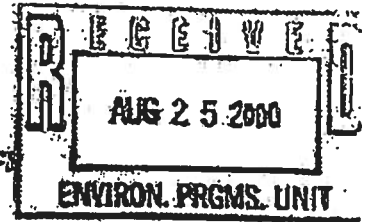


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United States Environmental Protection Agency
 Region III-Wheeling Satellite Office
 1060 Chapline Street
 Wheeling, West Virginia 26003-2995



August 22, 2000

Mr. Lawrence H. Liden
 Baltimore Gas and Electric Company
 P.O. Box 1475
 Baltimore, MD 21203-1475

RE: Confirmation Regarding Regulatory Status of Shunt and Series Reactors

Dear Mr. Liden:

This letter is in response to your May 12, 2000 request for regulatory clarification, with supplemental information added on June 20, 2000, in managing shunt and series reactors as transformers for purposes of the use authorization and disposal provisions for polychlorinated biphenyls (PCBs) under 40 C.F.R. §§ 761.30 and 761.60.

The U. S. Environmental Protection Agency (EPA), Region III provides the following general guidance. Please be aware that EPA's Toxics Programs and Enforcement Branch has not comprehensively reviewed the Standard Handbook for Electrical Engineers or the transformer standards as described by the Institute of Electrical and Electronic Engineers. Further, EPA's general guidance on clarification of PCB requirements does not in any way constitute a finding by EPA that a shunt and series reactor will be safe or appropriate for any future uses. Similarly, such guidance does not mean that a facility owner or operator is insulated from action under any applicable law. EPA guidance does not relieve the facility owner or operator of its continuing responsibility to ensure that PCB oil within the shunt and series reactors is properly addressed and does not affect a responsible party's obligation to comply with all applicable federal, State, and local laws.

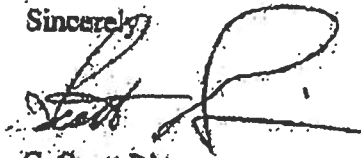
Based on the information contained in the request letter and supplemental resource information (Standard Handbook for Electrical Engineers and transformer standards as described by the Institute of Electrical and Electronic Engineers) provided by BGE, and an evaluation of human health/safety risks associated with retrofitting and reclassifying the shunt and series reactors, EPA has determined that the shunt and series reactors may be classified and managed for purposes of EPA's PCB use authorization and disposal provisions under 40 C.F.R. §§ 761.30 and 761.60. EPA recognizes that retrofitting and reclassifying this type of electrical equipment is consistent with the aforementioned regulations.

2.

Please be aware however, that all applicable regulations contained in 40 C.F.R. Part 761 pertaining to PCB and PCB Contaminated Transformers, including but not limited to, registration, inspections, documentation, labeling, and disposal must be adhered to as well. Therefore, if BQ&E elects to treat the shunt and series reactors as transformers pursuant to 40 C.F.R. §§ 761.30 and 761.60, then the shunt and series reactors shall be treated as such pursuant to all of the applicable transformer regulations, as appropriate, under 40 C.F.R. Part 761.

If you have questions, or if I can be of further assistance in this matter, please do not hesitate to contact me at 304-231-0501.

Sincerely,



G. Scott Rice
Environmental Protection Specialist

Ajanetta Dickens - Toxics Branch Chief

cc: A. Dickens (3WC33)
Mr. Harold Dye, MD DOB