

Reese K. Feuerman
Vice President, Controller & CAO

100 Constellation Way
Suite 1600P
Baltimore, Maryland 21202-3106
410 470-3233



Constellation Energy

August 1, 2008

Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

VIA ELECTRONIC MAIL

**RE: Proposed SEC Rule on Interactive Data to Improve Financial Reporting
File Number S7-11-08**

Constellation Energy Group, Inc. (Constellation Energy) appreciates the opportunity to respond to the Securities Exchange Commission's (SEC) request for comment on the proposed rule, *Interactive Data to Improve Financial Reporting*.

We support the SEC's proposal to mandate financial reporting based on interactive data, and we agree that it has the potential to benefit investors and regulators in their analysis. As a result, we believe it is important to implement this requirement in the most efficient manner possible. In this regard, we have offered comments on the proposed rule that focus on an efficient implementation. We have grouped our comments topically below.

Constellation Energy participated in the drafting of the comment letter submitted by the Edison Electric Institute, and we support the recommendations expressed in that letter. We will not repeat the text of that letter here; however, we believe that the matters addressed in that letter are important and, accordingly, we want to emphasize certain aspects of them.

Year One Requirements - Timing

According to the proposed rule, the interactive data requirement for large accelerated filers that use U.S. GAAP and have a worldwide public common equity float above \$5 billion would apply beginning with fiscal periods ending on or after December 15, 2008. As a result, for calendar year-end registrants, the first financial information tagged would be financial statements, financial statement schedules and footnotes (block-tagged) included in an Annual Report on Form 10-K for 2008. The 2008 Form 10-K is required to be submitted to the SEC no later than March 1, 2009, and the exhibit containing the tagged information would be required to be submitted no later than March 30, 2009 based on a 30-day grace period. The proper infrastructure may not be in place for all of the large accelerated filers to comply with this time requirement. Whether a registrant decides to comply with this proposed rule using in-house resources and purchased software or to do so using out-sourced services, all of the software designers, SEC printers and other XBRL consultants would need to have the necessary resources and technology in place to support all of these companies in the very near future. As a result, we suggest the SEC delay the effective date for compliance to fiscal periods beginning on or after December 15, 2008 for large accelerated filers, with a corresponding change for the other types of filers. This would change the initial submission

for calendar year-end companies to a periodic report (Form 10-Q) instead of an annual report (Form 10-K). We believe that this change would produce the following benefits:

- Registrants would have approximately three additional months to ensure that the financial information being submitted is accurately tagged. Large accelerated filers that have not participated in the XBRL voluntary filing program may find it difficult to meet the proposed effective date due to the initial time required to get educated on XBRL and to implement the final rule.
- It would allow more time for the necessary infrastructure to be created by both registrants and consultants in a way to ensure the quality and accuracy of tagged information.

Year Two Requirements – Timing

According to the proposed rule, large accelerated filers would be required to tag the detailed disclosures within the footnotes and schedules in year two (e.g. for fiscal periods ending on or after December 15, 2009). Similar to the proposed year-one requirement, the first set of fully tagged financial statements, footnotes and schedules for large accelerated filers would be an Annual Report on Form 10-K. We believe that the detailed footnote tagging requirement will require an order-of-magnitude increase in the effort required to comply with this aspect of the proposed rule. This will add significantly more time and effort for registrants during the annual audit/Form 10-K preparation process, which is already an arduous task for registrants' financial reporting staffs and their auditors. We therefore suggest changing the year-two requirement effective date to fiscal periods beginning on or after December 15, 2009. This will enable calendar year-end companies to detail tag the footnotes of a Form 10-Q, which is typically shorter than a Form 10-K, three times before being required to perform a detailed tagging of the financial information included in a Form 10-K.

30-Day Grace Periods

The proposed rule permits registrants to submit their **initial** interactive data exhibits within 30 days of the earlier of the due date or actual filing date of the related report. In year two, a registrant would have a similar 30-day grace period to file its interactive data exhibits, which would include detailed tagged footnotes and schedules for the first time. We recommend that a 30-day grace period be provided for the **first two full years of filings**, rather than just the first submission in year one and the first submission in year two. Our recommendation would allow for a learning curve for registrants. Specifically, in year two, the detail tagging of the footnotes significantly increases the time required to comply with the proposed rule.

Additionally, by extending the 30-day grace periods to encompass the full first two years of filing, registrants and their auditors would have sufficient time to complete their periodic filings and financial statement audits or reviews as well as have sufficient time to prepare and review the XBRL tags. We believe most large accelerated filers use a significant portion of the required filing time to ensure that their periodic reports are fully compliant and reflect transparent financial reporting. Additionally, while not required, we would expect some registrants may want to involve their auditors in the process of reviewing these interactive data filings in some fashion. This involvement could range from gaining consistency in tagging based on the auditor's knowledge of other industry clients to having the auditor perform an attestation engagement on the interactive data documents. While such additional involvement is likely to be beneficial, it also could extend the time required to complete this work.

Concurrent Filing Requirement

As currently proposed, after the first filings in years one and two, all interactive data exhibits would be required to be submitted at the same time as the related annual and periodic reports. We believe that this filing deadline would be difficult for registrants to meet. At many registrants, the personnel responsible for preparing the interactive data filing may be the same people that are

responsible for the completion of the annual and periodic SEC reports. These individuals are already fully engaged during the period of time after the end of a reporting period until the filing of the annual/periodic report filings. Adding a concurrent filing requirement for interactive data submissions could potentially detract from companies' efforts to ensure fully compliant and transparent SEC reports.

We suggest that the SEC allow registrants to submit their interactive data exhibits up to 4 days after the filing date of their periodic reports on an ongoing basis after the cessation of permitted grace periods. This suggested timeframe aligns with the current Form 8-K requirements and should provide an adequate amount of time for companies to ensure their interactive data exhibits are accurate. This suggestion would also move most of the tagging procedures out of the financial reporting timeframe so that the related filings can be completed in a timely manner without potentially adversely impacting existing quality control processes and procedures. In addition, this would allow for any voluntary auditor engagements on XBRL to be completed without interfering with the auditor's required audit or review procedures.

Form for Interactive Data Submissions

As stated in the proposed rule, "Each company's initial interactive data submission, however, would be permitted as an amendment to a registration statement within 30 days of the date of filing or as an **amendment** to Form 10-K, 20-F, or 10-Q within 30 days of the due date for filing of the rest of the related report." We believe the market's reaction to an amended periodic report is generally negative. To overcome this public perception and to align with our suggestion above with regard to the timing of ongoing XBRL filings after the expiration of the grace periods, we suggest that the interactive data filing be made through a Form 8-K filing instead of as an amendment to an original filing. This is similar to the way the voluntary program is currently operating and would alleviate any potential negative public perception of a registrant filing an amendment to a periodic report.

Taxonomy Revisions

As stated in the proposed rule, "Filers providing financial statements in interactive data format would be required to use the most recent and appropriate list of tags released by XBRL U.S. or the IASCF as required by the EDGAR Filing Manual." We have concerns that a taxonomy update published at a point in time close to the deadline for a required submission would make it difficult for companies to react and update their tags. Therefore, we suggest that the SEC specify in the final rule that registrants are required to use the taxonomy version that is effective as of the registrant's reporting period end date (e.g., 12/31/09 for calendar year filers completing a 2009 Form 10-K submission). This would eliminate the last minute updating of tags based on a revised taxonomy and serve to avoid potential tagging errors.

Tagging Guidance for the Use of Extensions

To promote comparability, the proposed rule "limits the use of extensions to circumstances where the appropriate financial statement element does not exist in the standard list of tags." Limiting the use of extensions eliminates, according to the proposed rule, "one of the principal benefits of interactive data." Registrants may have unique circumstances in their disclosures that may not fit a tag as listed in the taxonomy. We expect registrants to be meticulous in their process of assigning tags to their financial information. If the definition of a tag does not explicitly and exactly describe a registrant's circumstance, then the registrant would probably opt for creating an extension. We are concerned that companies will interpret the current guidance differently, creating a situation where there is inconsistency in the use of extensions between companies, especially in the same industry. This would seem to be contrary to the goal of promoting comparability across registrants through XBRL. We believe issuing additional specific guidance on the use of extensions should help improve consistency among registrants.

Possible Future XBRL Data Submissions

The proposed rule alludes to future SEC action requiring XBRL data submissions for a registrant's information under Forms 8-K, 6-K and S-1, as well as executive compensation and Management Discussion and Analysis information. We believe that such an extension of the scope of the XBRL program should be done using a phase-in approach once it has been determined that XBRL's promised benefits have been achieved with respect to the periodic reports.

We appreciate the opportunity to comment on this proposed rule.

Sincerely,

/s/ Reese Feuerman
Vice President, Controller & CAO