

POTOMAC ELECTRIC POWER COMPANY

1900 PENNSYLVANIA AVE., N. W.

WASHINGTON, D. C. 20068

EDWARD F. MITCHELL
CHAIRMAN OF THE BOARD
CHIEF EXECUTIVE OFFICER

December 8, 1995

To Whom It May Concern:

This letter confirms that an HGP, Inc. team led by Mr. Fred W. Giffels performed, in an excellent and efficient manner, several assignments for Potomac Electric Power Company ("PEPCO") in connection with the evaluation and negotiation of a recently-announced strategic business combination with Baltimore Gas & Electric Company ("BGE").

HGP's overall task was to conduct a wide range of engineering, technical, economic and management assessments for the purpose of advising PEPCO regarding BGE's nuclear power operations. This included on-site activities at BGE's nuclear plant which required not only technical expertise, but also interpersonal skills in dealing with the plant's management and personnel.

HGP's assignment also included extensive interaction with PEPCO's senior management and Board of Directors for the purpose of presenting the results of their assessments and answering questions regarding nuclear power issues generally and BGE's nuclear power operations in particular.

The performance of Fred Giffels and Chuck Ondash in the course of this assignment was exemplary. They demonstrated excellent abilities to quickly grasp and effectively communicate key issues of nuclear technology, sensitivity of plant costs to management and operational performance, and the broader regional and national perspectives on these issues. Their insights on the risks associated with nuclear power were acute and balanced. Their assistance in the course of the negotiation process was specific, practical and of great assistance to us.

The HGP team's comprehensive knowledge and their quick, highly responsive and efficient reactions to our needs were instrumental in our decision-making process. I would highly recommend Fred and HGP to any prospective client.

