

License Application General Information

Calvert Cliffs
Nuclear Power Plant
Unit 3

Constellation Generation Group
UniStar Nuclear Operating Services

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For information address: UniStar Nuclear Development, LLC.
750 E. Pratt Street
Baltimore, MD 21202

General Information

1.0 GENERAL INFORMATION

This part of the Combined License (COL) Application for the {Calvert Cliffs Nuclear Power Plant Unit 3} addresses the requirements of 10 CFR 50.33, "Content of applications; general information," (CFR, 2007a) and provides details of the applicant's corporate identity and location, applicant's ownership organization, the type of licenses being applied for, the applicant's financial qualifications, decommissioning funding assurance, foreign ownership, control, or domination information, and agreement limiting access to classified information.

1.1.1 APPLICANTS

The co-applicants for the {Calvert Cliffs Nuclear Power Plant (CCNPP) Unit 3} are {Constellation Generation Group, LLC,} and UniStar Nuclear Operating Services, LLC. Applicants' names, addresses, and principal offices are as follows:

{Constellation Generation Group, LLC.
111 Market Place
Baltimore, MD 21202}

UniStar Nuclear Operating Services, LLC.
750 East Pratt Street
Baltimore, MD 21202

1.1.2 DESCRIPTION OF BUSINESS OR OCCUPATION

1.1.2.1 {Constellation Generation Group

The Constellation Generation Group Companies own and operate Constellation Energy Group's fleet of nuclear generating plants. Constellation Generation Group additionally performs the headquarters function for all of Constellation Energy's generation assets (fossil, renewable, and nuclear), generating operating companies, and fossil fuel processing facilities. Constellation Energy Group, through its subsidiaries, is a major generator of electric power and a leading supplier of competitive electricity, with a power generation portfolio of over 8,700 megawatts. The output of Constellation Energy Group's plants is sold by Constellation Energy Group's commodities business, Constellation Energy Commodities Group, Inc., to many of the nation's leading distribution utilities, energy companies, and cooperatives.

The principal offices of Constellation Generation Group are located in Baltimore, Maryland. Constellation Generation Group, formed in 1999, is a Maryland limited liability company and a wholly owned subsidiary of Constellation Energy Group. Maryland is its principal place of business. Constellation Generation Group will be one of the licensees and will own CCNPP Unit 3.}

1.1.2.2 UniStar Nuclear Operating Services

UniStar Nuclear Operating Services is a limited liability company and is an indirect subsidiary (through CE UniStar Holdings, LLC, which operates as a holding company) of Constellation Generation Group, which is a member of Constellation Energy Group. UniStar Nuclear Operating Services has been formed to be a licensee and to operate U.S. EPR nuclear power plants in the United States. The principal offices of UniStar Nuclear Operating Services are located in Baltimore, Maryland. UniStar Nuclear Operating Services is organized under the laws of the State of Delaware pursuant to the Limited Liability Company Agreement of UniStar Nuclear Operating Services dated May 12, 2006, among Constellation Energy UniStar Holdings, LLC and UniStar Nuclear Operating Services, LLC. UniStar Nuclear Operating Services will be one of the licensees and will operate {CCNPP Unit 3}.

1.1.3 ORGANIZATION AND MANAGEMENT

A simplified organizational chart depicting the relationship between the applicants and their parent compan{y} is provided in Figure 1.0-1. The organization and management of each of the business entities depicted on the chart are discussed below.

1.1.3.1 {Constellation Energy Group}

The business and affairs of Constellation Energy Group are managed under the direction of a Board of Directors, currently consisting of eleven directors. The Chairman of the Board is Mr. Mayo A. Shattuck III. Mr. Shattuck is a U.S. citizen. His address is 750 East Pratt Street, Baltimore, MD 21202.

The Chairman of the Board of Directors is appointed by, and may only be removed by the Constellation Energy Group Board Members. The Chairman chairs the meetings of the Board of Directors.

The other directors of Constellation Energy Group, all of whom are U.S citizens (except as noted), are as follows.

Yves C. de Balmann (Mr. de Balmann claims dual citizenship – U.S. and France)
Douglas L. Becker
James T. Brady
Edward A. Crooke
James R. Curtiss, Esq.
Freeman A. Hrabowski III
Nancy Lampton
Robert J. Lawless (Mr. Lawless claims Canadian citizenship)
Lynn M. Martin
Michael D. Sullivan

The Board of Directors is authorized to appoint Officers for the conduct of the business of Constellation Energy Group and determine their responsibilities and duties.

The President and Chief Executive Officer (CEO) is a U.S. citizen, who is selected by the Board of Directors and is the senior executive responsible for Constellation Energy Group day-to-day operations. The Constellation Energy Group President and CEO has senior nuclear management experience.

The names, titles, addresses, and citizenship of the principal executives and officers of Constellation Energy Group, all of whom are U.S. citizens, except for Mr. Cockroft who claims United Kingdom citizenship, are as follows.

Name	Title	Address
Mayo A. Shattuck III	President, CEO, and Chairman of the Board	750 East Pratt Street Baltimore, MD 21202
Thomas V. Brooks	Vice Chairman of the Board and Executive Vice President	750 East Pratt Street Baltimore, MD 21202
John R. Collins	Chief Financial Officer	750 East Pratt Street Baltimore, MD 21202
Thomas F. Brady	Executive Vice President	750 East Pratt Street Baltimore, MD 21202
Michael J. Wallace	Executive Vice President	750 East Pratt Street Baltimore, MD 21202
Irving B. Yoskowitz	Executive Vice President and General Counsel	750 East Pratt Street Baltimore, MD 21202
Paul J. Allen	Senior Vice President	750 East Pratt Street Baltimore, MD 21202
Marc L. Ugol	Senior Vice President, Human Resources	750 East Pratt Street Baltimore, MD 21202
Kenneth W. DeFontes	Senior Vice President	2 Center Plaza 110 W. Fayette Street Baltimore, MD 21202
Felix Dawson	Senior Vice President	111 Market Place Baltimore, MD 21202
George Persky	Senior Vice President	111 Market Place Baltimore, MD 21202
Beth S. Perlman	Senior Vice President and Chief Information Officer	750 East Pratt Street Baltimore, MD 21202
Andrew L. Good	Senior Vice President	111 Market Place Baltimore, MD 21202
Kathleen W. Hyle	Vice President, Finance	750 East Pratt Street Baltimore, MD 21202
Roger C. Cockroft	Vice President	750 East Pratt Street Baltimore, MD 21202

Name	Title	Address
Thomas E. Ruszin, Jr.	Vice President	750 East Pratt Street Baltimore, MD 21202
Edward J. Stolz	Vice President, Tax	750 East Pratt Street Baltimore, MD 21202
Jeanne M. Blondia	Vice President, Treasurer and Assistant Secretary	750 East Pratt Street Baltimore, MD 21202
Reese K. Feuerman	Vice President and Corporate Controller	750 East Pratt Street Baltimore, MD 21202
Gabrielle M. Melka	Vice President, Financial Planning and Analysis	750 East Pratt Street Baltimore, MD 21202
Charles A. Berardesco	Vice President and Secretary	750 East Pratt Street Baltimore, MD 21202
Jonathan W. Thayer	Vice President and Managing Director Corporate Strategy	750 East Pratt Street Baltimore, MD 21202
Mark G. Parr	Vice President Corporate Audit	750 East Pratt Street Baltimore, MD 21202
Kevin W. Hadlock	Vice President Investor Relations	750 East Pratt Street Baltimore, MD 21202
Robert L. Gould	Vice President Corporate Communications	111 Market Place Baltimore, MD 21202
Randall E. Hartman	Assistant Controller	750 East Pratt Street Baltimore, MD 21202
Mark J. Kunkel	Assistant Controller	750 East Pratt Street Baltimore, MD 21202

1.1.3.2 Constellation Generation Group

The business and affairs of Constellation Generation Group are managed under the direction of a Board of Directors, currently consisting of two directors. The Chairman of the Board is Mr. Mayo A. Shattuck III. Mr. Shattuck is a U.S. citizen. His address is 750 East Pratt Street, Baltimore, MD 21202.

The Chairman of the Board of Directors is appointed by, and may only be removed by the Constellation Energy Group Board Members. The Chairman chairs the meetings of the Board of Directors.

The other director of Constellation Generation Group, Mr. Michael J. Wallace, is a U.S. citizen.

The Board of Directors is authorized to appoint Officers for the conduct of the business of Constellation Generation Group and determine their responsibilities and duties.

The President and Chief Executive Officer (CEO) is a U.S. citizen, who is selected by the Board of Directors and is the senior executive responsible for Constellation Energy Group day-to-day operations. The Constellation Energy Group President and CEO has senior nuclear management experience.

The names, titles, addresses, and citizenship of the principal executives and officers of Constellation Generation Group, all of whom are U.S. citizens, are as follows.

Name	Title	Address
Michael J. Wallace	President and CEO	750 East Pratt Street Baltimore, MD 21202
David L. Rehn	Senior Vice President	1997 Annapolis Exchange Parkway Annapolis, MD 21401
John T. Long	Senior Vice President	1997 Annapolis Exchange Parkway Annapolis, MD 21401
Joseph C. Turnage	Senior Vice President	111 Market Place Baltimore, MD 21202
J. Michael Heffley	Senior Vice President	1997 Annapolis Exchange Parkway Annapolis, MD 21401
Frank Andracchi	Vice President	111 Market Place Baltimore, MD 21202
Stephen B. Gross	Vice President	95 Enterprise Drive Suite 300 Aliso Viejo, CA 92656
Dale Linaweaver	Vice President	111 Market Place Baltimore, MD 21202
Richard Mark	Vice President	1997 Annapolis Exchange Parkway Annapolis, MD 21401
Paul English	Vice President	111 Market Place Baltimore, MD 21202
Maria G. Korsnick	Vice President	1503 Lake Road Ontario, NY 14519
George Vanderheyden	Vice President	750 East Pratt Street Baltimore, MD 21202
James A. Spina	Vice President	1650 Calvert Cliffs Parkway Lusby, MD 20657
James K. Walkington	Vice President and	1997 Annapolis

Name	Title	Address
	Chief Financial Officer	Exchange Parkway Annapolis, MD 21401
Daniel L. Haught	Treasurer	1997 Annapolis Exchange Parkway Annapolis, MD 21401
Steven L. Miller	Vice President, General Counsel and Secretary	750 East Pratt Street, Baltimore, MD 21202
Charles A. Berardesco	Assistant Secretary	750 East Pratt Street Baltimore, MD 21202
Daniel R. Skowronski	Assistant Secretary	750 East Pratt Street Baltimore, MD 21202

1.1.3.3 CE UniStar Holdings, LLC

The business and affairs of CE UniStar Holdings are and will be managed under the direction of a Board of Directors, currently consisting of one director. The sole director and Chairman of the Board is Mr. Michael Wallace. Mr. Wallace is a U.S. citizen. His address is 750 East Pratt Street, Baltimore, MD 21202.

The sole director of the Board of Directors is appointed by, and may only be removed by the Constellation Generation Group Board Members. The sole director chairs the meetings of the Board of Directors. The Board of Directors is authorized to appoint Officers for the conduct of the business of CE UniStar Holdings and determine their responsibilities and duties.

The President and Chief Executive Officer (CEO) is a U.S. citizen, who is selected by the Board of Directors and is the senior executive responsible for CE UniStar Holdings day-to-day operations.

The names, titles, addresses, and citizenship of the principal executives and officers of CE UniStar Holdings, all of whom are U.S. citizens, are as follows.

Name	Title	Address
George Vanderheyden	President and CEO	750 East Pratt Street Baltimore, MD 21202
James Walkington	Vice President and Chief Financial Officer	1997 Annapolis Exchange Parkway Annapolis, MD 21401
Steven Miller	Vice President and Secretary	750 East Pratt Street, Baltimore, MD 21202

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1.1.3.4 UniStar Nuclear Operating Services

The business and affairs of UniStar Nuclear Operating Services are and will be managed under the direction of a Board of Directors, currently consisting of one director. The sole director and Chairman of the Board is Mr. Michael Wallace. Mr. Wallace is a U.S. citizen. His address is 750 East Pratt Street, Baltimore, MD 21202.

The sole director of the Board of Directors is appointed by, and may only be removed by the CE UniStar Holdings Board Members. The sole director chairs the meetings of the Board of Directors. The Board of Directors is authorized to appoint Officers for the conduct of the business of UniStar Nuclear Operating Services and determine their responsibilities and duties.

The President and Chief Executive Officer (CEO) is a U.S. citizen, who is selected by the Board of Directors and is the senior executive responsible for UniStar Nuclear Operating Services day-to-day operations. The UniStar Nuclear Operating Services President and CEO has senior nuclear management experience.

The names, titles, addresses, and citizenship of the principal executives and officers of UniStar Nuclear Operating Services, all of whom are U.S. citizens, are as follows.

Name	Title	Address
George Vanderheyden	President and CEO	750 East Pratt Street Baltimore, MD 21202
James Walkington	Vice President and Chief Financial Officer	1997 Annapolis Exchange Parkway Annapolis, MD 21401
Steven Miller	Vice President and Secretary	750 East Pratt Street, Baltimore, MD 21202

1.1.4 REQUESTED LICENSES AND AUTHORIZED USES

This application is for a Class 103 combined license under 10 CFR 52 (CFR, 2007b) to construct and operate a U.S. EPR nuclear power plant unit at the {CCNPP site}, located near {Lusby, Maryland}. This U.S EPR nuclear power plant unit will be used to produce electricity for sale. The period of time for which the license for the unit is requested shall begin upon the NRC's granting of the combined license for {CCNPP Unit 3} and shall expire 40 years from the date upon which the NRC makes a finding that acceptance criteria are met under 10 CFR 50.103(g) (CFR, 2007c) or allowing operation during an interim period under 10 CFR 52.103(c) (CFR, 2007c).

In addition, this application is for the necessary licenses issued under 10 CFR 30 (CFR, 2007d), 10 CFR 40 (CFR 2007e), and 10 CFR 70 (CFR, 2007f) to receive, possess, and use byproduct, source and special nuclear material. Byproduct, source, and special nuclear material shall be in the form of sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment

calibration, and fission detectors in amounts as required. Byproduct, source, and special nuclear material in amounts as required, without restriction to chemical or physical form, shall be for sample analysis or instrument and equipment calibration or associated with radioactive apparatus or components. Special nuclear material shall be in the form of reactor fuel, in accordance with limitations for storage and amounts required for reactor operation, as described in Part 2 of this Combined License Application.

The current scheduled date for the completion of construction of {CCNPP Unit 3 is July 15, 2015}.

The names and addresses of regulatory agencies that have jurisdiction over the rates and services incident to the proposed activity are as follows:

{Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Maryland Public Service Commission
6 St. Paul Street, 16th floor
Baltimore, MD 21202}

Local news publications that circulate in the area around the proposed facility and that are considered appropriate to give reasonable notice of the application to those parties that might have a potential interest in the proposed facility are as follows:

{Calvert Independent Newspaper
P.O. Box 910
Prince Frederick, MD 20678

Calvert County Recorder
P.O. Box 485
Prince Frederick, MD 20678

Enterprise Newspaper
P.O. Box 700
Lexington Park, MD 20653}

1.2 FINANCIAL QUALIFICATIONS

{Historical financial information regarding Constellation Energy Group and its subsidiaries is set forth in the 2006 Annual Report for Constellation Energy Group. This report is provided to the Securities and Exchange Commission (SEC) and is available at <http://www.constellation.com/portal/site/constellation/menuitem.58e5de330bdbb2875fb60610025166a0/>.} That information supports the conclusion that {Constellation Energy Group and its subsidiaries} possess, or have reasonable assurance of obtaining, the funds necessary to cover the construction and operating costs of {CCNPP Unit 3} for the period of the License in accordance with 10 CFR 50.33(f)(2) (CFR, 2007a), and NUREG-1577, the Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance (NRC, 1999).

To provide financial assurance of the ability of Constellation Generation Group and UniStar Nuclear Operating Services to protect public health and safety, both companies are authorized to execute and deliver an inter-company credit agreement with Constellation Energy Group authorizing each of the companies to borrow, from time-to-time as needed, up to funds for the CCNPP Unit 3 project. In addition, to provide for the daily cash needs of Constellation Generation Group and UniStar Nuclear Operating Services for the CCNPP Unit project, both companies are authorized to execute and deliver demand notes which will allow each of the two companies to participate in a cash pool operated by Constellation Energy Group.

Projected income statements, including statements of operating cash flow and project costs, are provided in Tables 1.0-1 through 1.0-10. Tables 1.0-1 and 1.0-2 provide projected income statements and operating cash flows for {CCNPP Unit 3}. Table 1.0-3 provides the total project cost estimated for {CCNPP Unit 3}. Projected income statement sensitivity evaluations are provided, for {CCNPP Unit 3}, in Tables 1.0-4 through 1.0-10.

The projected income statements and operating cash flows for {CCNPP Unit 3} presented in Tables 1.0-1 and 1.0-2 demonstrate the project's financial viability. The project's financial robustness is further evidenced by the results of sensitivity analyses presented Tables 1.0-4 through 1.0-10. The sensitivity analyses, which reflect the financial impact of various potential adverse changes to base case assumptions, including higher borrowing costs, lower market prices, lower output capacity, elimination of Production Tax Credits, and higher construction capital costs, indicate that despite being stressed under various scenarios, the project's proforma income statement continues to remain financially attractive, thus supporting a strong business case for the project.

Information withheld in accordance with 10 CFR 2.390, "Public inspections, exemptions, requests for withholding," paragraph (d)(1).

As reflected in Table 1.0-3, the total project cost estimated for {CCNPP Unit 3 is[] (in 2007 dollars)}. The project is expected to be financed with approximately {80% debt and 20% equity, assuming the debt is completely covered by federal loan guarantees}. {The planned debt/equity ratio for the financing of CCNPP Unit 3 is consistent with the provisions for federal loan guarantees included in the Energy Policy Act of 2005 (PLN, 2005).} It is expected that the sources of this financing will be {institutional banks and/or large insurance companies.} {As more detailed information is developed regarding cost and financing of the facility, it will be submitted to the NRC, as appropriate.}

1.3 DECOMMISSIONING FUNDING ASSURANCE

In accordance with the Commission's regulations in 10 CFR 50.33 (CFR, 2007a) and the guidance provided in NUREG-1577, "Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance," (NRC, 1999) decommissioning financial assurance information is provided in this section. The purpose of this section is to provide reasonable assurance that {Constellation Generation Group} and UniStar Nuclear Operating Services (the co-applicants that are intended to be license holders for {CCNPP Unit 3}) have a viable plan to ensure that funds will be available to decommission {CCNPP Unit 3}, when required. As such, this subsection and the associated Appendices constitute the decommissioning report required by 10 CFR 50.75, "Reporting and recordkeeping for decommissioning planning," paragraph (b) (CFR, 2007j).

This subsection provides (1) an estimate of total decommissioning costs and the funding methods to cover those costs, as provided in 10 CFR 50.75 (CFR, 2007j) and (2) the required financial assurance certification for decommissioning in an amount no less than that calculated in accordance with 10 CFR 50.75 (CFR, 2007j).

1.3.1 DECOMMISSIONING COST ESTIMATE

COL applicants are required to include, as part of their application, a report containing a certification that financial assurance for decommissioning will be provided in an amount that may be more, but not less, than the amount stated in the table in 10 CFR 50.75(c)(1) (CFR, 2007j).

{For CCNPP Unit 3, the minimum certification amount has been computed, using the formula provided in 10 CFR 50.75(c)(1) and (2) (CFR, 2007j) and appropriate escalation factors for energy, labor, and waste burial costs. The escalation factors for labor and energy were taken from regional data of the US Department of Labor, Bureau of Labor Statistics and the escalation factor for waste burial was taken from NUREG-1307, "Report of Waste Burial Charges" (NRC, 2007).} The certification amount does not include the costs of dismantling or demolishing non-radiological systems and structures. The funding assurance covers only the removal of radiologically contaminated systems and structures, and reduction of residual radioactivity to a level that permits (1) release of the property for unrestricted use and termination of the license, or (2) release of the property under restricted conditions and termination of the license. In addition, the costs of managing and storing spent fuel on site until transfer to the U.S. Department of Energy for permanent disposal are not included. The minimum certification amounts were calculated for both disposition of low level radioactive waste (LLRW) by waste vendors and disposal of LLRW by direct burial options. {The minimum certification amounts calculated in 2006 dollars are \$378 million for the disposition of LLRW by waste vendors option and \$710 million for the disposal of LLRW by direct burial option. Constellation Generation Group and UniStar Nuclear Operating Services intend to use

the disposition of LLRW by waste vendors option for the decommissioning of CCNPP Unit 3.}

Therefore, {Constellation Generation Group} and UniStar Nuclear Operating Services certify that financial assurance for decommissioning {CCNPP Unit 3} will be provided in the amount of {\$378 million (in 2006 dollars) consistent with the minimum funding amount requirements established by 10 CFR 50.75(c) (CFR, 2007j)}. This financial assurance will be provided, {using a parent company guarantee}, as described below.

1.3.2 DECOMMISSIONING FUNDING MECHANISM

{Constellation Generation Group} and UniStar Nuclear Operating Services intend to utilize {a parent company guarantee}, to provide reasonable assurance of decommissioning funding as required by 10 CFR 50.75 (CFR, 2007j). {To satisfy these requirements, Constellation Energy Group (the parent corporation of both Constellation Generation Group and UniStar Nuclear Operating Services) shall guarantee to provide the full dollar amount to fund performance of decommissioning of CCNPP Unit 3 in the event of default by Constellation Generation Group and UniStar Nuclear Operating Services.} Finalization of the specific financial instruments to be utilized will be completed, and signed originals of those instruments will be provided to the NRC, prior to fuel receipt at {CCNPP Unit 3}. Specifically, {Constellation Generation Group} and UniStar Nuclear Operating Services certify that financial assurance for decommissioning will be provided no later than 30 days after the NRC publishes a notice of intended operation for {CCNPP Unit 3} in the Federal Register under 10 CFR 50.103(a) (CFR, 2007c) in the amount which may be more, but not less, than the amount stated in the table in 10 CFR 50.75(c)(1) (CFR, 2007j), adjusted using a rate equal to that stated in 10 CFR 50.75(c)(2) (CFR, 2007j). {Constellation Generation Group} and UniStar Nuclear Operating Services intend to provide continuous financial assurance from the time period beginning 30 days after the NRC publishes the notice of intended operation for {CCNPP Unit 3} to the completion of decommissioning and termination of the license.

{The parent company guarantee method adopted by Constellation Generation Group and UniStar Nuclear Operating Services, consistent with the requirements of 10 CFR 50.75(e)(1)(iii)(B) (CFR, 2007j), will provide an ultimate guarantee that decommissioning costs will be paid in the event Constellation Generation Group and UniStar Nuclear Operating Services are unable to meet their decommissioning obligations at the time of decommissioning. The parent company guarantee will also be structured and adopted consistent with applicable NRC regulatory requirements and in accordance with NRC regulatory guidance contained in Regulatory Guide 1.159 (NRC, 2003). Accordingly, Constellation Generation Group and UniStar Nuclear Operating Services intend that the parent company guarantee documentation will contain, but not be limited to, the following attributes:

- The parent company guarantee and financial test shall be as contained in Appendix A, Criteria Related to the Use of Financial Tests and Parent Company Guarantees

for Providing Reasonable Assurance of Funds for Decommissioning, of 10 CFR 30 (CFR, 2007d).

- The parent company guarantee will remain in force unless the guarantor sends notice of cancellation by certified mail to Constellation Generation Group and UniStar Nuclear Operating Services and to the NRC. Cancellation will not occur, however, during the 120 days beginning on the date of receipt of the notice of cancellation by Constellation Generation Group, UniStar Nuclear Operating Services, and the NRC, as evidenced by return receipts.
- Within 90 days after receipt by Constellation Generation Group, UniStar Nuclear Operating Services and the NRC of a notice of cancellation of the parent company guarantee from the guarantor, if Constellation Generation Group and UniStar Nuclear Operating Services fail to provide alternate financial assurance as specified in regulations, the guarantor will provide such alternative financial assurance in the name of Constellation Generation Group and UniStar Nuclear Operating Services.
- The parent company guarantee will be payable to a trust established for decommissioning costs. The trustee and trust will be ones acceptable to the NRC. For instance, the trustee may be an appropriate State or Federal government agency or an entity which has the authority to act as a trustee and whose trust operations are regulated and examined by a Federal or State agency.
- The parent company guarantee and financial test provisions will remain in effect until the NRC has terminated the license.}

Unexecuted copies of the {parent company guarantee} documentation are provided in Appendices {A-1 through A-9}. Prior to receipt of fuel onsite at {CCNPP Unit 3}, the applicable unexecuted copies of the parent guarantee documentation will be replaced with the finalized, signed, and executed {parent company guarantee} documentation. {As demonstrated in Appendix A-6, Constellation Energy Group meets the financial test criteria identified in paragraph A.2 of Appendix A of 10 CFR 30 (CFR, 2007d).}

1.3.3 DECOMMISSIONING COSTS AND FUNDING – STATUS REPORTING

In accordance with 10 CFR 50.75(e) (CFR, 2007j), {Constellation Generation Group} and UniStar Nuclear Operating Services will, two years before and one year before the scheduled date for initial loading of fuel, submit a report containing a certification updating the information described in 10 CFR 50.75(b)(1) (CFR, 2007j), including a copy of the financial instrument to be used.

Additionally, in accordance with 10 CFR 50.75(f)(1) (CFR, 2007j), {Constellation Generation Group} and UniStar Nuclear Operating Services will periodically report on the status of decommissioning funding for {CCNPP Unit 3}. This report will include, as a minimum, updates to the amount of decommissioning funds estimated to be required

pursuant to 10 CFR 50.75(b) and (c) (CFR, 2007j); the amount accumulated to the end of the calendar year preceding the date of the report; a schedule of the annual amounts remaining to be collected; the assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections; any contracts upon which {Constellation Generation Group} and UniStar Nuclear Operating Services are relying pursuant to 10 CFR 50.75 (e)(1)(v) (CFR, 2007j); any modifications occurring to the current method of providing financial assurance since the last submitted report; and any material changes to the standby trust agreement. These updates will take into account changes resulting from inflation or site-specific factors, such as changes in facility conditions or expected decommissioning procedures.

{In addition, after the initial financial test for the parent company guarantee, the parent company must repeat the passage of the financial test within 90 days after the close of each succeeding fiscal year. If the parent company no longer meets the requirements of the financial test, Constellation Generation Group and UniStar Nuclear Operating Services shall send notice to the NRC of intent to establish alternate financial assurance as specified in NRC regulations. The notice shall be sent by certified mail within 90 days after the end of the fiscal year for which the year end financial data show that the parent company no longer meets the financial test requirements. The licensee must provide alternate financial assurance within 120 days after the end of such fiscal year.}

1.3.4 RECORDKEEPING PLANS RELATED TO DECOMMISSIONING FUNDING

In accordance with 10 CFR 50.75(g) (CFR, 2007j), {Constellation Generation Group} and UniStar Nuclear Operating Services will retain records, until the termination of the license, of information important to the safe and effective decommissioning of {CCNPP Unit 3}. These records will include the following.

1. Records of spills or other unusual occurrences involving the spread of contamination in and around the facility, equipment, or site. These records may be limited to instances when significant contamination remains after any cleanup procedures or when there is reasonable likelihood that contaminants may have spread to inaccessible areas as in the case of possible seepage into porous materials such as concrete. These records will include any known information on identification of involved nuclides, quantities, forms, and concentrations.
2. As-built drawings and modifications of structures and equipment in restricted areas where radioactive materials are used and/or stored and of locations of possible inaccessible contamination such as buried pipes which may be subject to contamination. If required drawings are referenced, each relevant document need not be indexed individually. If drawings are not available, appropriate records of available information shall be substituted concerning these areas and locations.

3. Records of the cost estimate performed for the decommissioning funding plan or of the amount certified for decommissioning, and records of the funding method used for assuring funds if either a funding plan or certification is used.
4. Records of:
 - a. The licensed site area, as originally licensed, which will include a site map and any acquisition or use of property outside the originally licensed site area for the purpose of receiving, possessing, or using licensed materials;
 - b. The licensed activities carried out on the acquired or used property; and
 - c. The release and final disposition of any property recorded in item a above, the historical site assessment performed for the release, radiation surveys performed to support release of the property, submittals to the NRC made in accordance with 10 CFR 50.83 (CFR, 2007k), and the methods employed to ensure that the property met the radiological criteria of subpart E of 10 CFR Part 20 (CFR, 2007l) at the time the property was released.

In addition, the financial assurance instruments, signed by the individuals authorized to act for the appropriate parties, shall be maintained in records and available for inspection until termination of the license.

1.4 FOREIGN OWNERSHIP, CONTROL, OR DOMINATION

{Constellation Generation Group and UniStar Nuclear Operating Services are not owned, dominated, or controlled by foreign interests.

Constellation Energy Group is a publicly traded company (CEG), and its securities are traded on the New York Stock Exchange and are widely held. Constellation Generation Group is a wholly owned subsidiary of Constellation Energy Group. Unistar Nuclear Operating Services is a U.S. limited liability company that is an indirect subsidiary (through CE UniStar Holdings) of Constellation Generation Group. Section 13 of the Securities Exchange Act of 1934, as amended, 15 USC 78m(d), requires that a person or entity that owns or controls more than 5% of the stock of a company must file notice with the Security Exchange Commission (SEC). Based upon the review of the relevant filings with the SEC, the applicants have identified that Barclays Global Investors, NA, a U.S. company that is owned by Barclays PLC, a United Kingdom company (Barclays), controls approximately 6.9% of the voting stock of Constellation Energy Group. Barclays does not currently exercise control over Constellation Energy Group, and is not expected to exercise control over Constellation Energy Group, Constellation Generation Group, CE UniStar Holdings, or UniStar Nuclear Operating Services following the issuance of the combined license. The Applicants are not aware of any other alien, foreign corporation, or foreign government that holds more than 5% of the securities of Constellation Energy Group, or will hold more than 5% of the securities of Constellation Energy Group following the issuance of the combined license.

Each of the Chairman of the Board of Directors of Constellation Energy Group, Constellation Generation Group, CE UniStar Holdings, and UniStar Nuclear Operating Services (who are U.S. citizens and are expected to remain so after issuance of the combined license) have the deciding vote on matters, brought before their respective boards, affecting nuclear-related classified information and the care of special nuclear material in the custody of their respective companies or subsidiaries. Further, controls are being established to ensure each of the Presidents of Constellation Energy Group, Constellation Generation Group, CE UniStar Holdings, and UniStar Nuclear Operating Services (who are U.S. citizens and are expected to remain so after issuance of the combined license) have the deciding vote on officer-matters affecting nuclear-related classified information and the care of special nuclear material in the custody of their respective companies. In addition, controls are also being established to ensure any director or officer of Constellation Energy Group, Constellation Generation Group, CE UniStar Holdings, or UniStar Nuclear Operating Services, who is not a U.S. citizen, is precluded from vote or control of matters associated with nuclear-related classified information (including access to such information) or special nuclear material in the custody of their respective companies or subsidiaries. If a non-U.S. citizen is appointed as a director or as an officer of Constellation Energy Group, Constellation Generation Group, CE UniStar Holdings, or UniStar Nuclear Operating Services, then the NRC will be informed of that fact within a reasonable time.}

Thus, there is no reason to believe that {Constellation Generation Group} or UniStar Nuclear Operating Services are or will be owned, controlled, or dominated by any alien, foreign corporation, or foreign government. Thus, the issuance of the combined license for {CCNPP Unit 3} will not result in any foreign ownership, domination, or control of {CCNPP Unit 3} within the meaning of the Atomic Energy Act.

1.5 RESTRICTED DATA AND CLASSIFIED NATIONAL SECURITY INFORMATION

The combined license application for {CCNPP Unit 3} does not contain any Restricted Data or other Classified National Security Information, nor does it result in any change in access to any Restricted Data or Classified National Security Information. In addition, it is not expected that activities conducted in accordance with the proposed combined license will involve such information. However, in the event that such information does become involved, and in accordance with 10 CFR 50.37, "Agreement limiting access to Classified Information," (CFR, 2007g), {Constellation Energy Group, Constellation Generation Group, CE UniStar Holdings,} and UniStar Nuclear Operating Services agree that they will not permit any individual to have access to, or any facility to possess, Restricted Data or classified National Security Information until the individual and/or facility has been approved for such access under the provisions of 10 CFR Part 25, "Access Authorization for Licensee Personnel," (CFR, 2007h) and/or 10 CFR 95, "Facility Security Clearance and Safeguarding of National Security Information and Restricted Data," (CFR, 2007i).

1.6 REFERENCES

{**CFR, 2007a.** Title 10 Code of Federal Regulations, Part 50.33, Content of applications; general information, 2007. }

{**CFR, 2007b.** Title 10 Code of Federal Regulations, Part 52, Early Site Permits; Standard Design Certifications; and Combined Licenses for Nuclear Power Plants, 2007. }

{**CFR, 2007c.** Title 10 Code of Federal Regulations, Part 52.103, Operation under a combined license, 2007. }

{**CFR, 2007d.** Title 10 Code of Federal Regulations, Part 30, Rules of General Applicability to Domestic Licensing of Byproduct Material, 2007. }

{**CFR, 2007e.** Title 10 Code of Federal Regulations, Part 40, Domestic Licensing of Source Material, 2007. }

{**CFR, 2007f.** Title 10 Code of Federal Regulations, Part 70, Domestic Licensing of Special Nuclear Material, 2007. }

{**CFR, 2007g.** Title 10 Code of Federal Regulations, Part 50.37, Agreement Limiting Access to Classified Information, 2007. }

{**CFR, 2007h.** Title 10 Code of Federal Regulations, Part 25, Access Authorization for Licensee Personnel, 2007. }

{**CFR, 2007i.** Title 10 Code of Federal Regulations, Part 95, Facility Security Clearance and Safeguarding of National Security Information and Restricted Data, 2007. }

{**CFR, 2007j.** Title 10 Code of Federal Regulations, Part 50.75, Reporting and recordkeeping for decommissioning planning, 2007. }

{**CFR, 2007k.** Title 10 Code of Federal Regulations, Part 50.83, Release of part of a power reactor facility or site for unrestricted use, 2007. }

{**CFR, 2007l.** Title 10 Code of Federal Regulations, Part 20, Standards for Protection Against Radiation, 2007. }

{**NRC, 1999.** Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance, NUREG-1577, Revision 1, U.S. Nuclear Regulatory Commission, February 1999. }

{**NRC, 2003.** Assuring the Availability of Funds for Decommissioning Nuclear Reactors, Regulatory Guide 1.159, Revision 1, U.S. Nuclear Regulatory Commission, October 2003. }

{NRC, 2007. Report of Waste Burial Charges, NUREG-1307, Revision 12, U.S. Nuclear Regulatory Commission, February 2007. }

PLN, 2005. Public Law No. 109-58. Energy Policy Act of 2005, August 2005.

Information withheld in accordance with 10 CFR 2.390, "Public inspections, exemptions, requests for withholding," paragraph (d)(1).

Table 1.0-1
{Calvert Cliffs Nuclear Power Plant Unit 3
Projected Income Statement^(a)
(Non-Proprietary Version)

(\$Millions)	<u>2015^(b)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenue					
Market					
Total Revenues					
Operating Expenses					
Nuclear Fuel ^(c)					
O&M, Non-Outage					
O&M, refueling outage					
Property taxes					
Net Decommissioning Expenses ^(d)					
Depreciation					
Total Operating Expenses					
Operating Income					
Other (income)/expense					
Interest expense					
Total other (income)/expense					
Pretax Income					
Income Taxes ^(e)					
Net Income After-Tax					

- (a) Base Case assumes leverage of approximately 80% Debt /20% Equity with 5.5% cost of borrowing and loan guarantees.
- (b) The Projected Income Statement for 2015 reflects a partial year.
- (c) Includes DOE disposal fees.
- (d) Decommissioning expense net of decommissioning fund earnings.
- (e) Income Taxes net of Production Tax Credits and Generation Qualified Deductions.}

Information withheld in accordance with 10 CFR 2.390, "Public inspections, exemptions, requests for withholding," paragraph (d)(1).

Table 1.0-2
{Calvert Cliffs Nuclear Power Plant Unit 3
Projected Statement of Operating Cash Flows
(Non-Proprietary Version)

(\$Millions)	<u>2015^(a)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenue					
Market					
Total Revenues					
Operating Expenses					
Nuclear fuel ^(b)					
O&M, Non-Outage					
O&M, refueling outage					
Property taxes					
Net Decommissioning Expenses					
Total Operating Expenses					
Capital project expenditures ^(c)					
Operating Cash flows Before Income Taxes & financing costs					

- (a) The Projected Statement of Operating Cash Flows for 2015 reflects a partial year.
- (b) Includes DOE disposal fees and nuclear fuel capital.
- (c) Includes recurring/maintenance capital expenditure and outage capital.

Information withheld in accordance with 10 CFR 2.390, "Public inspections, exemptions, requests for withholding," paragraph (d)(1).

Table 1.0-3
{Calvert Cliffs Nuclear Power Plant Unit 3
Projected Project Cost
(Non-Proprietary Version)

(\$Millions)

Uses:

Plant Cost	
Transmission	
Initial Fuel Load	
Interest During Construction (capitalized)	
Other Financing Charges ^(b)	
Total Capital Project Cost	_____
	=====

Sources:

Debt	
Equity	
Total Capital Project Cost	_____
	=====

- (a) Cumulative projected Debt, Equity, and financing balances as of Commercial Operation Date (COD).
- (b) Includes cumulative loan origination fee, federal loan guarantee fee, commitment fee and debt service reserve. }

Table 1.0-4
{Calvert Cliffs Nuclear Power Plant Unit 3
Projected Income Statement Sensitivity
Cost of Borrowing Increased 200 Basis Points
(Non-Proprietary Version)

(\$Millions)	<u>2015^(a)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenue					
Market					
Total Revenues					
Operating Expenses					
Nuclear Fuel ^(b)					
O&M, Non-Outage					
O&M, refueling outage					
Property taxes					
Net Decommissioning Expenses ^(c)					
Depreciation					
Total Operating Expenses					
Operating Income					
Other (income)/expense					
Interest expense					
Total other (income)/expense					
Pretax Income					
Income Taxes ^(d)					
Net Income After-Tax					

- (a) The Projected Income Statement for 2015 reflects a partial year.
- (b) Includes DOE disposal fees.
- (c) Decommissioning expense net of decommissioning fund earnings.
- (d) Income Taxes net of Production Tax Credits and Generation Qualified Deductions.}

Information withheld in accordance with 10 CFR 2.390, "Public inspections, exemptions, requests for withholding," paragraph (d)(1).

Table 1.0-5
{Calvert Cliffs Nuclear Power Plant Unit 3
Projected Income Statement Sensitivity
Leverage of 64% Debt /36% Equity
(Non-Proprietary Version)

(\$Millions)	<u>2015^(a)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenue					
Market					
Total Revenues					
Operating Expenses					
Nuclear Fuel ^(b)					
O&M, Non-Outage					
O&M, refueling outage					
Property taxes					
Net Decommissioning Expenses ^(c)					
Depreciation					
Total Operating Expenses					
Operating Income					
Other (income)/expense					
Interest expense					
Total other (income)/expense					
Pretax Income					
Income Taxes ^(d)					
Net Income After-Tax					

- (a) The Projected Income Statement for 2015 reflects a partial year.
- (b) Includes DOE disposal fees.
- (c) Decommissioning expense net of decommissioning fund earnings.
- (d) Income Taxes net of Production Tax Credits and Generation Qualified Deductions.}

Information withheld in accordance with 10 CFR 2.390, "Public inspections, exemptions, requests for withholding," paragraph (d)(1).

Table 1.0-6
{Calvert Cliffs Nuclear Power Plant Unit 3
Projected Income Statement Sensitivity
10% Reduction in Projected Market Prices
(Non-Proprietary Version)

(\$Millions)	<u>2015^(a)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenue ^(b)					
Market					
Total Revenues					
Operating Expenses					
Nuclear Fuel ^(c)					
O&M, Non-Outage					
O&M, refueling outage					
Property taxes					
Net Decommissioning Expenses ^(d)					
Depreciation					
Total Operating Expenses					
Operating Income					
Other (income)/expense					
Interest expense					
Total other (income)/expense					
Pretax Income					
Income Taxes ^(e)					
Net Income After-Tax					

- (a) The Projected Statement for 2015 reflects a partial year.
- (b) This sensitivity analysis reflects results from market prices 10% lower than projected, which include both a reduction in revenue and corresponding reduction in income tax expense.
- (c) Includes DOE disposal fees.
- (d) Decommissioning expense net of decommissioning fund earnings.
- (e) Income Taxes net of Production Tax credits and Generation Qualified Deductions. }

Information withheld in accordance with 10 CFR 2.390, "Public inspections, exemptions, requests for withholding," paragraph (d)(1).

Table 1.0-7
{Calvert Cliffs Nuclear Power Plant Unit 3
Projected Income Statement Sensitivity
10% Reduction in Capacity Factor
(Non-Proprietary Version)

(\$Millions)	<u>2015^(a)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenue ^(b)					
Market					
Total Revenues					
Operating Expenses					
Nuclear Fuel ^(c)					
O&M, Non-Outage					
O&M, refueling outage					
Property taxes					
Net Decommissioning Expenses ^(d)					
Depreciation					
Total Operating Expenses					
Operating Income					
Other (income)/expense					
Interest expense					
Total other (income)/expense					
Pretax Income					
Income Taxes ^(e)					
Net Income After-Tax					

- (a) The Projected Income Statement for 2015 reflects a partial year.
- (b) This sensitivity analysis reflects results from sales assuming a 10% reduction in capacity factor, corresponding to reductions in nuclear fuel amortization and income tax expense.
- (c) Includes DOE disposal fees.
- (d) Decommissioning expense net of decommissioning fund earnings.
- (e) Income Taxes net of Production Tax Credits and Generation Qualified Deductions. }

Information withheld in accordance with 10 CFR 2.390, "Public inspections, exemptions, requests for withholding," paragraph (d)(1).

Table 1.0-8
{Calvert Cliffs Nuclear Power Plant Unit 3
Projected Income Statement Sensitivity
No Receipt of Production Tax Credits
(Non-Proprietary Version)

(\$Millions)	<u>2015^(a)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenue					
Market					
Total Revenues					
Operating Expenses					
Nuclear Fuel ^(b)					
O&M, Non-Outage					
O&M, refueling outage					
Property taxes					
Net Decommissioning Expenses ^(c)					
Depreciation					
Total Operating Expenses					
Operating Income					
Other (income)/expense					
Interest expense					
Total other (income)/expense					
Pretax Income					
Income Taxes ^(d)					
Net Income After-Tax					

- (a) The Projected Income Statement for 2015 reflects a partial year.
- (b) Includes DOE disposal fees.
- (c) Decommissioning expense net of decommissioning fund earnings.
- (d) This sensitivity assumes the project is not eligible for Production Tax Credits. Income Taxes are net of Generation Qualified Deductions.}

Information withheld in accordance with 10 CFR 2.390, "Public inspections, exemptions, requests for withholding," paragraph (d)(1).

Table 1.0-9
{Calvert Cliffs Nuclear Power Plant Unit 3
Projected Income Statement Sensitivity
10% Higher Capital Cost -
(Non-Proprietary Version)

(\$Millions)	<u>2015^(a)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenue					
Market					
Total Revenues					
Operating Expenses					
Nuclear Fuel ^(b)					
O&M, Non-Outage					
O&M, refueling outage					
Property taxes					
Net Decommissioning Expenses ^(c)					
Depreciation					
Total Operating Expenses					
Operating Income					
Other (income)/expense					
Interest expense					
Total other (income)/expense					
Pretax Income					
Income Taxes ^(d)					
Net Income After-Tax					

- (a) The Projected Income Statement for 2015 reflects a partial year.
- (b) Includes DOE disposal fees.
- (c) Decommissioning expense net of decommissioning fund earnings.
- (d) Income Taxes net of Production Tax Credits and Generation Qualified Deductions.}

Information withheld in accordance with 10 CFR 2.390, "Public inspections, exemptions, requests for withholding," paragraph (d)(1).

Table 1.0-10
{Calvert Cliffs Nuclear Power Plant Unit 3
6-Month Non-Regulatory Delay
(Non-Proprietary Version)

A specific sensitivity was not calculated for the 6-month non-regulatory delay scenario as it is believed that the 10% Higher Capital Cost Sensitivity (Table 1.0-9) conservatively bounds the 6-month non-regulatory delay scenario.

A 6-month delay is a scenario whereby the start of operations would be postponed for 6 months due to non-regulatory reasons.

A 6-month non-regulatory delay would increase the Interest During Construction (IDC) and would incur additional operating costs (primarily labor). Operating costs incurred prior to Commercial Operation Date (COD) are capitalized and financed along with other construction costs.

The incremental capitalized interest and capitalized Operating and Maintenance (O&M) costs are estimated as follows.

(\$Millions)

Total Base Case Capital Cost (from Table 1.0-3)

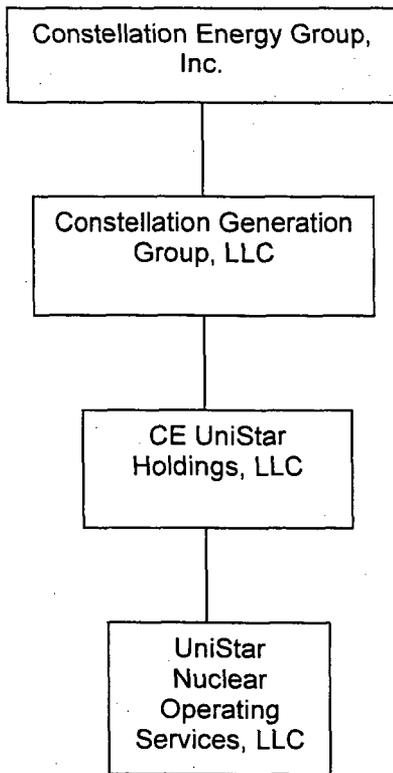
Additional Interest on debt (from Table 1.0-3)
([] debt*5.5% interest rate* ½ year)

Additional Capitalized Operating Costs
(fixed O&M Cost, includes labor, overhead, property taxes and insurance)

Total 6-Month Non-Regulatory Delay Capital Cost

The total capital cost would increase from [] million to approximately [] million (an increase of 3%), which is significantly less than the [] []*110%) projected for the 10% Higher Capital Cost Sensitivity.}

{Figure 1.0-1 Organizational Structure}



**{APPENDIX A-1
STANDBY TRUST FUND AGREEMENT**

TRUST AGREEMENT, the Agreement entered into as of [date] by and between Constellation Generation Group, LLC, a Maryland limited liability company, and UniStar Nuclear Operating Services, LLC, a Delaware limited liability company, herein referred to as the "Grantor," and [name and address of an appropriate State or Federal government agency or an entity that has the authority to act as trustee and whose trust operations are regulated or examined by a State or Federal agency], the "Trustee."

WHEREAS, the U.S. Nuclear Regulatory Commission (NRC), an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974, has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part 50. These regulations, applicable to the Grantor, require that a holder of, or an applicant for, a Part 50 license provide assurance that funds will be available when needed for required decommissioning activities.

WHEREAS, the Grantor has elected to use a parent guarantee to provide all of such financial assurance for the facilities identified herein; and

WHEREAS, when payment is made under a parent guarantee, this standby trust shall be used for the receipt of such payment; and

WHEREAS, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this Agreement, and the Trustee is willing to act as trustee,

NOW, THEREFORE, the Grantor and the Trustee agree as follows:

Section 1. Definitions. As used in this Agreement:

- (a) The term "Grantor" means the NRC licensees who enter into this Agreement and any successors or assigns of the Grantor.
- (b) The term "Trustee" means the trustee who enters into this Agreement and any successor Trustee.

Section 2. Costs of Decommissioning. This Agreement pertains to the costs of decommissioning the facility identified in License Number [insert license number] issued pursuant to 10 CFR Part 50.

Section 3. Establishment of Fund. The Grantor and Trustee hereby establish a Standby Trust Fund (the Fund) for the benefit of [insert the Grantor or other appropriate beneficiary such as a State agency or the NRC, but only to the extent the provisions of 31 U.S.C. 3302(b) would not be applicable]. The Grantor and the Trustee intend that no third party shall have access to the Fund except as provided herein. [Modification of this

provision to cover sale-leaseback agreements should be made contingent upon continued dedication of the trust to provide funds for decommissioning.]

Section 4. Payments Constituting the Fund. Payments made to the Trustee for the Fund shall consist of cash, securities, or other liquid assets acceptable to the Trustee. The Fund is established initially as consisting of property acceptable to the Trustee. Such property and any other property subsequently transferred to the Trustee are referred to as the "Fund," together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided.

Section 5. Payment for Required Activities Specified in the Plan. The Trustee shall make payments from the Fund to the Grantor or to a decommissioning contractor of the Grantor as the Grantor may designate upon presentation to the Trustee of the following:

- a. A certificate duly executed by the [Authorized Officers] of the Grantor attesting to the occurrence of the events, and in the form set forth in the attached Specimen Certificate (see certificate following standby trust), and
- b. A certificate attesting to the following conditions;
 - (1) that decommissioning is proceeding pursuant to an NRC-noticed plan, and
 - (2) that the funds withdrawn will be expended for activities undertaken pursuant to that Plan.

Notwithstanding the foregoing, except for payments for administrative costs (including taxes) and other incidental expenses of the Fund (including legal, accounting, actuarial, and trustee expenses) in connection with the operation of the Fund, no disbursements or payments from the Fund shall be made: (1) unless 30 working days prior written notice of such disbursement or payment has been made to the NRC or (2) if the Trustee receives written notice of an objection from the NRC's Director of the Office of Nuclear Reactor Regulation or the Director of the Office of Nuclear Material Safety and Safeguards, as applicable. Except that, the foregoing shall not apply if the Grantor is making a withdrawal pursuant to 10 CFR 50.82(a)(8).

In the event of the Grantor's default or inability to direct decommissioning activities, the Trustee shall: (1) make payments from the Fund as the NRC or State agency shall direct, in writing, to provide for the payment of the costs of required activities covered by this Agreement; (2) make disbursements to the Grantor or other persons as specified by the NRC, or State agency, from the Fund for expenditures for required activities in such amounts as the NRC, or State agency, shall direct in writing; and (3) refund to the Grantor such amounts remaining after the license has been terminated or as the NRC or State Agency specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 6. Trust Management. The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge its duties with respect to the Fund in the best interest of the beneficiary and with the care, skill, prudence, and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; except that:

- (a) Securities or other obligations of the grantor, or any other owner or operator of any nuclear power reactor, or any of their affiliates, subsidiaries, successors, or assigns, as defined in the Investment Company Act of 1940, as amended (15 U. S. C. 80A-2(a)), or in a mutual fund in which at least 50 percent of the fund is invested in the securities of an NRC licensee of a nuclear power plant, or a parent company whose subsidiary is an owner or operator of a foreign or domestic nuclear power plant shall not be acquired or held. Investments tied to market indices or other non-nuclear-sector collective, commingled, or mutual funds (i.e., a mutual fund in which less than 50 percent of the fund is invested in the securities of a licensee or a parent company whose subsidiary is an owner or operator of a foreign or domestic nuclear power plant) may be acquired or held, provided, however, that no more than 10 percent of trust assets may be indirectly invested in securities of any entity owning or operating one or more nuclear power plants.
- (b) For a reasonable time, not to exceed 60 days, the Trustee is authorized to hold uninvested cash, awaiting investment or distribution, without liability for the payment of interest thereon.
- (c) Any person directing investments made in the trusts shall adhere to the [applicable State-specific investment standard and/or the] "prudent investor" standard as specified in 18 CFR 35.32(a)(3) of the Federal Energy Regulatory Commission regulations or any successor regulation thereto (the "Prudent Investor Standard"); and
- (d) The Grantor, its affiliates, and its subsidiaries are prohibited from acting as investment manager for the funds or from giving day-to-day management direction of the funds' investments or direction on individual investments by the funds except that the Grantor, or an affiliate or subsidiary may act as an investment manager in the case of passive fund management of trust funds where management is limited to investment tracking market indices.

Section 7. Commingling and Investment. The Trustee is expressly authorized in its discretion:

- (a) To transfer from time to time any or all of the assets of the fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and
- (b) To purchase shares in any investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80A-1 et seq.), including one that may be created, managed, underwritten, or to which investment advice is rendered, or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

Section 8. Express Powers of Trustee. Without in any way limiting the powers and discretion conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

- (a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale, as necessary, for prudent management of the Fund;
- (b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
- (c) To register any securities held in the Fund in its own name, or in the name of a nominee, and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, to reinvest interest and dividends payments and funds from matured and redeemed instruments, to file proper forms concerning securities held in the Fund in a timely fashion with appropriate government agencies, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee or such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the U.S. Government, or any agency or instrumentality thereof, with a Federal Reserve bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund;
- (d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee; and
- (e) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 9. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund may be paid from the Fund. All other expenses incurred by the Trustee in connection

with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee may be paid from the Fund.

Section 10. Annual Valuation. After payment has been made into this Standby Trust Fund, the Trustee shall annually furnish to the Grantor a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value within a reasonable time of such statement. The failure of the Grantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Grantor shall constitute a conclusively binding assent by the Grantor, barring the grantor from asserting any claim or liability against the Trustee with respect to the matters disclosed in the statement.

Section 11. Advice of Counsel. The Trustee may from time to time consult with counsel, who may be counsel to the grantor, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting on the advice of counsel.

Section 12. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing from time to time with the Grantor.

Section 13. Successor Trustee. Upon 90 days notice to the Grantor, the Trustee may resign; upon 90 days notice to the Trustee, the Grantor may replace the Trustee; but such resignation or replacement shall not be effective until the Grantor has either appointed a successor Trustee and this successor accepts the appointment or implements another financial assurance mechanism specified in Title 10, Chapter I, Code of Federal Regulations, Section 50.75(e). The successor Trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor Trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the successor Trustee the funds and properties then constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee or for instructions. The successor Trustee shall specify the date on which it assumes administration of the trust in a writing sent to the Grantor and the present Trustee by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this section shall be paid as provided in Section 9.

Section 14. Instructions to the Trustee. All orders, requests, and instructions by the Grantor to the Trustee shall be in writing, signed by such persons as are signatories to this agreement or such other designees as the Grantor may designate in writing. The Trustee shall be fully protected in acting without inquiry in accordance with the Grantor's orders, requests, and instructions. If the NRC or State agency issues orders, requests, or instructions to the Trustee in the event of Grantor default, these shall be in writing,

signed by the NRC, State agency, or their designees, and the Trustee shall act and shall be fully protected in acting, in accordance with such orders requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor, the NRC, or State agency, hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests, and instructions from the Grantor and/or the NRC, or State agency, except as provided for herein.

Section 15. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee and, if applicable, the NRC or State agency, or by the Trustee and the NRC or State agency if the Grantor ceases to exist. Notwithstanding any provision herein to the contrary, this Agreement cannot be modified in any material respect without first providing 30 working days prior written notice to the NRC's Director of the Office of Nuclear Reactor Regulation or the Director of the Office of Nuclear Material Safety and Safeguards, as applicable. This Agreement may not be amended if the trustee receives written notice of objection from the Director, Office of Nuclear Reactor Regulation, or the Director, Office of Nuclear Materials Safety and Safeguards, as applicable, within the notice period.

Section 16. Termination. This trust agreement shall continue until terminated at the written agreement of the Grantor, the Trustee and, if applicable, the NRC or State agency, or by the Trustee and the NRC or State agency if the grantor ceases to exist. Upon termination of the trust, all remaining trust property, less final trust administration expenses, shall be delivered to the Grantor or its successor, or transferred to another financial assurance mechanism specified in 10 CFR 50.75(e), as appropriate.

Section 17. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this trust, or in carrying out any directions by the Grantor, the NRC, or State agency, issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or from the trust fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

Section 18. Choice of Law. This Agreement shall be administered, construed, and enforced according to the laws of the State of [insert name of State].

Section 19. Interpretation and Severability. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement. If any part of this agreement is invalid, it shall not affect the remaining provisions which will remain valid and enforceable.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by the respective officers duly authorized and the incorporate seals to be hereunto affixed and attested as of the date first written above.

ATTEST: Constellation Generation Group, LLC
[Signature of representative of Grantor]
[Title]

[Title]
[Seal]

ATTEST: UniStar Nuclear Operating Services, LLC
[Signature of representative of Grantor]
[Title]

[Title]
[Seal]

ATTEST: [Insert name of Trustee]
[Signature of representative of Trustee]
[Title]

[Title]
[Seal]}

**{APPENDIX A-2
EXAMPLE CERTIFICATE OF EVENTS**

[Insert name and address of trustee]

Attention: Trust Division

Gentlemen:

In accordance with the terms of the Agreement with you dated _____, we, _____, [Authorized Officers] of Constellation Generation Group, LLC and UniStar Nuclear Operating Services, LLC, hereby certify that the following events have occurred:

1. Constellation Generation Group, LLC and UniStar Nuclear Operating Services, LLC have begun the decommissioning of Calvert Cliffs Nuclear Power Plant Unit 3 located at the Calvert Cliffs Nuclear Power Plant site in Lusby, Maryland (hereinafter called the decommissioning).
2. The plans and procedures for the commencement and conduct of the decommissioning have been noticed and approved by the U.S. Nuclear Regulatory Commission, or its successor, on _____ (copy of approval attached).
3. The Board of Directors of Constellation Generation Group, LLC and the Board of Directors of UniStar Nuclear Operating Services, LLC have adopted the attached resolution authorizing the commencement of the decommissioning.

[Authorized Officer]
Constellation Generation Group, LLC

Date

[Authorized Officer]
UniStar Nuclear Operating Services, LLC

Date}

**{APPENDIX A-3
EXAMPLE CERTIFICATE OF RESOLUTION
CONSTELLATION GENERATION GROUP**

I, _____, do hereby certify that I am [Authorized Officer] of Constellation Generation Group, LLC, a Maryland limited liability company, and that the resolution listed below was duly adopted at a meeting of this Company's Board of Directors on _____, 20 ____.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of this Company this ____ day of _____, 20 ____.

[Authorized Officer]

RESOLVED, that this Board of Directors hereby authorizes the President, or such other employee of the Company as he may designate, to commence decommissioning activities at Calvert Cliffs Nuclear Power Plant Unit 3 in accordance with the terms and conditions described to this Board of Directors at this meeting and with such other terms and conditions as the President shall approve with and upon the advice of Counsel.}

**{APPENDIX A-4
EXAMPLE CERTIFICATE OF RESOLUTION
UNISTAR NUCLEAR OPERATING SERVICES**

I, _____, do hereby certify that I am [Authorized Officer] of UniStar Nuclear Operating Services, LLC, a Delaware limited liability company and that the resolution listed below was duly adopted at a meeting of this Company's Board of Directors on _____, 20__.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of this Company this ____ day of _____, 20__.

[Authorized Officer]

RESOLVED, that this Board of Directors hereby authorizes the President, or such other employee of the Company as he may designate, to commence decommissioning activities at Calvert Cliffs Nuclear Power Plant Unit 3 in accordance with the terms and conditions described to this Board of Directors at this meeting and with such other terms and conditions as the President shall approve with and upon the advice of Counsel.}

**{APPENDIX A-5
EXAMPLE ACKNOWLEDGMENT**

ACKNOWLEDGMENT

[The following is an example of the acknowledgment that should accompany the trust agreement for a standby trust fund or trust fund.]

STATE OF _____

To Wit _____

CITY OF _____

On this _____ day of _____, before me, a notary public in and for the city and State aforesaid, personally appeared _____, and she/he did depose and say that she/he is the [title], of [financial institution], Trustee, which executed the above instrument, that she/he knows the seal of said association; that the seal affixed to such instrument is such corporate seal; that it was so affixed by order of the association; and that she/he signed her/his name thereto by like order.

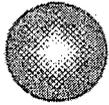
[Signature of notary public]

My Commission Expires: _____
[Date]

**{APPENDIX A-6
LETTER FROM CHIEF FINANCIAL OFFICER
OF CORPORATE PARENT}**

John R. Collins
Senior Vice President and
Chief Risk Officer

750 E. Pratt Street
17th Floor
Baltimore, Maryland 21202-3106
410.783.3230
410.783.3239 Fax



Constellation Energy

U. S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Subj: Decommissioning Financial Assurance for NRC Project No. 746

I am the chief financial officer of Constellation Energy Group, Inc. ("Company"), a Maryland corporation having its principal place of business at 750 E. Pratt Street, Baltimore, MD 21202. This letter is in support of this Company's use of the financial test to demonstrate financial assurance, as specified in 10 CFR Parts 30, 50, and 52.

Company guarantees, through a parent company guarantee to be submitted prior to fuel being authorized to be received on-site and to demonstrate compliance under 10 CFR Parts 50 and 52, the decommissioning of the following proposed facility to be owned or operated by subsidiaries of Company. The current cost estimates or certified amounts for decommissioning, and the amounts being guaranteed, are shown below:

Name of Facility: Proposed COLA project known as Calvert Cliffs, Unit 3
Location of Facility: Calvert County, MD
Current Decommissioning Cost Estimates: \$378.0 million
Amount Being Guaranteed: \$378.0 million

Company is required to file a Form 10K with the U.S. Securities and Exchange Commission ("SEC") for the latest fiscal year.

This fiscal year of this firm ends on December 31. The figures for the items in the Enclosure to this letter marked with an asterisk are derived from this firm's independently audited, year-end financial statements and footnotes for the latest completed fiscal year, ended 2006.

U.S. Nuclear Regulatory Commission regulations at 10 CFR Part 30, and guidance set forth in Regulatory Guide ("RG") 1.159 sets forth a requirement to meet at least one of two alternatives to support such a guarantee. The Enclosure to this letter demonstrates Company's qualifications relative to RG 1.159, Alternative II.

I hereby certify that the content of this letter is true and correct to the best of my knowledge.

John R. Collins
Chief Financial Officer, Senior Vice President
& Chief Risk Officer
June 18, 2007

**ENCLOSURE
FINANCIAL TEST: RG 1.159, ALTERNATIVE II**

- | | | | |
|-----|--|----------------------------|------------------------|
| 1. | Decommissioning cost estimates or guaranteed amount for facility [insert license number] (total cost of all cost estimates should be stated in paragraphs above) | | \$378.0
million (M) |
| 2. | Current bond rating of most recent unsecured issuance of this firm
Rating <u> BBB+ </u>
Name of rating service <u> S&P </u> | | |
| 3. | Date of issuance of bond <u> 06/10/2003 </u> | | |
| 4. | Date of maturity of bond <u> 06/15/2015 </u> | | |
| *5. | Tangible net worth** (if any portion of estimates for decommissioning is included in total liabilities on your firm's financial statements, you may add the amount of that portion to this line) | | \$4,736.2M |
| *6. | Total assets in United States (required only if less than 90 percent of firm's assets are located in the United States) | | \$21,801.6M |
| | | <u>Yes</u> <u>No</u> | |
| 7. | Is line 5 at least \$10 million? | <u> X </u> <u> </u> | |
| 8. | Is line 5 at least 6 times line 1? | <u> X </u> <u> </u> | |
| 9. | Are at least 90 percent of firm's assets located in the United States? If not, complete line 10. | <u> X </u> <u> </u> | |
| 10. | Is line 6 at least 6 times line 1? | <u> N/A </u> <u> </u> | |
| 11. | Is the rating specified on line 2 "BBB" or better (if issued by Standard & Poor's) or "Baa" or better (if issued by Moody's)? | <u> X </u> <u> </u> | |

* Denotes figures derived from financial statements.

** Tangible net worth is defined as net worth minus goodwill, patents, trademarks, and copyrights.

**{APPENDIX A-7
EXAMPLE AUDITOR'S SPECIAL REPORT BY CERTIFIED PUBLIC ACCOUNTANT**

CONFIRMATION OF CHIEF FINANCIAL OFFICER'S LETTER

We have examined the financial statements of Constellation Energy Group, Inc., for the year ended [date], and have issued our report thereon dated [date]. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary.

The Constellation Energy Group, Inc., has prepared documents to demonstrate its financial responsibility under the NRC's financial assurance regulations, 10 CFR Part 50. This letter is furnished to assist the licensees for [insert NRC license number, Calvert Cliffs Nuclear Power Plant Unit 3] in complying with these regulations and should not be used for other purposes.

The attached schedule reconciles the specified information furnished in the chief financial officer's (CFO's) letter in response to the regulations with the company's financial statements. In connection therewith, we have

1. Confirmed that the amounts in the column "Per Financial Statements" agree with amounts contained in the company's financial statements for the year ended [date];
2. Confirmed that the amount in the column "Per CEO's Letter" agrees with the letter prepared in response to the NRC's request;
3. Confirmed that the amount in the column "Reconciling Items" agrees with analyses prepared by the company setting forth the indicated items; and
4. Recomputed the totals and percentages.

Because the procedures in 1-4 above do not constitute a full examination made in accordance with generally accepted auditing standards, we do not express an opinion on the manner in which the amounts were derived in the items referred to above. In connection with the procedures referred to above, no matters came to our attention that cause us to believe that the chief financial officer's letter and supporting information should be adjusted.

Signature

Date}

{APPENDIX A-8

**EXAMPLE SCHEDULE RECONCILING AMOUNTS CONTAINED IN CFO'S LETTER
WITH AMOUNTS IN FINANCIAL STATEMENTS**

This illustrates the form of schedule that is contemplated. Details and reconciling items will differ in specific situations.

**Constellation Energy Group, Inc.
YEAR ENDED DECEMBER 31, 20XX**

<u>Line Number in CFO's Letter</u>	<u>Per Financial Statements</u>	<u>Reconciling Items</u>	<u>Per CFO's Letter</u>
Total current liabilities	X		
Long-term debt	X		
Deferred income taxes	X		

	XX		
Accrued decommissioning costs included in current liabilities	X		
Total liabilities (less accrued decommissioning costs)	X		
Net worth	XX		
Less: Cost in excess of value of tangible assets acquired	X		

	X		
Accrued decommissioning costs included in current liabilities	X		
Tangible net worth (plus decommissioning costs)	XX		

(Balance of schedule is not illustrated.)}

**{APPENDIX A-9
PARENT COMPANY GUARANTEE**

Guarantee made this [date] by Constellation Energy Group, Inc., a corporation organized under the laws of the State of Maryland, herein referred to as "guarantor," to our subsidiaries: Constellation Generation Group, LLC, of 111 Market Place, Baltimore, MD 21202, and UniStar Nuclear Operating Services, LLC, of 750 East Pratt Street, Baltimore, MD 21202, obligees.

Recitals

1. The guarantor has full authority and capacity to enter into this guarantee under its bylaws, articles of incorporation, and the laws of the State of Maryland, its State of incorporation. Guarantor has approval from its Board of Directors to enter into this guarantee.
2. This guarantee is being issued so that Constellation Generation Group, LLC, and UniStar Nuclear Operating Services, LLC, will be in compliance with regulations issued by the Nuclear Regulatory Commission (NRC), an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974. The NRC has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part 50, which require that a holder of, or an applicant for, a license issued pursuant to 10 CFR Part 50 provide assurance that funds will be available when needed for required decommissioning activities.
3. This guarantee is issued to provide financial assurance for decommissioning activities for Calvert Cliffs Nuclear Power Plant Unit 3 as required by 10 CFR Part 50. The decommissioning costs and guarantee amount for which are as follows: \$378 million in 2006 dollars.
4. The guarantor meets or exceeds the following financial test criteria [insert statement indicating which financial test is being used] and agrees to notify Constellation Generation Group, LLC, and UniStar Nuclear Operating Services, LLC, and the NRC of any changes in its ability to meet the criteria in compliance with the notification requirements as specified in 10 CFR Part 50.

The guarantor meets one of the following two financial tests:

- (a)(i) A current rating of its most recent bond issuance of AAA, AA, A, or BBB as issued by Standard and Poor's, or Aaa, Aa, A, or Baa as rated by Moody's; and
- (ii) Tangible net worth is at least \$10 million and at least six times the current decommissioning cost estimate or guarantee amount (or prescribed amount if a certification is used); and

- (iii) Assets located in the United States amounting to at least 90 percent of its total assets or at least six times the current decommissioning cost or guarantee amount (or prescribed amount if certification is used).

OR

- (b)(i) Net working capital and tangible net worth each at least six times the current decommissioning cost estimates or guarantee amounts (or prescribed amount if certification is used); and
 - (ii) Assets located in the United States amounting to at least 90 percent of its total assets or at least six times the amount of the current decommissioning cost estimates or guarantee amounts (or prescribed amount if certification is used); and
 - (iii) Meets two of the following three ratios: a ratio of total liabilities to net worth less than 2.0; a ratio of the sum of net income plus depreciation, depletion, and amortization to total liabilities that is greater than 0.1; and a ratio of current assets to current liabilities that is greater than 1.5; and
 - (iv) Tangible net worth of at least \$10 million.
5. The guarantor has majority control of the voting stock for the following licensee(s) covered by this guarantee. (List for each licensee: name, address, the facility(ies) owned or operated by each licensee, and the corresponding license number(s).]
6. Decommissioning activities as used below refers to the activities required by 10 CFR Part 50 for decommissioning of facility(ies) identified above.
7. For value received from Constellation Generation Group, LLC, and UniStar Nuclear Operating Services, LLC, and pursuant to the authority conferred upon the guarantor by the unanimous resolution of its directors, a certified copy of which is attached, the guarantor guarantees that if the licensee fails to perform the required decommissioning activities, as required by License No. [insert license number], due to lack of funds, the guarantor shall
- (a) provide all funds necessary, up to the amount of this guarantee in 2006 dollars and as adjusted for inflation, to carry out the required activities, or
 - (b) set up a trust fund in favor of Constellation Generation Group, LLC, and UniStar Nuclear Operating Services, LLC, in the amount of these current cost estimates or guarantee amount for these activities.

8. The guarantor agrees to submit revised financial statements, financial test data, and a special auditor's report and reconciling schedule to the NRC annually within 90 days of the close of the parent guarantor's fiscal year.
9. The guarantor and the licensee agree that if the guarantor fails to meet the financial test criteria at any time after this guarantee is established, the guarantor and the licensee shall send, within 90 days of the end of the fiscal year in which the guarantor fails to meet the financial test criteria, by certified mail, notice to the NRC. If Constellation Generation Group, LLC, and UniStar Nuclear Operating Services, LLC, fail to provide alternative financial assurance as specified in 10 CFR Part 50, as applicable, and obtain written approval of such assurance from the NRC within 180 days of the end of such fiscal year, the guarantor shall provide such alternative financial assurance in the name of Constellation Generation Group, LLC, and UniStar Nuclear Operating Services, LLC, or make full payment under the guarantee to a standby trust established by Constellation Generation Group, LLC, and UniStar Nuclear Operating Services, LLC,.
10. Independent of any notification under paragraph 8 above, if the NRC determines for any reason that the guarantor no longer meets the financial test criteria or that it is disallowed from continuing as a guarantor for the facility under License No. [insert license number], the guarantor agrees that within 90 days after being notified by the NRC of such determination, an alternative financial assurance mechanism as specified in 10 CFR Part 50 as applicable, shall be established by the guarantor in the names of Constellation Generation Group, LLC, and UniStar Nuclear Operating Services, LLC, unless Constellation Generation Group, LLC, and UniStar Nuclear Operating Services, LLC, have done so.
11. The guarantor as well as its successors and assigns shall remain bound jointly and severally under this guarantee notwithstanding any or all of the following: amendment or modification of license or NRC-approved decommissioning funding plan for that facility, the extension or reduction of the time of performance of required activities, or any other modification or alteration of an obligation of the licensee pursuant to 10 CFR Part 50.
12. The guarantor agrees that it will be liable for all litigation costs incurred by Constellation Generation Group, LLC, and UniStar Nuclear Operating Services, LLC, or the NRC in any successful effort to enforce the agreement against the guarantor.
13. The guarantor agrees to remain bound under this guarantee for as long as [Constellation Generation Group, LLC, and UniStar Nuclear Operating Services, LLC, must comply with the applicable financial assurance requirements of 10 CFR Part 50, for the previously listed facility(ies), except that the guarantor may cancel this guarantee by sending notice by certified mail to the NRC and to [licensee], such cancellation to become effective no earlier than 120 days after receipt of such notice by the NRC and Constellation Generation Group, LLC, and

UniStar Nuclear Operating Services, LLC, as evidenced by the return receipts. If the licensee fails to provide alternative financial assurance as specified in 10 CFR Part 50, as applicable, and obtain written approval of such assurance within 120 days after the sending of the above notice by the guarantor, the guarantor shall provide such alternative financial assurance.

14. The guarantor expressly waives notice of acceptance of this guarantee by the NRC or by Constellation Generation Group, LLC, and UniStar Nuclear Operating Services, LLC. The guarantor also expressly waives notice of amendments or modification of the decommissioning requirements and of amendments or modifications of the license.
15. If the guarantor files financial reports with the U.S. Securities and Exchange Commission, then it shall promptly submit them to the NRC during each year in which this guarantee is in effect.

I hereby certify that this guarantee is true and correct to the best of my knowledge.

Effective date: _____

Constellation Energy Group, Inc.

[Authorized signature for guarantor]

[Name of person signing]

[Title of person signing]

Signature of witness or notary: _____

Constellation Generation Group, LLC

[Authorized signature for licensee]

[Title of person signing]

Signature of witness or notary: _____

UniStar Nuclear Operating Services, LLC

[Authorized signature for licensee]

[Title of person signing]

Signature of witness or notary: _____ }