



Nine Mile Point
Nuclear Station

August 16, 2002
NMP1L 1684

Director of Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
Washington, DC 20555

RE: Nine Mile Point Unit 1
 Docket No. 50-220
 DPR-63

Nine Mile Point Unit 2
Docket No. 50-410
NPF-69

Subject: *Guarantee of Retrospective Premium*

Dear Mr. Collins:

Pursuant to the Commission's requirements stated in 10 CFR 140.21, attached are:

1. A copy of quarterly financial statements as of June 30, 2002.
2. A copy of the projected cash flow for the twelve months ending July 31, 2003.
3. A narrative statement on curtailment/deferment of capital expenditures (if any) to ensure that retrospective premiums of \$10 million per reactor per year for each nuclear incident would be available for payment.

A copy of the 2001 Annual Report to Shareholders of Constellation Energy Group Company containing certified financial statements was previously submitted on June 28, 2002 (NMP1L 1675).

If there are any questions on this material, we will be pleased to provide additional information.

Very truly yours,

A handwritten signature in cursive script, reading "Denise J. Wolniak".
Denise J. Wolniak
Licensing Manager

DJW/JJD/jm
Attachments

14004

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cc: Document Control Desk ✓
Mr. H. J. Miller, NRC Regional Administrator, Region I
Mr. G. K. Hunegs, NRC Senior Resident Inspector
Mr. P. S. Tam, Senior Project Manager, NRR (2 copies)

ATTACHMENT 1

QUARTERLY FINANCIAL STATEMENTS

AS OF JUNE 30, 2002

**Constellation Energy Group
Nine Mile Point Nuclear Station
August 16, 2002**

Supplemental Financial Statistics

	Twelve Months Ended June 30,	
	2002	2001
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

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2002	2001	2002	2001
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.

Inquiries 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

ATTACHMENT 2

PROJECTED CASH FLOW FOR 12 MONTHS
ENDING JULY 31, 2003

Constellation Energy Group
Nine Mile Point Nuclear Station
August 16, 2002

Internal Cash Flow Projection
For Nine Mile Point Nuclear Station

Operating Nuclear Units

Nine Mile Point Unit No. 1
 Nine Mile Point Unit No. 2

Maximum Total Contingent
 Liability (000)

per Nuclear Incident \$176,200

Payable at Per Year (000) \$20,000

	Actual Twelve Months <u>Ended 6/30/02</u>	Projected Twelve Months <u>Ending 7/31/03</u>
<u>Non - Cash Expenses (\$000)</u>		
Depreciation and Amortization	\$492,700	\$556,800
Deferred Income Taxes and Investment Tax Credits	<u>(15,900)</u>	<u>(13,600)</u>
Total	\$476,800	\$543,200
Percentage of Total to Maximum Total Contingent Liability Payable Per Year Nine Mile Point Nuclear Station	2,384.0%	2,716.0%
<u>Retained Earnings (\$000)</u>		
Net Income After Taxes	\$213,500	
Less Allowance for Funds Used During Construction	\$88,100	
Less Dividends paid	<u>\$98,300</u>	
Total	\$399,900	
Total Internal Cash Flow	<u>\$876,700</u>	
Percentage of Total Internal Cash Flow Maximum Total Contingent Liability Payable Per Year	4,383.5%	

Constellation Energy Group

Underlying Assumptions for Projected Cash Flows

- (1) Depreciation is generally computed using composite straight-line rates applied to the average investment in classes of depreciable property. Vehicles are depreciated based on their estimated useful lives.
- (2) Estimates of Federal income taxes and other tax expense are based upon existing tax laws and any known changes thereto.
- (3) Accounting policies are consistent with those in effect June 30, 2002.

ATTACHMENT 3

NARRATIVE STATEMENT
CURTAILMENT OF CAPITAL EXPENDITURES

Constellation Energy Group

Curtailment of Capital Expenditures

Estimated construction expenditures including nuclear fuel and Allowance for Funds Used During Construction for the twelve months ended July 31, 2003 are \$795.5 million. To insure that retrospective premiums under the Price Anderson Act would be available during the aforementioned twelve month period without additional funds from external sources, construction curtailments would affect all construction expenditures rather than impacting a specific project.