

ATTACHMENT (1)

2009 DECOMMISSIONING FUNDING STATUS REPORT:

YEAR END 2008

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YEAR END 2008

Calvert Cliffs Nuclear Power Plant
Unit Nos. 1 & 2
Docket Nos. 50-317 & 50-318

Table 1 – Calvert Cliffs

	Information Required by 10 CFR 50.75(f)(1)	Unit 1 (\$000's)¹	Unit 2 (\$000's)¹	Total (\$000's)¹
1	The minimum decommissioning fund estimate ² as of December 31, 2008, pursuant to 10 CFR 50.75 (b) and (c)	\$376,700 ¹	\$376,700 ¹	\$753,400 ¹
2	The amount accumulated as of December 31, 2008 in the external decommissioning trust ³ pursuant to 10 CFR 50.75 (b) and (c)	\$146,732	\$189,360	\$336,092
3	Schedule of the annual amounts remaining to be collected ³	\$7,808	\$10,854	\$18,662
4	Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections			
	Annual decommissioning cost escalation	4% ⁴		
	Annual after-tax rate of earnings on decommissioning funds	6% ⁴		
	Frequency of contribution to the decommissioning trust	Annually, as needed, up to specified amounts into tax qualified funds ⁵		
5	Any contracts upon which Constellation is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(B)	No ⁶		
6	Any modifications to Constellation's current method of providing financial assurance since the last submitted report	Yes ⁶		
7	Any material changes to trust agreements	No ⁷		

ATTACHMENT (1)
2009 DECOMMISSIONING FUNDING STATUS REPORT
YEAR END 2008

Table 1 Notes – Calvert Cliffs

- ¹ These values represent decommissioning costs anticipated to be incurred in removing the Calvert Cliffs Nuclear Power Plant (Calvert Cliffs) units safely from service and reducing residual radioactivity to levels that permit release of the property for unrestricted use and termination of the license. The cost of dismantling non-radioactive systems and structures is not included in this estimate, nor is the cost of managing and storing spent fuel on the site until transfer to the U.S. Department of Energy.
- ² Values based on application of the generic minimum funding calculation specified in 10 CFR 50.75(c)(1), as adjusted in accordance with paragraph 50.75(c)(2) and Revision 13 of NUREG-1307. Bureau of Labor Statistics values used regarding energy and labor cost indices were taken from the best source available (i.e., in some instances “preliminary” data) during the preparation of this submittal.
- ³ Prior amounts deposited into the trust were approved by the Maryland Public Service Commission in 1999 and the Internal Revenue Service in 2002. These collections continued until December 31, 2006. A Private Letter Ruling (PLR) by the Internal Revenue Service (IRS), issued August 6, 2008, with respect to Qualified Fund contributions, allows for a contribution level up to \$14.781M for Unit 1 and \$19.327M for Unit 2. Additional information, including arrangements with respect to annual contributions, is discussed in Note 6. When assessing the adequacy of funds available, we considered the “pro-rata credit during the dismantlement period” (i.e., seven additional years following shutdown as allowed in 10 CFR 50.75(e)(1)(ii)) in our assumptions.
- ⁴ The long-term target rate of return for the fund is 6.5%; however, we employ here only 6% per the “up to a 2 percent annual real rate of return” limitation set forth in 10 CFR 50.75(e). The weighted average cost escalation value of 4% for all decommissioning costs is based on recent site-specific decommissioning studies performed on a fleet-wide basis.
- ⁵ Constellation annually evaluates the trust funding status for determining annual contributions, up to authorized amounts consistent with a PLR from the IRS.
- ⁶ Calvert Cliff's regulated affiliate, Baltimore Gas & Electric (BGE), collected decommissioning costs from its electric customers for Calvert Cliffs through its delivery service charge in accordance with a 1999 restructuring order from the Maryland Public Service Commission. Baltimore Gas & Electric transferred these funds to Calvert Cliffs, pursuant to a Decommissioning Funds Collection Agent Agreement. Under the terms of this Agreement, Calvert Cliffs deposited the collected funds into the decommissioning trusts. The Nuclear Regulatory Commission (NRC) reviewed the details of this contractual arrangement, as reflected in its June 30, 2000, Safety Evaluation and concluded that, given the inter-company agreements that obligate the payments, Calvert Cliffs was providing decommissioning funding assurance in the form of external sinking funds tied to a then non-bypassable charge, pursuant to 10 CFR 50.75(e)(ii)(B). These collections continued through 2006. (See Note 3)

In 2006, Maryland Senate Bill 1 was signed into law, which provided for continued annual collections of decommissioning funds by BGE, for the benefit of Calvert Cliffs, for 10 years (i.e., until 2016), at the previously approved funding level of approximately \$18.66 million. A Spring 2008 settlement with the Maryland Public Service Commission, the State of Maryland, Constellation Energy Group, Inc., and Calvert Cliffs Nuclear Power Plant, Inc. further modified the agreement by requiring a residential customer credit in the same amount that was being collected by

ATTACHMENT (1)
2009 DECOMMISSIONING FUNDING STATUS REPORT
YEAR END 2008

BGE, thus shifting the burden to one or more parents of Calvert Cliffs to provide for future decommissioning contributions. Most recently, a PLR by the IRS, issued August 6, 2008, for Qualified Fund contributions, allows for an annual contribution level up to \$14.781M for Unit 1 and \$19.327M for Unit 2. In accordance with the PLR, the amounts to be placed in the Qualified Fund are evaluated each year to optimize funding levels and allocations among units. For 2009, Constellation contributed the amount shown in line 3 to the trust. That tax deductible contribution was made on March 12, 2009. Future contributions from the parent companies of Calvert Cliffs will be evaluated and determined on a case-by-case basis each year, including the need to submit future PLR requests if necessary. At the time of this submittal, the parent companies anticipate that some degree of annual contributions will be needed through 2013.

⁷ Since originally filed with the Commission in 1990, the trust agreement has been amended and restated. Those changes, as reflected in the trust agreement, are not material. New York Mellon Bank, N.A., was appointed Successor Trustee under the Trust Agreement, effective October 2005. The Trust Agreement complies with the requirements set forth in Section III, item (3), of NRC "Order Approving The Transfer of Renewed Facility Operating Licenses for Calvert Cliffs Nuclear Power Plant and the Materials License for Calvert Cliffs Independent Spent Fuel Storage Installation From Baltimore Gas and Electric Company to Calvert Cliffs Nuclear Power Plant, Inc. and Conforming Amendments" dated June 30, 2000 [TAC Nos. MA8343, MA8344 and L23060]. A copy of the restated trust agreement is available upon request.

ATTACHMENT (1)
2009 DECOMMISSIONING FUNDING STATUS REPORT
YEAR END 2008

Nine Mile Point Nuclear Station
Unit Nos. 1 & 2
Docket Nos. 50-220 & 50-410

Table 2 – Nine Mile Point ¹
(Constellation Energy Group Ownership Interest)

	Information Required by 10 CFR 50.75(f)(1)	Unit 1 (\$000's)	Unit 2 (\$000's)	Total (\$000's)
1	The minimum decommissioning fund estimate ³ as of December 31, 2008, pursuant to 10 CFR 50.75 (b) and (c)	\$511,400 ²	\$469,200 ²	\$980,600 ²
2	The amount accumulated as of December 31, 2008 in the external decommissioning trust pursuant to 10 CFR 50.75 (b) and (c)	\$288,147	\$182,511	\$470,658
3	Schedule of the annual amounts remaining to be collected	\$0	\$0	None
4	Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections			
	Annual decommissioning cost escalation		4% ⁴	
	Annual after-tax rate of earnings on decommissioning funds		6% ⁴	
	Frequency of contribution to the decommissioning trust		N/A	
5	Any contracts upon which Constellation is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(B)		No	
6	Any modifications to Constellation's current method of providing financial assurance since the last submitted report		No ⁵	
7	Any material changes to trust agreements		No ⁶	

ATTACHMENT (1)
2009 DECOMMISSIONING FUNDING STATUS REPORT
YEAR END 2008

Table 2 Notes - Nine Mile Point
(Constellation Energy Group Ownership Interest)

- ¹ On November 7, 2001, Constellation completed the acquisition of 100% of Nine Mile Point Nuclear Station (Nine Mile Point) Unit 1 (NMP-1) and 82% of Nine Mile Point Unit 2 (NMP-2). The NMP-1 amounts provided in this table represent the 100% Constellation share of decommissioning responsibilities. The NMP-2 amounts provided in this table represent the 82% Constellation share of decommissioning responsibilities. Table 3 contains information regarding the 18% share of the liability assumed by the Long Island Power Authority.
- ² These values represent the decommissioning costs, relative to the Constellation Energy Group interests, as anticipated to be incurred in removing the Nine Mile Point units safely from service and reducing residual radioactivity to levels that permit release of the property for unrestricted use and termination of the license. The cost of dismantling non-radioactive systems and structures is not included in this estimate, nor is the cost of managing and storing spent fuel on the site until transfer to the U.S. Department of Energy.
- ³ Values based on application of the generic minimum funding calculation specified in 10 CFR 50.75(c)(1), as adjusted in accordance with paragraph 50.75(c)(2) and Revision 13 of NUREG-1307. Bureau of Labor Statistics values used regarding energy and labor cost indices were taken from the best source available (i.e., in some instances “preliminary” data) during the preparation of this submittal.
- ⁴ The long-term target rate of return for the fund is 6.5%; however, we employ here only 6% per the “up to a 2 percent annual real rate of return” limitation set forth in 10 CFR 50.75(e). The weighted average cost escalation value of 4% for all decommissioning costs is based on recent site-specific decommissioning studies performed on a fleet-wide basis.
- ⁵ At completion of the Nine Mile Point acquisition by Constellation, the selling parties transferred decommissioning trust assets into the respective master decommissioning trusts for each of NMP-1 and NMP-2. A parental guarantee for additional funds was provided pursuant to 10 CFR 50.75(e)(1)(iii)(B), which, when combined with the transferred decommissioning trust funds for NMP-1 and NMP-2, met the total amounts required for NMP-1 and NMP-2, respectively, pursuant to 10 CFR 50.75 (b) and (c). The operating licenses for both units were renewed by the NRC on October 31, 2006, thus allowing the funds to compound for a longer period of time at a rate in excess of the rate of growth of the nuclear decommissioning costs. This granting of the renewed licenses extended the relevant fund earnings assumptions, thus eliminating the need for a continued parental guarantee. When assessing the adequacy of funds available, we considered the “pro-rata credit during the dismantlement period” (i.e., seven additional years following shutdown as allowed in 10 CFR 50.75(e)(1)(ii)) in our assumptions.
- ⁶ The trustee of the Trust Agreement is New York Mellon Bank, N.A. The Trust Agreement satisfies each of the decommissioning trust conditions required by NRC “Order Approving the Direct Transfer of Licenses from Niagara Mohawk Power Corporation, et al., to Nine Mile Point Nuclear Station, LLC, Approving Conforming Amendments, and Approving Indirect Transfers” dated June 22, 2001(as amended) [TAC Nos. MB0878 and MB0879].

ATTACHMENT (1)
2009 DECOMMISSIONING FUNDING STATUS REPORT
YEAR END 2008

Nine Mile Point Nuclear Station
Unit Nos. 1 & 2
Docket Nos. 50-220 & 50-410

Table 3 – Nine Mile Point
(Long Island Power Authority 18% NMP-2 Ownership Interest) ¹

Note: All information in this table was provided by the NMP-2 minority owner, Long Island Power Authority. Constellation Energy has not independently verified or assessed the information provided by this co-owner.

	Information Required by 10 CFR 50.75(f)(1)	Unit 1 (\$000's)	Unit 2 (\$000's)	Total (\$000's)
1	The minimum decommissioning fund estimate ³ as of December 31, 2008, pursuant to 10 CFR 50.75 (b) and (c)	N/A	\$103,003 ²	\$103,003 ²
2	The amount accumulated as of December 31, 2008 in the external decommissioning trust pursuant to 10 CFR 50.75 (b) and (c)	N/A	\$ 59,648	\$ 59,648
3	Schedule of the annual amounts remaining to be collected	N/A	\$ 616 (2009-2026)	\$ 616 (2009-2026)
4	Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections			
	Annual decommissioning cost escalation	N/A	3.0%	3.0%
	Annual after-tax rate of earnings on decommissioning funds	N/A	6.0%	6.0%
	Frequency of contribution to the decommissioning trust	Annually		
5	Any contracts upon which Long Island Power Authority is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(B)	No		
6	Any modifications to the Long Island Power Authority's current method of providing financial assurance since the last submitted report	No		
7	Any material changes to trust agreements	No		

ATTACHMENT (1)
2009 DECOMMISSIONING FUNDING STATUS REPORT
YEAR END 2008

Table 3 Notes – Nine Mile Point
(Long Island Power Authority 18% NMP-2 Ownership Interest)

- ¹ On November 7, 2001, Constellation Energy Group completed the acquisition of 100% of Nine Mile Point Nuclear Station (Nine Mile Point), Unit 1 (NMP-1) and 82% of Nine Mile Point Unit 2 (NMP-2). The NMP-2 amounts provided in this table represent the remaining 18% Long Island Power Authority share of decommissioning responsibilities. Constellation has not independently verified this information as provided by the co-owner.
- ² These values represent the decommissioning costs, relative to the Long Island Power Authority interests, as anticipated to be incurred in removing NMP-2 safely from service and reducing residual radioactivity to levels that permit release of the property for unrestricted use and termination of the license. The cost of dismantling non-radioactive systems and structures is not included in this estimate, nor is the cost of managing and storing spent fuel on the site until transfer to the U.S. Department of Energy. Constellation has not independently verified this information as provided by the co-owner.
- ³ Values based on application of the generic minimum funding calculation specified in 10 CFR 50.75(c)(1), as adjusted in accordance with paragraph 50.75(c)(2) and Revision 13 of NUREG-1307. Bureau of Labor Statistics values used regarding energy and labor cost indices were taken from the best source available (i.e., in some instances “preliminary” data) during the preparation of this submittal.

ATTACHMENT (1)
2009 DECOMMISSIONING FUNDING STATUS REPORT
YEAR END 2008

R.E. Ginna Nuclear Power Plant
Docket No. 50-244

Table 4 – R.E. Ginna ¹

	Information Required by 10 CFR 50.75(f)(1)	Total (\$000's)
1	The minimum decommissioning fund estimate ³ as of December 31, 2008, pursuant to 10 CFR 50.75 (b) and (c)	\$357,500 ²
2	The amount accumulated as of December 31, 2008 in the external decommissioning trust pursuant to 10 CFR 50.75 (b) and (c)	\$203,221
3	Schedule of the annual amounts remaining to be collected	0 ⁴
4	Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections	
	Annual decommissioning cost escalation	4% ⁵
	Annual after-tax rate of earnings on decommissioning funds	6% ⁵
	Frequency of contribution to the decommissioning trust	N/A
5	Any contracts upon which Constellation is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(B)	No
6	Any modifications to Constellation's current method of providing financial assurance since the last submitted report	No ⁴
7	Any material changes to trust agreements	No ⁶

ATTACHMENT (1)
2009 DECOMMISSIONING FUNDING STATUS REPORT
YEAR END 2008

Table 4 Notes – R.E. Ginna

- ¹ On June 10, 2004, Constellation completed acquisition of 100% of the R. E. Ginna Nuclear Power Plant (Ginna) and associated assets. The amounts provided in this table represent that 100% Constellation share of decommissioning responsibilities.
- ² Values based on application of the generic minimum funding calculation specified in 10 CFR 50.75(c)(1), as adjusted in accordance with paragraph 50.75(c)(2) and Revision 13 of NUREG-1307. Bureau of Labor Statistics values used regarding energy and labor cost indices were taken from the best source available (i.e., in some instances “preliminary” data) during the preparation of this submittal.
- ³ These values represent decommissioning costs anticipated to be incurred in removing the Ginna unit safely from service and reducing residual radioactivity to levels that permit release of the property for unrestricted use and termination of the license. The cost of dismantling non-radioactive systems and structures is not included in this estimate, nor is the cost of managing and storing spent fuel on the site until transfer to the U.S. Department of Energy.
- ⁴ At completion of the Ginna acquisition by Constellation, the selling party transferred the decommissioning trust assets into a master decommissioning trust. A parental guarantee for additional funds was not required at the time of the acquisition because the assets exceeded the amounts required pursuant to 10 CFR 50.75(b) and (c). When assessing the adequacy of funds available, we considered the “pro-rata credit during the dismantlement period” (i.e., seven additional years following shutdown as allowed in 10 CFR 50.75(e)(1)(ii)) in our assumptions.
- ⁵ The long-term target rate of return for the fund is 6.5%; however, we employ here only 6% per the “up to a 2 percent annual real rate of return” limitation set forth in 10 CFR 50.75(e). The weighted average cost escalation value of 4% for all decommissioning costs is based on recent site-specific decommissioning studies performed on a fleet-wide basis.
- ⁶ The trustee of the Trust Agreement is New York Mellon Bank, N.A. The Trust Agreement complies with the requirements set forth in Section III, item (3), of NRC "Order Approving Transfer of License and Conforming Amendment" dated May 28, 2004 [TAC No. MC1567].