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BALTIMORE
GAS AND
ELECTRIC

CHARLES CENTER • P.O. BOX 1475 • BALTIMORE, MARYLAND 21203

ALFRED H. INNERS
TREASURER

January 14, 1981

Mr. Jerome Saltzman, Chief
Utility Finance Branch
Division of Engineering
Office of Nuclear Reactor
Regulation
United States Nuclear
Regulatory Commission
Washington, D.C. 20555

Subject: Calvert Cliffs Nuclear Power Plant Units Nos. 1 and 2
Docket Nos. 50-317 and 50-318
Guarantee of Retrospective Premium

Dear Mr. Saltzman:

In accordance with Mr. B. H. Sherry's letter of June 30, 1977, our annual submittal date for the Guarantee is August 1. Accordingly, we are enclosing herewith:

Exhibit I - A copy of the 1979 Annual Report to Stockholders of Baltimore Gas and Electric Company containing certified financial statements.

Exhibit II - A copy of quarterly financial statements as of June 30, 1980.

Exhibit III - A copy of Projected Cash Flow for the twelve months ended July 31, 1981.

Exhibit IV - Narrative statement on curtailment/deferment of capital expenditures (if any) to ensure that retrospective premiums up to $10 million applicable to each of the two units would be available for payment.

Please excuse the delay in submission which was the result of an inadvertant oversight.

Sincerely yours,

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Enclosures

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Internal Cash Flow Projection for Calvert Cliffs Nuclear Power Station

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 ($000)		$20,000

	Twelve Months Ended 6/30/80	Twelve Months Ended 7/31/81
Non-Cash Expenses ($000)		
Depreciation and Amortization	$104,275	$135,603
Deferred Income Taxes and Investment Tax Credits	53,445	37,033
Total	$157,720	$172,636
Percentage of Total to Maximum Total Contingent Liability	788.6%	863.2%
Retained Earnings ($000)		
Net Income After Taxes	$114,587	
Less Allowance for Funds Used During Construction	22,030	
Less Dividends Paid	77,634	
Total	$ 14,923	
Total Internal Cash Flow	$172,643	
Percentage of Total Internal Cash Flow to Maximum Total Contingent Liability	863.2%	

State of Maryland)
)SS:
City of Baltimore)

Mr. A. H. Inners makes oath and says that he is Treasurer of Baltimore Gas and Electric Company; that the above Projected Cash Flow was prepared under his direction and in good faith in accordance with the stated Underlying Assumptions; that he has examined the above projection, and to the best of his knowledge it is a fair representation of cash flow for the twelve months ended July 31, 1981.

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Subscribed and sworn to before me, a Notary Public, in and for the State and City above named, this 14th day of January, 1981.

My Commission expires July 1, 1982.

Erna S. Ray

Baltimore Gas and Electric Company

Underlying Assumptions for Projected Cash Flow

(1) Projected Cash Flow does not include an estimate of retained earnings. However, Internally Generated Funds without retained earnings are well in excess of the maximum possible retroactive premiums. The Company is expected to realize retained earnings net of Allowance For Funds Used During Construction during the projected period.

(2) Depreciation accruals based on composite straight line rates of 3.26% for electric property other than nuclear, 3.45% for nuclear property, 2.6% for gas, 2.75% for steam and 3% for common utility property.

(3) Estimates of Federal income taxes and other tax expense are based upon existing tax laws and any known changes thereto.

(4) Accounting policies consistent with those in effect June 30, 1980.

Baltimore Gas and Electric Company

Curtailment of Capital Expenditures

Estimated construction expenditures including nuclear fuel for the twelve months ended July 31, 1981 are $294 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.

BALTIMORE GAS AND ELECTRIC COMPANY

STATEMENT OF INCOME

	Three Months Ended June 30 1980	Three Months Ended June 30 1979	Six Months Ended June 30 1980	Six Months Ended June 30 1979	Twelve Months Ended June 30 1980	Twelve Months Ended June 30 1979
	(Thousands of Dollars)					
Operating Revenues						
Electric	$187,236	$167,282	$373,604	$349,043	$ 739,517	$ 724,066
Gas	75,055	62,930	198,852	168,531	317,395	275,256
Steam	2,682	2,231	8,534	7,788	13,124	12,449
Total Operating Revenues	$264,973	$232,443	$580,990	$525,362	$1,070,036	$1,011,771
Operating Expenses						
Purchased Fuel and Energy	$ 98,415	$ 71,743	$240,363	$180,606	$ 398,222	$ 349,109
Operations	51,402	44,439	102,568	88,412	196,210	171,838
Maintenance	16,469	15,400	35,989	28,550	72,352	57,145
Depreciation	19,381	18,296	39,503	39,044	80,797	79,829
Income Taxes:						
Current	24,462	6,380	18,683	27,244	426	42,604
Deferred	(13,515)	5,305	2,396	6,694	39,851	12,467
Investment Tax Credit Adjustments	2,909	4,993	7,479	7,851	16,221	17,235
Other Taxes	20,330	19,588	42,832	43,071	85,215	84,709
Total Operating Expenses	$219,853	$186,144	$489,813	$421,472	$ 889,294	$ 814,936
Operating Income	$ 45,120	$ 46,299	$ 91,177	$103,890	$ 180,742	$ 196,835
Allowance for Other Funds Used During Construction	2,993	2,478	5,850	3,766	11,628	6,089
Net Other Income and Deductions	322	429	1,310	959	2,049	1,230
Income Before Interest Charges	$ 48,435	$ 49,206	$ 98,337	$108,615	$ 194,419	$ 204,154
Interest Charges	23,442	21,328	46,776	42,702	90,234	85,661
Allowance for Borrowed Funds Used During Construction—Credit	2,912	2,019	5,692	3,069	10,402	5,120
Net Income	$ 27,905	$ 29,897	$ 57,253	$ 68,982	$ 114,587	$ 123,613
Dividends—Preferred and Preference Stock	5,528	4,519	11,058	9,047	21,795	18,122
Balance Available for Common Stock	$ 22,377	$ 25,378	$ 46,195	$ 59,935	$ 92,792	$ 105,491
Common Shares Outstanding (Thousands)						
Average During Period	32,140	31,229	31,998	31,161	31,775	31,056
At End of Period	32,212	31,323	32,212	31,323	32,212	31,323
Earnings Per Common Share (Average Shares)	$ 0.70	$ 0.81	$ 1.44	$ 1.92	$ 2.92	$ 3.40

SALES VOLUMES (Thousands)

	Three Months 1980	Three Months 1979	Six Months 1980	Six Months 1979	Twelve Months 1980	Twelve Months 1979
Electric—MWH	3,833	3,899	8,280	8,327	16,776	16,714
Gas—DTH	19,901	21,142	55,935	55,602	93,783	89,757
Steam—M lb.	362	401	1,141	1,263	1,956	2,177

NOTE: Revised August 7, 1980 to correct the balances as of June 30, 1979 for Other Deferred Debits and Other Deferred Credits.

BALANCE SHEET

	June 30 1980	June 30 1979
	(Thousands of Dollars)	
ASSETS		
Utility Plant	$3,213,861	$3,004,454
Less Accumulated Depreciation	640,614	576,616
	$2,573,247	$2,427,838
Other Investments	$ 7,890	$ 7,665
Current Assets		
Cash	$ 4,187	$ 4,519
Temporary Cash Investments	—	12,243
Accounts Receivable	111,874	94,984
Materials and Supplies	134,809	110,593
Other	12,181	5,782
	$ 263,051	$ 228,121
Deferred Fuel Costs	$ 9,313	$ (14,370)
Other Deferred Debits	$ 42,144	$ 22,527
Total Assets	$2,896,145	$2,671,781
CAPITAL AND LIABILITIES		
Common Stock and Retained Earnings		
Common Stock	$ 629,035	$ 609,394
Premium on Preferred Stock	157	157
Retained Earnings	342,203	327,318
	$ 971,395	$ 936,869
Preferred and Preference Stock		
Not Subject to Mandatory Redemption		
Preferred Stock	$ 59,185	$ 59,185
Preference Stock	175,000	175,000
Convertible Preference Stock	8,033	10,370
	$ 242,218	$ 244,555
Redeemable Preference Stock	$ 50,000	$ —
Long-Term Debt		
Mortgage Bonds	$1,205,676	$1,172,496
Debentures	33,400	34,400
Unamortized Discount and Premium	(3,935)	(2,958)
Long-Term Debt estimated to be retired within one year	(51,721)	(32,323)
	$1,183,420	$1,171,615
Current Liabilities		
Notes Payable	$ 35,900	$ —
Accounts Payable	57,276	49,987
Taxes Accrued	33,083	23,895
Interest Accrued and Dividends Declared	57,212	54,657
Long-Term Debt estimated to be retired within one year	51,721	32,323
Other	21,126	20,287
	$ 256,318	$ 181,149
Deferred Investment Credit	$ 109,773	$ 96,178
Deferred Income Taxes	$ 72,387	$ 32,536
Other Deferred Credits	$ 10,634	$ 8,879
Total Capital and Liabilities	$2,896,145	$2,671,781

The above interim statements contain apportionments and estimates of some items subject to final adjustment at the calendar year end.