

James A. Spina
Vice President

Calvert Cliffs Nuclear Power Plant, Inc.
1650 Calvert Cliffs Parkway
Lusby, Maryland 20657
410.495.5200
410.495.3500 Fax



July 31, 2007

U. S. Nuclear Regulatory Commission
Washington, DC 20555

ATTENTION: Director, Nuclear Reactor Regulation

SUBJECT: Calvert Cliffs Nuclear Power Plant
Unit Nos. 1 & 2; Docket Nos. 50-317 & 50-318
Guarantee of Payment of Deferred Premiums

In accordance with the requirements of 10 CFR 140.21, we are attaching the guarantee of payment of deferred premiums for our Calvert Cliffs Nuclear Power Plant reactors.

Exhibit I Internal Cash Flow Projection for Calvert Cliffs Nuclear Power Plant

Exhibit II Curtailment of Capital Expenditures

Should you have questions regarding this matter, please contact Mr. Jay S. Gaines at (410) 495-5219.

Very truly yours,

A handwritten signature in black ink, appearing to read "John Z. Pllak".

for

James A. Spina
Vice President - Calvert Cliffs Nuclear Power Plant

JAS/CAN/bjd

Exhibits: As stated

cc: **(Without Exhibits)**
Document Control Desk, NRC
D. V. Pickett, NRC
S. J. Collins, NRC

Resident Inspector, NRC
R. I. McLean, DNR

11001

EXHIBIT (I)

**INTERNAL CASH FLOW PROJECTION FOR
CALVERT CLIFFS NUCLEAR POWER PLANT**

Internal Cash Flow Projection
For Calvert Cliffs Nuclear Power Plant

Percentage Ownership in all Operating Nuclear Units	Calvert Cliffs Unit No. 1	100.00%
	Calvert Cliffs Unit No. 2	100.00%

Maximum Total Contingent Liability Per Nuclear Incident (\$000)	\$201,200
Payable Per Reactor Per Year (\$000)	\$15,000

	2006 Actual \$000	2007 Projected \$000
Net Income	936,400	822,001
Less: Dividends Paid	(264,000)	(306,000)
Retained Earnings	672,400	516,001
Adjustments:		
Depreciation and Amortization	545,100	682,971
Deferred income Taxes	128,000	63,576
Investment tax credit	(6,900)	(5,214)
Allowance for funds used during construction**	(3,700)	(7,301)
Total Adjustment	662,500	734,032
Internal Cash Flow	<u>1,334,900</u>	<u>1,250,033</u>
Average Quarterly Cash Flow	<u>333,725</u>	<u>312,508</u>

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 December 31, 2006.

EXHIBIT (II)

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 December 31, 2007 is \$1,854 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.