>	<u>\$ 940.8</u>	<u>\$989.8</u>

Sales (In Thousands) - MWH				
Residential --with househeating	1,028	1,012	2,622	2,826
--other	1,689	1,551	3,292	3,136
--total	<u>2,717</u>	<u>2,563</u>	<u>5,914</u>	<u>5,962</u>
Commercial	3,435	3,476	6,919	6,956
Industrial	1,106	1,117	2,173	2,195
Total System Sales	<u>7,258</u>	<u>7,156</u>	<u>15,006</u>	<u>15,113</u>

GAS

Revenues (In Millions)				
Residential --excluding delivery service	\$ 54.7	\$ 63.9	\$ 186.0	\$259.0
--delivery service	1.9	2.3	10.1	10.8
--total	<u>56.6</u>	<u>66.2</u>	<u>196.1</u>	<u>269.8</u>
Commercial --excluding delivery service	12.5	17.3	47.6	82.2
--delivery service	5.2	3.9	15.8	11.1
Industrial --excluding delivery service	2.1	1.9	6.2	9.0
--delivery service	3.1	3.2	7.0	7.1
System Sales	<u>79.5</u>	<u>92.5</u>	<u>272.7</u>	<u>379.2</u>
Off-System Sales	11.5	14.2	39.8	82.3
Other	1.5	2.9	3.4	5.8
Total	<u>\$ 92.5</u>	<u>\$ 109.6</u>	<u>\$ 315.9</u>	<u>\$467.3</u>

Sales (In Thousands) - DTH				
Residential --excluding delivery service	4,460	4,672	19,317	21,145
--delivery service	797	1,007	3,764	5,029
--total	<u>5,257</u>	<u>5,679</u>	<u>23,081</u>	<u>26,174</u>
Commercial --excluding delivery service	1,238	1,627	5,991	7,667
--delivery service	5,188	5,036	14,717	12,793
Industrial --excluding delivery service	145	208	752	779
--delivery service	5,174	5,701	11,442	12,111
System Sales	<u>17,002</u>	<u>18,251</u>	<u>55,983</u>	<u>59,524</u>
Off-System Sales	2,782	2,480	10,987	11,054
Total	<u>19,784</u>	<u>20,731</u>	<u>66,970</u>	<u>70,578</u>

Operating statistics do not reflect the elimination of intercompany transactions.

Heating/Cooling Degree Days (Calendar-Month Basis)

Heating Degree Days - Actual	493	471	2,616	2,918
- Normal	532	536	2,960	2,969
Cooling Degree Days - Actual	295	262	298	262
- Normal	230	228	233	231

Supplemental Financial Statistics

	<i>Twelve Months Ended June 30,</i>	
	<i>2002</i>	<i>2001</i>
Capitalization*		
Long-term debt	49.0%	42.1%
Company obligated mandatorily redeemable trust preferred securities of BGE	2.9%	3.1%
Short-term borrowings	0.2%	3.8%
BGE Preference stock	2.2%	2.3%
Common equity	45.7%	48.7%
Return on Average Common Equity		
Reported	5.5%	12.7%
Excluding special items and cumulative effect of change in accounting principle	9.8%	12.5%
Ratio of Earnings to Fixed Charges (SEC Method)	1.87	3.01
Effective Tax Rate	33.1%	37.8%

Certain prior-period amounts have been reclassified to conform with the current period's presentation.

** Capitalization includes current portion of long-term debt and BGE preference stock and is net of cash.*

Common Stock Data

	<i>Three Months Ended June 30,</i>		<i>Twelve Months Ended June 30,</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
Common Stock Dividends - Per Share				
--Declared	\$0.24	\$0.12	\$0.72	\$1.08
--Paid	\$0.24	\$0.12	\$0.60	\$1.38
Market Value Per Share				
--High	\$32.38	\$50.14	\$43.80	\$52.06
--Low	\$27.65	\$40.10	\$20.90	\$32.06
--Close	\$29.34	\$42.60	\$29.34	\$42.60
Shares Outstanding--End of Period (In Millions)	164.1	163.7	164.1	163.7
Book Value per Share--End of Period	\$ 23.88	\$ 24.32	\$ 23.88	\$ 24.32

Certain prior-period amounts have been reclassified to conform with the current period's presentation.

Inquires concerning this summary should be directed to:

*Follin Smith
Senior Vice President,
Chief Financial Officer
410-234-5000*

*Investor Relations Department
410-783-3670*

*Constellation Energy Group
P. O. Box 1475
Baltimore, Maryland 21203*