



**Constellation
Energy Group**

**Nine Mile Point
Nuclear Station**

August 13, 2003
NMP1L 1756

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

**SUBJECT: Nine Mile Point Units 1 and 2
Docket Nos. 50-220 and 50-410
License Nos. DPR-63 and NPF-69**

Guarantee of Retrospective Premium

Dear Sir/Madam:

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, 2003.
2. A copy of the projected cash flow for the twelve months ending July 31, 2004.
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 2002 Annual Report to Shareholders of Constellation Energy Group Company containing certified financial statements was previously submitted on June 17, 2003 (NMP1L 1736).

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

Very truly yours,

Denise J. Wolniak
General Supervisor Licensing

DJW/LAA/bjh

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

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ATTACHMENT 1

QUARTERLY FINANCIAL STATEMENTS

AS OF JUNE 30, 2003

**Constellation Energy Group
Nine Mile Point Nuclear Station
August 13, 2003**

Constellation Energy Group and Subsidiaries

Supplemental Financial Statistics

	Six Months Ended June 30,	
	2003	2002
Ratio of Earnings to Fixed Charges	2.37	3.80
Effective Tax Rate	34.7%	36.4%
Equity Investment In Nonregulated Businesses — End of Period	\$ 2,317.7	\$ 2,568.8
Equity Investment In Utility Business — End of Period	\$ 1,496.1	\$ 1,386.9

Common Stock Data

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Common Stock Dividends — Per Share				
• Declared	\$ 0.26	\$ 0.24	\$ 0.52	\$ 0.48
• Paid	\$ 0.26	\$ 0.24	\$ 0.50	\$ 0.36
Market Value Per Share				
• High	\$ 34.92	\$ 32.38	\$ 34.92	\$ 32.38
• Low	\$ 27.50	\$ 27.65	\$ 25.17	\$ 26.16
• Close	\$ 34.30	\$ 29.34	\$ 34.30	\$ 29.34
Shares Outstanding—End of Period (<i>In Millions</i>)	166.5	164.1	166.5	164.1
Book Value per Share—End of Period	\$ 22.91	\$ 23.88	\$ 22.91	\$ 23.88

ATTACHMENT 2

PROJECTED CASH FLOW FOR 12 MONTHS

ENDED JULY 31, 2004

**Constellation Energy Group
Nine Mile Point Nuclear Station
August 13, 2003**

**Internal Cash Flow Projection
For Nine Mile Point Nuclear Station**

Percentage Ownership in all Operating Nuclear Units	Nine Mile Point Unit No. 1	100.00%
	Nine Mile Point Unit No. 2	82.00%

Maximum Total Contingent Liability (000)	
per Nuclear Incident	\$176,200
Payable at Per Year (000)	\$20,000

	<u>Actual Twelve Months Ended 6/30/03</u>	<u>Projected Twelve Months Ended 7/31/04</u>
<u>Non - Cash Expenses (\$000)</u>		
Depreciation and Amortization	\$583,600	\$620,692
Deferred Income Taxes and Investment Tax Credits	<u>\$157,200</u>	<u>\$102,525</u>
Total	\$740,800	\$723,217
Percentage of Total to Maximum Total Contingent Liability Payable Per Year	3,704.0%	3,616.1%
<u>Retained Earnings (\$000)</u>		
Net Income After Taxes	\$181,000	
Less Allowance for Funds Used During Construction	\$(31,100)	
Less Dividends paid	<u>\$(161,200)</u>	
Total	\$(11,300)	
Total Internal Cash Flow	<u>\$729,500</u>	
Percentage of Total Internal Cash Flow Maximum Total Contingent Liability Payable Per Year	3,647.5%	

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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, 2003.

ATTACHMENT 3

**NARRATIVE STATEMENT
CURTAILMENT OF CAPITAL EXPENDITURES**

**Constellation Energy Group
Nine Mile Point Nuclear Station
August 13, 2003**

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, 2004 are \$740.2 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.